

2026-363



Memorandum
Office of the County Attorney
Michaelian Office Building

TRANSMITTAL MEMO

To: The Honorable Members of the Board of Legislators

From: John Nonna, County Attorney

Date: July 23, 2026

Re: Request for authorization to assign a bankruptcy recoverable owed to the Department of Environmental Facilities to recover such recoverable minus a "finder's fee."

Attached for your consideration is an Act which, if enacted by your Board, would authorize the assignment of a \$84,051.82 bankruptcy recoverable of which the Department of Environmental Facilities ("DEF") has been notified by Dilks & Knopik, LLC, ("D&K"), an unclaimed fund recovery service, as respects bankrupt debtor GGSI Liquidation, Inc. ("GGSI"). DEF will assign to D&K the right to recover the \$84,051.82 due to DEF in exchange for payment of \$58,836.27 to DEF. The \$58,836.27 will be remitted to DEF once the full debt has been released from the court to D&K.

Based upon our due diligence with regards to D&K, I believe that it is a reputable company. D&K is a business specializing in unclaimed funds. Unclaimed funds are money or property that belongs to someone, but has not been claimed, often because the owner is unknown, cannot be found, or has not come forward. D&K has maintained an A+ rating with the Better Business Bureau since its accreditation in 2003 and is fully insured with professional liability insurance.

DEF is creditor to GGSI in its bankruptcy case, number 01-31751-JBS, filed in the Northern District of Illinois (the "Case"). As a creditor in the Case, DEF is entitled to funds from GGSI's bankruptcy estate in the amount of approximately \$84,051.82. However, payment by GGSI to DEF could not be achieved, and under Federal Rule of Bankruptcy Procedure 3011 and Section 11 U.S.C. 347, the funds were deposited into the Court's Unclaimed Fund Registry, where they remain subject to withdrawal under Section 28 U.S.C. 2042.

Section 28 U.S.C. 2042 specifies that if court-held money sits unclaimed for five years, the funds get transferred to the Federal Treasury. The rightful owner can still file for recovery, prove the funds belong to the claimant, and obtain a court order requiring payment to the company. To recover this money, the claimant must petition the court for release of those funds, provide notices of the request to the United States Attorney and, after providing full proof of the right thereto, may obtain an order from the court directing payment to the claimant. Through this

act of the County's Board of Legislators, the rights to recover would be transferred to D&K.

For DEF to retrieve these funds on its own, I would need to retain local counsel to execute the lengthy claiming process under Section 28 U.S.C. 2042 on behalf of DEF.

If DEF assigns its recovery rights to D&K, my staff has been advised that recovering the funds GGSI owes DEF will take approximately three to five months. Conversely, pursuing recovery through local counsel is expected to take approximately one and a half to two years. In addition, D&K has already worked extensively on the GGSI bankruptcy matter and possesses detailed knowledge of the court holding the funds. As a result, D&K knows precisely with whom to file the claim and how to efficiently obtain and conduct the necessary hearing. Lastly, securing the funds via D&K requires no oversight on the part of our staff attorneys because D&K has been engaged in this bankruptcy for multiple years and is completely familiar with the bankruptcy. Conversely, local counsel is unlikely to have the prerequisite knowledge to recover the funds GGSI owes to DEF in such a short time frame.

Because retaining local counsel would take significantly more time and money and would likely result in more work for our staff attorneys, I determined that paying the commission to D&K was the more practical and cost-effective option to secure the funds.

A draft Assignment Agreement specifies that DEF will assign to D&K the right to recover the \$84,051.82 due to DEF in exchange for payment of \$58,836.27 to DEF. Payment will be remitted to DEF once the full debt has been released from the court to D&K.

The accompanying Act will authorize DEF to assign the bankruptcy recoverable due to it by GGSI to D&K for payment of \$58,836.27.

BOARD OF LEGISLATORS
COUNTY OF WESTCHESTER

Your Committee is in receipt of a proposed Act, which, if enacted by your Board, would authorize the assignment of a \$84,051.82 bankruptcy recoverable of which the Department of Environmental Facilities (“DEF”) has been notified by Dilks & Knopik, LLC, (“D&K”), an unclaimed fund recovery service, as respects bankrupt debtor GGSI Liquidation, Inc. (“GGSI”). DEF will assign to D&K the right to recover the \$84,051.82 due to DEF in exchange for payment of \$58,836.27 to DEF. The \$58,836.27 will be remitted to DEF once the full debt has been released from the court to D&K.

Based upon the County Attorney’s due diligence with regards to D&K, the County Attorney believes that it is a reputable company. D&K is a business specializing in unclaimed funds. Unclaimed funds are money or property that belongs to someone, but has not been claimed, often because the owner is unknown, cannot be found, or has not come forward. D&K has maintained an A+ rating with the Better Business Bureau since its accreditation in 2003 and is fully insured with professional liability insurance.

