

COLLECTIONS AND PROBATION: THE SYSTEM IS BROKEN

SUMMARY

The Yolo County Collection Services (YCCS or Collection Services) collects a variety of fees for the court and other County Departments. The YCCS is charged with collecting probation fees, except victim restitution. However, YCCS is not able to collect all the fees that are due from persons on probation. A significant number of monthly billing statements mailed to probationers are undelivered because of incorrect mailing addresses. This is due to insufficient staff, lack of pertinent staff training, and limited communications between the YCCS and the Probation Department.

The manual of procedures for processing and recording payments is not updated to the accounting and collection system currently being used. YCCS uses accounting and collection software that is not fully integrated with the Probation Department. The billing statements are not clear and often contain confusing, incomplete, or incorrect, information as to how much probationers owe and what the amounts represent.

BACKGROUND

People on probation pay fees to the County for services. The Yolo County Grand Jury (YCGJ) received a citizen's complaint expressing confusion about probation billing statements, and particularly the types of fees and amounts owed. The grand jury became aware of underlying problems contributing to confusion and potential loss of revenue in the current Yolo County process for collection of probation fees. YCGJ decided to investigate the collection procedures of YCCS and the Probation Department. California Penal Code Section 925 authorizes the grand jury to investigate and report upon the operations, accounts and departments of Yolo County.

METHODOLOGY

During the grand jury's investigation, department heads, supervisors, clerical staff and past and present employees of both departments were interviewed. Existing procedures, policies and other county documents added background on how YCCS and the Probation Department are intended to work together to ensure fees are explained to the probationer, collected, and recorded in a timely manner. In addition to Yolo County administrative documents, YCGJ utilized both public information web pages and County intranet sites limited to official business access. The YCGJ focused the investigation on the accounting and collection processes involving the Probation Department.

DISCUSSION

The Yolo County Collection Services and the Probation Department have separate roles in dealing with probation matters. The YCCS role is primarily fiscal, dealing with probationer payments and account records. Conversely, Probation Department focuses on probationer supervision and conduct obligations. This role disparity leads to incongruent practices in collecting and processing probation fee payments, and consequently, contributes to a loss in County revenues.

When the Yolo County Superior Court admits a defendant to formal probation a document is provided that describes the standard terms and conditions of probation. Among those terms and conditions a probationer is required to:

- report to the Probation Officer at the times directed
- advise the Probation Officer, YCCS, and the Yolo Superior Court Payment Center (YSCPC) within 48 hours of any change of residence
- pay all ordered financial obligations to YCCS, YSCPC or the Probation Department

The Probation Department has periodic face to face interaction with the probationers who are required to inform them of any change of residence. However, the Probation Department does not have a routine practice of updating the probationers' addresses for use by YCCS in collection efforts.

Some of the probation fees are listed in the document provided by the Probation Department when a person begins formal probation. These and other fees are itemized and billed by YCCS on a monthly statement.

The statement advises the probationer to contact YCCS to make payment arrangements if they are unable to pay in full. Probationers can obtain current information about fees they owe from the YCCS monthly statement by visiting or phoning YCCS or the Probation Department. YCCS staff is available to explain the individual fees and payments schedule. YCCS collects fees from probationers ordered by the court for the Public Defender, Sheriff's Department and the Probation Department. YCCS also collects delinquent accounts turned over to them by other county departments as a last resort for collection.

Probationers may be responsible for a wide variety of fees which vary by degree of offense, misdemeanor versus felony. There are scores of fee types. Types include, but are not limited to, restitution fines, probation revocation, criminal laboratory analysis, drug program fees, penalty assessments for specific types of offenses (e.g. DUI, domestic violence, sex offenses, etc.). All probationers are assessed a processing fee, fine or penalty depending on circumstances, and a sentencing fee determined by the court. They may be responsible for public defender fees, if required. Fees may amount to considerable totals varying from a few hundred dollars to thousands of dollars depending on the circumstances of each case (Exhibit 1).

The collection of victim restitution fees was transferred to the Superior Court in 2010. This transfer represented 20% of the total YCCS collections. Based on information provided for the

Following are some examples of typical fee amounts and other charges that might be billed to probationers:

- Restitution fine; felony case \$300, misdemeanor case \$150
- Probation revocation; felony case \$300, misdemeanor case \$150
- Criminal laboratory analysis \$50, penalty assessment \$155
- Drug Program Fee \$150, penalty assessment \$465
- Restitution determined by the court covering losses found against the probationer plus 10% per annum
- Battery \$500 pursuant to Penal Code 1203.097, processing fee \$20, \$250 pursuant to Penal Code 1463.27
- Sex offender \$300, penalty assessment \$930, processing fee \$20.
- DUI \$700, penalty assessment \$2,100, processing fee \$35, Alcohol Education \$50.
- Criminal Conviction Assessment, felony/misdemeanor \$30
- Probation, fine \$500, penalty \$1,550, processing fee \$35
- Public Defender, felony \$350, misdemeanor \$275
- Sentencing fee, determined by the court

FY2013-14 period, YCCS billed probationers \$946 thousand and collected \$209 thousand (22%).

In 2008, YCCS installed a Windows based system called Revenue Results (RevQ). It became fully operational in 2010. The Probation Department was given full access to RevQ to use for daily information and collection work. Training was initially available to the Probation Department staff and YCCS encouraged the Probation Department staff to use RevQ. The training and the use of RevQ was not completely successful due to attrition, staff movement, and heavy workload.

