



# Public Interest

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## Record-Setting Year in Returning Unclaimed Property Sets Stage for "Big List" Campaign

In fiscal year 2004, the Treasurer's Office returned more money than ever before in a single year – a record \$10.8 million to individuals, businesses and organizations. The record setting year set the stage for the launch of the 2005 public outreach campaign on November 30, 2004. More than 31,000 claims were filed during the opening two weeks of the new effort, surpassing all



previous Treasury initiatives to reunite individuals with unclaimed assets.

"Our goal is to return millions of dollars to thousands of state residents, and we're off to a great start," said State Treasurer Denise L. Nappier.

"People are checking The Big List in unprecedented numbers, and filing claims to get back money that is rightfully theirs.

Nappier cited the extraordinary response to publication of **The Big List**, which appeared in newspapers statewide, and upgrades to the Treasury's website. During the first two weeks, the Treasury has received:

- ✓ 223,078 "hits" on the Treasury website, [www.nameitandclaimit.org](http://www.nameitandclaimit.org)
- ✓ 8,814 telephone calls to the toll-free number
- ✓ 45,062 email inquiries
- ✓ 1,715 coupon responses from the newspaper supplement
- ✓ 31,559 claims generated and now being processed for verification

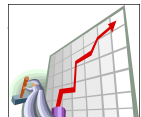
The record-setting effort to reunite individuals, businesses and organizations with unclaimed assets was kicked-off on in Milford at the Westfield Shoppingtown.



**"We achieved double-digit returns, vastly improved from a year ago, and the pension fund grew strongly despite growth in the payment of benefits.**

**We have been working diligently to navigate the scandals of the past administration and the turmoil in the stock market, and have come through with solid performance."**

*- Treasurer  
Denise L. Nappier*



## FY2004 Pension Fund Performance is Best in Four Years; Increase in Value is \$1.9 Billion

The Connecticut pension fund earned a 15.12 percent return on its investments for fiscal year 2004. During the year, the pension fund increased from \$18.3 billion in July 2003 to \$20.2 billion by the end of June 2004 – an increase of \$1.9 billion.

State Treasurer Denise L. Nappier said the 15.12 percent return is the highest achieved by the fund during the past four years. In fiscal year 2003, the fund earned 2.5 percent.

The solid performance is good news for the approximately 160,000 teachers, state, and municipal employees who are pension plan par-

ticipants and beneficiaries as well as the academic programs, grants, and initiatives that are funded through the Connecticut Retirement Plans and Trust Funds (CRPTF)

Nappier, principal fiduciary of the \$20 billion CRPTF, noted that the growth during the fiscal year occurred despite net negative operating cash flow of \$827 million, due to pension payments that exceeded contributions to the pension fund by the General Assembly. A year ago, in fiscal year 2003, the net negative outflow was \$761 million.

"As a public pension fund, we are a long-term investor. Our investment strategy is to

achieve superior returns with less risk over a market cycle, and have resisted pressure to make riskier investments," Nappier said.

The CRPTF continued to be well diversified, consistent with long-term risk/return objectives, while adhering to established investment guidelines as reflected in the Investment Policy Statement (IPS). The IPS was adopted by the Treasurer and approved by the Investment Advisory Council in the wake of the scandal involving former Treasurer Paul Silvester, as part of Treasurer Nappier's comprehensive Treasury Reform plan enacted by the General Assembly.



