

## OFFICE OF THE TREASURER

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The State Treasurer is the state's chief investment officer, managing a portfolio of more than \$7 billion in state funds and \$5 billion pooled from local governments. The Treasurer's office establishes sound investment policies to ensure the safekeeping of those funds, provide the necessary liquidity to pay the state's bills, and earn a high rate of return for taxpayers and local governments.

The Treasurer's office administers the Bright Start College Savings Program, which enables families to combat the rising costs of college by earning tax-free money toward a child's higher education. The office also oversees several low-interest loan and financial aid programs aimed at spurring economic growth, creating jobs, providing assistance to farmers, enhancing Illinois communities and making homeownership a reality. The office's Unclaimed Property Division aims to reunite more than \$1 billion in lost and abandoned property and cash with its rightful owners and generate new revenue for the state. Financial education courses also are available for children and adults that focus on avoiding debt and building wealth.

### Investing

As the state's banker, Treasurer Alexi Giannoulias is responsible for investing and protecting nearly \$13 billion taxpayer dollars. Approximately \$7 billion in the Treasurer's portfolio comes from taxes and fees paid to the state. Illinois lawmakers budget nearly all the tax dollars collected by the state each year, but these monies are not spent all at once. Investment earnings are used for funding schools, transportation improvements, hospitals and general government operations. The state has earned more than \$4 billion in investments since 1995.

The Treasurer's office invests approximately \$7 billion on behalf of local governments into pooled investments called The Illinois Funds to achieve better returns through safe investments. The Illinois Funds Money Market Fund is an investment tool offered to governmental entities and has earned Standard & Poor's AAAM rating. The fund provides a competitive rate of return and all the conveniences of a checking account. Through The Illinois Funds, government jurisdictions can offer their constituents the convenience of E-Pay, which allows bill and fee payments from residents online, by phone or in person.

Treasurer Giannoulias is committed to making the investment process transparent. The office began posting investment summaries and benchmarks online for the first time



**Treasurer Alexi Giannoulias has pledged to use his financial expertise to employ new investment strategies aimed at increasing state revenues and introduce innovative programs that invest in communities throughout Illinois.**



Treasurer Giannoulias established the Fallen Heroes Scholarship Fund for children of Illinois soldiers killed in the line of duty. He awarded the first \$2,500 college scholarship to Charon Farmer, second from right, whose father was killed during deployment overseas. With Giannoulias is former director of the Illinois Department of Veterans' Affairs Tammy Duckworth and state Representative Michael Bond (D-Grayslake).

in 2007. Giannoulias also crafted legislation that requires the office to post monthly investment updates as a means of holding the state more accountable for its investments.

### **Ethics**

Upon taking office, Treasurer Giannoulias signed an executive order aimed at eliminating any perception that the Treasurer's office would engage in "pay-to-play" politics. The measure included banning political contributions to the Treasurer's campaign fund from banks, office employees and contractors; requiring transparency in contract bids; restricting lobbying by former employees; and forbidding gifts from lobbyists.

### **Protecting Consumers**

The Treasurer's office makes it a priority to protect Illinois consumers against unfair and deceptive financial practices and scams. The office drafted successful legislation to end predatory credit card marketing practices on college campuses, and capped the fees that for-profit companies can charge to find unclaimed property, a process that people can typically do themselves for free. In 2009, Treasurer Giannoulias proposed legislation that would regulate debt settlement companies operating in Illinois so distressed borrowers can better avoid bankruptcy and further debt.

### **College Savings**

The Bright Start College Savings Program is Illinois' tax-exempt 529 program designed to help Illinois families and individuals nationwide save for future higher education expenses. Established in 2000, Bright Start boasts more than \$2.2 billion in assets and includes more than 142,000 accounts.

Treasurer Giannoulias negotiated a contract with a new program manager, OppenheimerFunds, which resulted in lower fees and new investment options, including popular Vanguard Funds. The changes were designed to save participants more money, provide

greater flexibility and inspire more families to start saving for their children's future. As part of its contract, the state also secured \$3.5 million in Bright Start scholarship funds for Illinois students, including Fallen Heroes Scholarships available for children of Illinois military personnel killed in the line of duty.

Bright Start dollars may be applied toward tuition, fees, books and supplies, and room and board at any accredited college — public or private — in the United States or abroad. For Illinois residents, Bright Start contributions are tax deductible while earnings and withdrawals are state tax-exempt.

