**Section 760.90 Examination of Property Holders**

a) The State Treasurer shall notify the holder, in writing, ten days prior to an examination conducted pursuant to Section 23 of the Act. The Treasurer may waive the ten-day notice prior to performing an unclaimed property examination if, as a result of past experience or an examiner consultation, the Treasurer determines that the existence of the records may be placed in jeopardy by use of the notice provision.

b) If unreported property is discovered, the Treasurer shall order the holder to report and remit the property pursuant to the Act and the Rules.

c) Pursuant to Section 23 of the Act, the Treasurer shall have *reason to believe* that a holder has failed to report property in accordance with the Act and may examine the records of the holder, anytime one of the following conditions exist:

1) A holder has submitted reports to the Treasurer in two successive calendar years in which the holder's reports state it has no unclaimed property.

2) A holder has not submitted a report to the Treasurer for two successive calendar years.

3) A personal interview by State Treasurer staff with the appropriate representative of the holder reveals any of the following:

A) The holder adjusts its asset statements by writing-off property such as check or credit balances that could be deemed unclaimed property under the Act; or

B) The holder does not follow generally-accepted accounting principles (Financial Accounting and Reporting Standards of the Financial Accounting Standards Board, 407 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116 (1994), no subsequent dates or editions), or the Act with regard to unidentified remittances or the establishment of unclaimed property liability accounts; or

C) The holder does not follow generally-accepted accounting principles (Financial Accounting and Reporting Standards of the Financial Accounting Standards Board, 407 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116 (1994), no subsequent dates or editions), or the Act with regard to the disposition of unidentified credits; or

D) The holder does not retain records for five (5) years beyond the period of abandonment to determine the disposition of property which could be deemed abandoned under the Act; or

E) The holder's records preclude the Treasurer from determining the disposition of property which could be deemed abandoned under the Act.

4) The Treasurer is notified by another governmental agency in writing or verbally with written confirmation that a holder is not in compliance with the Act.

5) The total unclaimed property remitted by a holder is below the average remittance for other holders in the same industry and that have assets of similar size to the holder.

6) A holder does not report all types of unclaimed assets they may be holding as indicated by but not limited to:

A) A previous examination of the holder; or

B) A comparison with the asset types reported by other holders in the same industry and that have assets of similar size to the holder.

7) A holder is discovered as a subsidiary or affiliate of another holder which has been or is being examined.

8) A holder is discovered as a principal or holding company of another holder which has been or is being examined.

9) An unclaimed property examination of the records of the holder has not been performed for 5 or more calendar years.

10) Changes in a holder's business practices, including, but not limited to, changes in financial status, technological advances, corporate structure, change in ownership, etc.

11) The Treasurer has issued a written notice of deficiency to a holder.

12) The Treasurer issued a fee assessment to a holder.

d) Notwithstanding the enumerated conditions listed in subsections (c)(1)-(c)(12) above, the Treasurer may conduct an examination of a holder based on facts within the knowledge of or imparted to the Treasurer by others.

(Source: Amended at 18 Ill. Reg. 18001, effective December 12, 1994)