DEF is creditor to GGSI in its bankruptcy case, number 01-31751-JBS, filed in the Northern District of Illinois (the “Case”). As a creditor in the Case, DEF is entitled to funds from GGSI’s bankruptcy estate in the amount of approximately \$84,051.82. However, payment by GGSI to DEF could not be achieved, and under Federal Rule of Bankruptcy Procedure 3011 and Section 11 U.S.C. 347, the funds were deposited into the Court’s Unclaimed Fund Registry, where they remain subject to withdrawal under Section 28 U.S.C. 2042.

Section 28 U.S.C. 2042 specifies that if court-held money sits unclaimed for five years, the funds get transferred to the Federal Treasury. The rightful owner can still file for recovery, prove the funds belong to the claimant, and obtain a court order requiring payment to the company. To recover this money, the claimant must petition the court for release of those funds, provide notices of the request to the United States Attorney and,

after providing full proof of the right thereto, may obtain an order from the court directing payment to the claimant. Through this act of the County's Board of Legislators, the rights to recover would be transferred to D&K.

For DEF to retrieve these funds on its own, the County Attorney would need to retain local counsel to execute the lengthy claiming process under Section 28 U.S.C. 2042 on behalf of DEF.

If DEF assigns its recovery rights to D&K, the County Attorney was advised that recovering the funds GGSI owes DEF will take approximately three to five months. Conversely, pursuing recovery through local counsel is expected to take approximately one and a half to two years. In addition, D&K has already worked extensively on the GGSI bankruptcy matter and possesses detailed knowledge of the court holding the funds. As a result, D&K knows precisely with whom to file the claim and how to efficiently obtain and conduct the necessary hearing. Lastly, securing the funds via D&K requires no oversight on the part of the County Attorney's office because D&K has been engaged in this bankruptcy for multiple years and is completely familiar with the bankruptcy. Conversely, local counsel is unlikely to have the prerequisite knowledge to recover the funds GGSI owes to DEF in such a short time frame.

Because retaining local counsel would take significantly more time and money and would likely result in more work the County Attorney's Office, the County Attorney determined that paying the commission to D&K was the more practical and cost-effective option to secure the funds.

A draft Assignment Agreement specifies that DEF will assign to D&K the right to recover the \$84,051.82 due to DEF in exchange for payment of \$58,836.27 to DEF. Payment will be remitted to DEF once the full debt has been released from the court to D&K.

Your Committee has carefully considered the subject matter, the settlement proposal, the attached Act and recommends authorizing the County Attorney or his designee to assign the bankruptcy recoverable due to DEF by GGSI to D&K for payment of \$58,836.27.

An affirmative vote of a majority of the Board is required to pass this legislation.

Dated: White Plains, New York

, 2026

COMMITTEE ON:

FISCAL IMPACT STATEMENT

SUBJECT: Bankruptcy Bill

NO FISCAL IMPACT PROJECTED

OPERATING BUDGET IMPACT

SECTION A - FUND

GENERAL FUND

AIRPORT FUND

X

SPECIAL DISTRICTS FUND

SECTION B - EXPENSES AND REVENUES

Total Current Year Expense

Total Current Year Revenue

58,836.27

Source of Funds (check one):

Current Appropriations

Transfer of Existing

Additional Appropriations

Appropriations Other (explain)

Identify Accounts: 251-60-7700-7700-9670

Potential Related Operating Budget Expenses:

Annual Amount

Describe:

Potential Related Operating Budget Revenues:

Annual Amount

58,836.27

Describe: GCSI bankruptcy case number 01-01751-JBS

Anticipated Savings to County and/or Impact on Department Operations:

Current Year:

Next Four Years:

Prepared by:

Sebastian Abraham

Title:

Budget Specialist II

Department:

Environmental Facilities

Date:

07/16/2026

Approved by:

Christina
Rampata

Budget Director

Date:

Digitally signed by Christina
Rampata
Date: 2026.07.22 15:20:44
UTC

ACT NO. -2026

AN ACT authorizing the County Attorney to assign a bankruptcy recoverable owed to the Department of Environmental Facilities to recover such recoverable minus a “finder’s fee.

BE IT ENACTED by the Board of Legislators of the County of Westchester as follows:

Section 1. The County Attorney is authorized to assign a \$84,051.82 bankruptcy recoverable owed to the Department of Environmental Facilities by debtor GGSI Liquidation, Inc. to Dilks & Knopik in exchange for payment of \$58,836.27 to the Department of Environmental Facilities. The \$58,836.27 will be remitted to the Department of Environmental Facilities once the full debt has been released from the court to Dilks & Knopik.

Section 2. The County Attorney or his designee is hereby authorized and empowered to execute and deliver all documents and take such actions as the County Attorney deems necessary or desirable to accomplish the purpose of this Act.

Section 3. This Act shall take effect immediately.