**Denise L. Nappier**  
**State Treasurer**

*Denise Lynn Nappier, the 82<sup>nd</sup> Treasurer of the State of Connecticut, was elected in 1998 and re-elected in 2002. She is the first African-American woman elected to serve as a State Treasurer in the United States, the first African-American woman elected to a statewide office in Connecticut, and the first woman elected Treasurer in state history.*

*Treasurer Nappier has received high praise for her commitment to ensuring the effective financial management of Connecticut's pension funds, thereby helping to preserve the future financial security of nearly 160,000 fund participants and beneficiaries.*

*Treasurer Nappier is a vigorous advocate for using the state's financial resources — and the powers of the Treasury — to expand economic opportunities for all of the citizens and businesses of this state.*

*Her initiatives have saved money for taxpayers and businesses, and placed Connecticut on the cutting edge of national issues that can benefit state residents and fund beneficiaries.*

## Low Fees Help CHET College Savings Program Reach \$500 Million Milestone in Account Assets

Connecticut's 529 college savings program, CHET, has surpassed \$500 million in assets for the first time in the program's eight-year history. The Connecticut Higher Education Trust (CHET) ended October 2004 with 42,881 accounts, also an all-time high.

"One of the distinctions of CHET is the low fees, as well as the significant tax advantages and the range of investment options to accommodate different risk tolerances," said State Treasurer Denise L. Nappier. "Especially with increasing public and regulatory scrutiny into the fees charged by the various college savings programs offered by states around the

country, CHET stands up as a leader."

CHET has no sales charges, and no charges to open an account — a key difference with many other state college savings programs. When used for qualified higher education expenses at colleges throughout the U.S. and abroad, earnings on CHET accounts are exempt from both Connecticut income

taxes and federal income taxes.

"We specifically designed the CHET program to have among the lowest fees in the nation among college savings programs," Nappier said. "Fees were lowered in 2000, and again two years later. We have never raised fees or added charges, and we won't."

Nappier noted that a total of 4,715 have been opened from the beginning of 2004 through October 31. Average account size is \$11,677, compared with \$10,461 at the end of 2003 and \$8,238 at the end of 2002. Total assets in the program were \$405.5 at the end of 2003 and \$257.3 million a year earlier.



## Initiative to Recapture Funds from Class Action Suits Achieves Unprecedented Success; Record \$2.1 Million in Fiscal Year

Connecticut's pension fund has recovered a nearly \$5.2 million from claims filed in class action lawsuits, a central component of the Treasury's innovative asset recovery and loss prevention program. Treasurer Denise L. Nappier said the landmark Treasury program she instituted just four years ago is making certain that the Treasury is aware of and is filing necessary paperwork to claim funds in class action suits.

The effort has brought in more than \$2 million in a single fiscal year for the first time this year. The amount collected by the Treasury in class action proceeds has increased from \$44,000 in fiscal year 2000, when the Office began to look at class action recovery, to \$138,000 in fiscal year 2001, when the formal program first began, increasing to \$1.4 million in 2002, \$1.5 million in fiscal year 2003 and \$2.1 through the first three quarters of FY 2004.

"This is really found money. In the past, like many other funds, Connecticut did not have a consistent plan to find out about class action settlements in which the fund could receive a share of the settlement by filing a claim. We now stay up-to-date on cases that could benefit the fund, and we go after money we're entitled to," said Nappier.

## Treasury Bond Issues Continue to Bring Savings for Taxpayers

Connecticut taxpayers will save \$44.7 million in interest payments over the next 16 years and there will be nearly \$25 million in immediate budget savings during the next two years, following two record-setting bond issues administered by the Treasurer's Office.

Treasurer Denise Nappier said the \$1.03 billion in general obligation refunding bonds sold in March represents the largest State bond issue in Connecticut history, and will dramatically lower the interest rate being paid by the State. The other bond issue, conducted in mid-February, achieved the lowest cost for a 20-year general obligation new money bond issue in 30 years. Together, the two bond issues will bring nearly \$25 million in budget relief over the next two years — \$7.5 million from last week's refunding issue and \$17 million from last month's bond issue.

"We are continuing our efforts to take advantage of attractive interest rates and lock in low cost financing for approved state projects and to refinance existing bonds for added savings."

**TREASURER'S OFFICE ON THE WEB**



**[www.state.ct.us/ott](http://www.state.ct.us/ott)**