The Probation Department clerical staff issue receipts for cash and check payments and turn over the payments to YCCS weekly or when the total collections exceed \$500. YCCS posts the payments into the RevQ system. Credit card payments are posted directly into the system. Since payment posting can be delayed a week, there can be uncertainty about how much is owed in real time.

When there is a problem with RevQ, or someone does not understand the system, the vendor is called and the County is charged for the assistance. These fees are expensive, discouraging YCCS staff from calling, and thus the questions are often unanswered and the problems unresolved. YCCS is considering upgrading the RevQ software from version 10.5 to version 11.0 to consolidate the payroll and financial accounts, improve reports, and integrate with software being used by other County Departments.

Collection Services and the Probation Department use different accounting and collection systems which are not fully integrated. The Probation Department uses a number of software systems such as Lawsuit, RevQ, and Reflections to enter charges and initial information. Changes to probationers' contact information made by the Probation Department are not routinely shared with YCCS. If YCCS makes changes or first time entries into RevQ the updates are inconsistently shared with the Probation Department. The Probation Department staff is not trained to access the information in RevQ. When information is needed in select cases they contact YCCS for help.

YCGJ learned from multiple witnesses that no regular statistical reports are generated from the current accounting and reporting systems (e.g., total charges and collections by types of fees, volume of returned mail) because of staff changes and a lack of resources. Both YCCS and the Probation Department indicated that the existing report options are inadequate.

YCCS creates a billing record for each probationer. This information is sent to an out-of-state vendor to create the monthly billing statements which are mailed to the probationers. There is no billing statement generated if the account has a zero balance. Any overpayment by the probationer will be refunded. A grand jury review of examples of probationers' monthly billing statements found that some information is inaccurate, confusing and difficult to understand. The previous end of month balance by type of fees is not carried forward to the current month statement and line items are not clearly defined.

There are approximately 1,000 billing statements mailed every month by the out-of-state vendor. Due to the transient nature of some probationers, a significant number are returned because of incorrect addresses. Time permitting, YCCS searches current addresses using the Accurint software. However, there are still persistent backlogs leading to less revenue collected. Prior to 2006, six revenue collection employees were assigned to the YCCS. By 2013, the staff was reduced to two.

YCCS gives the probationer repeated opportunities to pay and offers an “ability to pay” hearing. Then YCCS evaluates the financial information to determine whether a lower payment is warranted. Through continued efforts, YCCS attempts to bring delinquent accounts current. If probationers do not make a payment for 120 days, accounts are forwarded to the California Franchise Tax Board for collection through the Tax Intercept Program at a cost of 15%.

The grand jury learned that the Probation Department and the YCCS staff lack the training to operate the accounting and collection systems proficiently. Both departments had key personnel recently retire or reassigned who had extensive knowledge of the collection systems. This institutional knowledge was neither updated in the procedural manuals nor handed down to the new people in charge.

FINDINGS

- F1. The monthly billing statements sent to probationers are difficult to understand.
- F2. Billing and collection procedures of YCCS in the lifecycle of probation are not thoroughly understood by its staff, the Probation Department, or probationers.
- F3. Due to attrition of experienced staff, the present employees at YCCS and the Probation Department are less knowledgeable about collection of probation fees.
- F4. A significant issue in YCCS’s collection of payments is the amount of returned mail leading to increasing backlogs. YCCS has limited resources to determine correct addresses for billing statements that are returned as undeliverable mail.
- F5. YCCS has minimal communication with the Probation Department to find the updated information on the whereabouts of the probationer.
- F6. Software programs that are not integrated aggravate the problems in fee collection. The RevQ software currently being used in YCCS is inadequately supported and needs to be upgraded or replaced.
- F7. Out of date manuals for key collection procedures make staff training difficult.

RECOMMENDATIONS

- R1. By December 31, 2015, the Chief Financial Officer, in coordination with the Chief Probation Officer, shall modify the probationer monthly billing statement so that fees are identified and fully explained, including: initial fees, date, balance carried forward, new charges, adjustments, payments and current balance due by type of fees.

- R2. By September 30, 2015, the Chief Financial Officer, and the Chief Probation Officer, in coordination with the County Administrator, shall create a unified business process diagram of the probation fee generation and collection process. This diagram shall include the probationer's first contact with probation, case closure, and all processes in between. The diagram shall be designed to be used for process improvement, training and orientation of staff, and as a blueprint for new software if that becomes appropriate.
- R3. By September 30, 2015, the Chief Financial Officer and the Chief Probation Officer shall establish protocols for improved communication between YCCS and Probation. These protocols shall include regular meetings, joint training, shared and updated manuals, clearly identified responsibilities, and shared access to information including probationers' account status and current contact information.
- R4. By September 30, 2015 the Chief Financial Officer shall create and publish quarterly reports indicating fees billed, fees collected, outstanding balances (accounts receivable) and amounts in delinquency (aging reports).
- R5. By December 31, 2015, the Chief Financial Officer, in coordination with the Director of Human Resources, shall determine if additional staffing or funding is needed to efficiently process returned mail.
- R6. By October 31, 2016, the Chief Financial Officer, in coordination with the Chief Probation Officer, shall implement a single accounting and collection software system to facilitate interdepartmental sharing of the probationer's individual financial account information and probationers' addresses updated in real time.

INVITED RESPONSES

From the following individuals:

- Chief Financial Officer– R1 through R6
- Chief Probation Officer – R1 through R3, and R6
- Director of Human Resources – R5
- County Administrator – R2

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

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