

2019

**Travis County Auditor's Office Review of the
Collections Improvement Program for
Misdemeanor Criminal Cases**

**Travis County Auditor's Office
Risk Evaluation & Consulting Division**

1/11/2019

TRAVIS COUNTY
AUDITOR'S OFFICE

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From: Patti Smith, CPA
Travis County Auditor

Date: January 11, 2019

Subject: Travis County Collections Improvement Program Review

The Risk Evaluation & Consulting Division of the Travis County Auditor's Office has completed a review of Travis County's Collections Improvement Program for the collection of court costs, fines, and fees assessed on misdemeanor criminal cases. We conducted our examination in accordance with the applicable statutes governing the County Auditor's Office and those relating to Collections Improvement Programs.

BACKGROUND

In 2005, the Texas Legislature added Section 103.0033 to the Code of Criminal Procedure (CCP) to improve the collection of criminal court costs in counties and municipalities with a population of 100,000 or more. In conjunction with this statute, the Office of the Court Administration developed Title 1, §175 of the Texas Administrative Code.

This Administrative Code section governs the creation and administration of Collections Improvement Programs (CIPs) in these large counties and municipalities; CIPs are responsible for the collection of delinquent criminal court costs, fines, and fees. In Travis County, the CIPs for Justice of the Peace criminal cases are administered by the Travis County Tax Office's Justice of the Peace Collection Division; CIPs for Travis County Criminal Courts at Law cases are administered by the Tax Office's County Courts at Law Collections Division.

SCOPE OF EXAMINATION

This review included an assessment of Central Collection’s compliance with the statutes and regulations governing this program. During this review, we examined collection protocols for court costs, fees, and fines assessed between January 1, 2017 and December 31, 2017.

REVIEW METHODOLOGY

Our work was based on applying sampling procedures to the entity’s records and on verbal and written representations from Tax Office, Justice of the Peace, and County Clerk personnel. Sampling relates to examining, on a test basis, evidence supporting the amounts and disclosures in the financial records and statements. The use of sampling techniques would not necessarily disclose all matters related to these revenue contracts that might be material weaknesses or misstatements. In regard to the written and verbal representations made by office personnel, unless otherwise noted in this report, office management maintains that the assertions we relied upon during this review were correct to the best of their knowledge.

OVERALL FINDINGS

For County Court at Law delinquent criminal case collections, we noted that a statutorily-required program was not in place to improve the collection of balances over 60 days past due. A program of this type typically involves contracting with an outside collection agency. We noted no areas of concern related to delinquent collections for the Justices of the Peace. Our findings and recommendations are detailed in the Areas of Concern section of this report. Each finding has a listed severity of “Most Serious”, “Serious”, or “Less Serious”.

EXAMINATION TEAM

Angel Candelario, Lead Auditor
Ronald Cintron, Staff Auditor

CLOSING

This report is intended solely for the information and use of the Tax Office, Justices of the Peace, County Clerk, and the Commissioners Court. We appreciate the cooperation and assistance received from the management and staff of all of the offices involved in this examination. Please contact our office if you have any questions or concerns regarding this report.



David Jungerman, CIA
Chief Assistant County Auditor II – Risk
Evaluation & Consulting



Patti Smith, CPA
Travis County Auditor

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Israel Osio, Travis County Tax Office, Tax Supervisor - County Courts at Law Collections
Erika Del Rio, Travis County Tax Office, Tax Supervisor - Justice of Peace Collections
Travis County Executive Managers
Managers, Travis County Auditor's Office

Areas of Concern

Additional Collection Program – County Cases (Less Serious)

A program had not been implemented to improve the collections balances more than 60 days past due for County Court at Law criminal cases. Currently, the collections efforts in place include: the past due notification, phone contacts, and the final attempt notification.

Significance

Article 103.0033 of the Code of Criminal Procedure, allows for the implementation of “*a component designed to improve the collection of balances for eligible cases more than 60 days past due, which may be implemented by entering into a contract with a private attorney or public or private vendor.*” Texas Administrative Code Title 1 §175.3 (11) elaborates on this issue, stating: “*Delinquent Cases. Each local program must have a component designed to improve collection of balances more than 60 days past due.*”

This requirement is being met for Justice of the Peace cases by utilizing contracts with two private collections agencies (Linebarger and MSB).

Recommendation

We recommend that the County Courts at Law Collections Division implement a collections improvement program for accounts delinquent over 60 days.

Management Response

Thank you for this recommendation concerning collection enhancements on behalf of Travis County. Additional methods of collection, such as outsourcing, skip tracing and using an Interactive Voice Response is, and has been, our focus for many years, however, due to the need for a true Case Management System, no outsourcing on behalf of the criminal courts has ensued. Once we are able to operate in one collection module, we can expand our options by means of Odyssey’s functionality.

Our current contracts with the two private vendors was modified to include the County Clerk and District Clerk’s receivables and is up for renewal in March 2019. It has been implemented for use by the Civil Pilot Project with over 4,000 cases referred in April 2018.

The mandated collection program, by necessity, uses a stand-alone module (CAS) which requires manual adjustments in order to mirror the case financials in FACTS. The task of sending files at this time would exhaust an inordinate amount of already limited resources. During the Civil Pilot Project, which is a collaboration between the District Clerk, County Clerk and this division of the Tax Assessors office, a mass amount of data cleansing has been performed which will be immeasurable in helping to identify those cases qualified for referral to third party for collection. This effort is thoughtful, and although laborious, will benefit all Parties during and after the conversion to the new Case Management System (CMS), Odyssey.

In addition, the misdemeanor team does not stop with collection efforts after 60 days or final notice – our due diligence continues until the balance is paid or reduced by court order. Currently, we’re working on the RFS to replace the vendor contract expiring in March of this year for 3rd party

collections. The implementation and conversion to Tyler's Odyssey, will provide a true case management system and allow for adherence to the guidelines concerning seriously aged cases.