

BE LEARY OF “PARTNERING”  
WITH A PROPERTY FINDER

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Unclaimed property consists of bank accounts, wages, utility deposits, insurance policy proceeds, stocks, bonds, and contents of safe deposit boxes that typically have been abandoned for one to five years. Funds become unclaimed when company loses track of the owner, perhaps due to an incorrect address or other missing information. By law, these funds are “escheated”, or turned over, to the North Carolina Department of State Treasurer for safekeeping. The State Treasurer has a program, “NC Cash Match,” which allows certain unclaimed property owners to receive funds valued at \$5,000.00 or less with little or no effort as a service of the State Treasurer. The State Treasurer also has a very user-friendly website, [www.NCCash.com](http://www.NCCash.com), which allows unclaimed property owners to search for their names and claim their property for free with no assistance. But there are businesses based both in and outside North Carolina that locate unclaimed property for others and charge a fee. This can be a real service for some unclaimed property owners, such as when an estate needs to be reopened and multiple heirs need to be contacted. For more information about the law governing unclaimed property and these “property finders,” take a look at North Carolina General Statutes Chapter 116B.

Historically, the acts performed by a property finder who charges a fee clearly fell within the definition of “private investigator” set forth in N.C. Gen. Stat. §74C-3, but since neither Chapter 116B nor Chapter 74C specifically said these property finders must be licensed by both the Department of State Treasurer’s, Unclaimed Property Division and the Private Protective Services Board, the Board struggled with enforcement.

The Board occasionally received complaints from licensed private investigators that these persons and firms were operating illegally. The Board’s staff worked with the staff of State Treasurer Dale Folwell’s office for over three years trying to resolve this issue. Ultimately, legislative intervention appeared to be the only answer and the State Treasurer was successful in amending Chapter 116B to strengthen its language. Beginning January 1, 2022, property finders are not only required to register annually with the State Treasurer pursuant to N.C. Gen. Stat. §116B-78, they are also required by N.C. Gen. Stat. §116B-78.1 to be licensed as a Private Investigator.

It appears as if the problem is resolved, and in most instances there has been voluntary compliance. However, another issue has arisen of which licensed private investigators need to be aware. The Board has already investigated instances where a national property finder firm made some kind of arrangement to use a North Carolina licensed Private Investigator merely to obtain licensure from the State Treasurer. The private investigator has no other interest – ownership, financial, etc. – with the firm. The firm just wants “a license to hang on the wall” as in someone to list on the application so it can obtain or maintain licensure as a property finder.

What private investigators need to know is that if there is a violation of the Department of State Treasurer's law or administrative rules, the PI will have the liability. In turn, that action will be reported to the Board for action. The Board continues to work closely with the State Treasurer's Office on these matters.

Be cautious if approached by such a firm.