## Low-Interest Loans

Under state law, the Treasurer's office has the authority to deposit state money at a reduced rate of interest in local financial institutions that offer specific community development projects and programs. Illinois is one of 20 states nationwide that offers "linked deposits" to qualified individuals and businesses. The Linked Deposit program was created in the early 1980s to help Illinois farmers, and today nearly one out of every seven farmers in the state participates. Linked deposits fall under three categories:

- **Cultivate Illinois** provides farmers and agriculture professionals access to capital for annual operating costs, long-term investments, alternative agriculture initiatives and drought or natural disaster recovery. Treasurer Giannoulis has committed a record \$4 billion over four years to Illinois farmers who need loans so they can stay competitive with other states. Business owners also can receive reduced interest rates on loans to make their business more energy efficient under the Green Energy program.
- **Opportunity Illinois** backs low-interest loans for consumers and community development agencies. Consumer loans are targeted for individuals with disabilities, National Guard and Reserves soldiers, and Illinoisans whose property has sustained weather-related damage. Community development loans focus on businesses and non-profit organizations that provide needed services to their communities.
- **Employ Illinois** allows the state to deposit money into banks, provided it gets loaned to businesses at reduced rates. The businesses must commit to creating jobs with annual salaries and benefits equal to the state deposit. Treasurer Giannoulis' administration has made nearly \$17 million in Employ Illinois deposits, which has created more than 500 jobs across the state.

## Finally Home

Finally Home is geared toward potential homeowners who experience difficulty in securing a conventional mortgage loan and property owners who need to refinance a mortgage to prevent foreclosure. The objective is to keep Illinois homebuyers and homeowners in traditional lending programs rather than resorting to predatory lenders.

The Treasurer's office offers an incentive for lenders to approve loans by guaranteeing 10 percent of the mortgage value for the first five years of a mortgage. Prospective homeowners must have an annual income of \$75,000 or less, and the price of their dwelling must be below the median home value for the county where it is located. Treasurer Giannoulis amended the program's guidelines to allow homeowners to refinance their mortgages at a lower interest rate *before* they miss a payment as a means to head off foreclosure proceedings.



Treasurer Giannioulias participates in the annual Twilight Parade that kicks off the Illinois State Fair. The Treasurer's staff conducts on-site database searches for fairgoers to determine if they are owed any unclaimed property held by the state. More than 10 million Illinois residents are owed nearly \$1.5 billion in unclaimed property.

## Unclaimed Property

The Treasurer's office is responsible for the safekeeping and return of lost, abandoned or forgotten cash and property commonly known as "unclaimed property." This property comes in all forms — from the contents of old safe deposit boxes and paid-up life insurance policies to long-lost bank accounts and entire estates.

As a means of returning these assets to their rightful owners, the Treasurer's office publishes the names of unclaimed property owners twice a year in local newspapers across the state. The office also maintains an online database at [www.cashdash.net](http://www.cashdash.net) where property owners can file claims. The office also auctions the contents of abandoned safe deposit boxes and holds the money for the rightful owners. Treasurer Giannioulias initiated a pilot program in 2007 to auction unclaimed property from safe deposit boxes on eBay. Since then, the online auctions have generated more than \$500,000 in revenue.

## Venture Capital

The Treasurer's office invests in Illinois-based private equity firms to attract, assist and retain quality technology businesses and jobs in Illinois, and to encourage expansion of the state's science and technology sectors. Under the \$75 million program, the Treasurer invests in venture capital funds that commit to funding companies or projects in Illinois, ranging from \$400,000 to \$4 million. The money helps fund start-up businesses and allows companies to grow, creating jobs and providing a healthy return on the state's investment.

## Financial Education

The office's Financial Education Division provides Illinoisans with pertinent financial education and access to a variety of financial information to facilitate economic empowerment, wealth accumulation, and protection against consumer fraud and predatory lending practices. The office accomplishes this through instructional conferences such as Smart Women/Smart Money and Smart Teen/Smart Money, workshops such as Slaying the Debt Dragon and Community Coalitions Fighting Foreclosure, and online resources such as the office's Debt Reduction Challenge and Unemployment Guide.

## Treasurer's Staff Members



**Robin Kelly**  
*Chief of Staff*



**Ed Buckles**  
*Deputy Treasurer/  
Chief Fiscal Officer*



**Paul Miller**  
*Deputy Chief of  
Staff/General Counsel*

Mary Baksys.....	<i>Manager, Accounting</i>
Bill Browne.....	<i>Director, Economic Development</i>
Scott Burnham.....	<i>Director, Communications</i>
Randy Coffey.....	<i>Director, Illinois Funds</i>
Robert Crouch.....	<i>Director, Human Resources</i>
Colleen Daley.....	<i>Director, Legislative Affairs</i>
Gina DeCiani.....	<i>Chief Legal Counsel</i>
Jim Irmen.....	<i>Chief Information Officer</i>
Josh Joyce.....	<i>Director, Unclaimed Property</i>
Scott Kennedy.....	<i>Senior Advisor</i>
Jim Kramp.....	<i>Director, Warrants Division</i>
Laura Oakleaf.....	<i>Senior Policy Analyst</i>
Aimee Pine.....	<i>Director, Scheduling, Logistics &amp; External Affairs</i>
Rhonda Poeschel.....	<i>Manager, Banking</i>
Mark Polistina.....	<i>Manager, Portfolio</i>
Barb Ringler.....	<i>Chief Internal Auditor</i>
Carina Sanchez.....	<i>Manager, External Affairs</i>
Kevin Smith.....	<i>Director, Financial Education</i>
David Wells.....	<i>Executive Inspector General</i>
Shirley Yang.....	<i>Director, College Savings</i>