

**FINDINGS OF THE COLLECTIONS BOARD OF REVIEW**  
**REPORT NO. 042819**

Pursuant to the provisions of Sections 5.182 through 5.184 of the Los Angeles Administrative Code, the Collections Board of Review (Board) held a hearing to review, authorize and/or recommend delinquent accounts for write off. The meeting was held on April 24, 2019, in the Controller Conference Room 350B at City Hall East, Los Angeles, California. The Board consists of the following members:

- Shane Min, Sr. Management Analyst II, representing the City Controller
- Edwin Avanesian, Revenue Manager, representing the Office of Finance
- Melissa Krance, Inspector General of Revenue and Collections, representing the Office of the City Administrative Officer

The Board's agenda included consideration for removal of various uncollectible accounts receivable from the active accounts of the Los Angeles Departments of Police, Building and Safety, Planning, Fire and Housing and Community Investment. The Board may approve the write offs of accounts less than \$5,000 each as authorized by the City Council (CF 09-1735). The Board may recommend the write off of accounts \$5,000 or more for approval by the City Council. The results of the Board's review are summarized below.

**Los Angeles Police Department (LAPD)**

LAPD presented one write off request before the Board as follows:

- I. December 11, 2018 report requesting the write off of 1,214 uncollectible invoices (1,004 accounts) totaling \$355,629.50, each account owing less than \$5,000.

**Discussion.** LAPD provided the Board with a list of 1,214 uncollectible alarm permit fee invoices (1,004 accounts) totaling \$355,629.50 for the period from October 2014 to December 2014. The totals were corrected to reflect collections and waivers in the interim. The revised totals are 1,214 invoices (1,003 accounts) with an outstanding amount of \$355,628.80.

**Board's Decision.** The Board agreed that all reasonable efforts have been exhausted in the collection of these accounts and additional efforts could be disproportionately costly in relation to the probable outcome. Therefore, the Board unanimously approved the write off request from LAPD to remove from its active accounts receivable 1,214 invoices (1,003 accounts) totaling \$355,628.80.

**Department of Building and Safety (LADBS)**

LADBS presented one write off request before the Board as follows:

- I. March 22, 2019 report requesting the write off of 1,039 uncollectible accounts totaling \$688,674.26, each account owing less than \$5,000.

**Discussion.** These invoices are all past statute of limitations. LADBS has exhausted all reasonable collection efforts. The invoices are for inspection fees for pressure vessel inspection, elevators, fire sprinklers, non-compliance fees, and demolition fees.

**Board's Decision.** The Board has reviewed the uncollectible accounts. The Board agrees that further efforts will be disproportionately costly in relation to the possible outcome. Therefore, the Board unanimously approved the write off request from LADBS to remove from its active accounts receivable 1,039 accounts totaling \$688,674.26, each account owing less than \$5,000.

### **Los Angeles Planning Department (Planning)**

Planning presented two (2) write off requests before the Board as follows:

- I. March 18, 2019 report requesting the write off of 89 uncollectible invoices (62 accounts) totaling \$54,046.81 representing accounts less than \$5,000.

**Discussion.** Planning provided a list of 89 uncollectable invoices (62 accounts) totaling \$54,046.81 consisting of charges for expedited service fees. According to Planning, these invoices have been sent to collections and returned as uncollectable. The statute of limitation has passed.

**Board's Decision.** The Board agreed that all reasonable efforts have been exhausted in the collection of these accounts and additional efforts could be disproportionately costly in relation to the probable outcome. Therefore, the Board unanimously approved the write off request from Planning to remove from its active accounts receivable 89 invoices totaling \$54,046.81, each account owing less than \$5,000.

- II. March 18, 2019 report requesting the write off of 6 uncollectible invoices (2 accounts) totaling \$13,018.21 representing accounts owing \$5,000 or more.

**Discussion.** Planning provided a list of 6 uncollectible expedited service fee invoices belonging to 2 accounts totaling \$13,018.21. The invoices have been sent to collections and returned as uncollectible.

**Board's Decision.** The Board agreed that all reasonable efforts have been exhausted in the collection of these accounts and additional efforts could be disproportionately costly in relation to the probable outcome. Therefore, the Board unanimously recommends that the City Council approve the write off request from Planning to remove from its active accounts receivable 6 invoices (2 accounts) totaling \$13,018.21, each account owing \$5,000 or more.

### **Los Angeles Fire Department (LAFD)**

LAFD presented three (3) write off requests before the Board as follows:

- I. March 19, 2019 report requesting the write off of 17,957 uncollectible accounts totaling \$19,543,128.05 representing accounts less than \$5,000.

**Discussion.** LAFD provided a summary by month of 17,957 uncollectible emergency ambulance billing accounts totaling \$19,543,128.05. The accounts are for the period June 2011 to February 2018. These accounts are covered by the Health Insurance Portability and Accountability Act (HIPAA) and are being considered by the Board of Review under special procedures instituted for HIPAA related accounts. These accounts have been adjusted for partial collections. LAFD bills these invoices through ADPI to the customer, to insurance providers and Medicare/Medical as required. ADPI also conducts the primary collection functions. If the invoices are unpaid, they are then sent to the collection agency Harris and Harris. All the accounts listed have been returned as uncollectible by Harris and Harris.

**Board's Decision.** The Board agreed that all reasonable efforts have been exhausted in the collection of these accounts and additional efforts could be disproportionately costly in relation to the probable outcome. Therefore, the Board unanimously approved the write off request from LAFD to remove from its active accounts receivable 17,957 invoices totaling \$19,543,128.05, each account owing less than \$5,000.

- II. March 19, 2019 report requesting the write off of 447 uncollectible invoices totaling \$31,146.60 representing accounts owing less than \$5,000.

**Discussion.** LAFD provided a list of 447 uncollectable accounts totaling \$31,146.60 consisting of charges for brush initial inspection billed from January 2012 to December 2016. According to LAFD, these invoices have been sent to primary and secondary collections and returned as uncollectable. LAFD continues collection efforts for those still in statute even after write off.

**Board's Decision.** The Board agreed that all reasonable efforts have been exhausted in the collection of these accounts and additional efforts could be disproportionately costly in relation to the probable outcome. Therefore, the Board unanimously approved the write off request from LAFD to remove from its active accounts receivable 447 accounts totaling \$31,146.60, each account owing less than \$5,000.

- III. March 19, 2019 report requesting the write off of 399 uncollectible invoices totaling \$206,028.90 each invoice less than \$5,000.

**Discussion.** LAFD provided a list of 399 uncollectable Certified Unified Program Agency (CUPA) invoices totaling \$206,028.90 billed from August 2012 to September 2013. According to LAFD, these invoices have been sent to primary and secondary collections and returned as uncollectable. LAFD continues collection efforts for those still in statute even after write off.

**Board's Decision.** The Board agreed that all reasonable efforts have been exhausted in the collection of these accounts and additional efforts could be disproportionately costly in relation to the probable outcome. The Board unanimously approved the write off request from LAFD to remove from its active accounts receivable 399 invoices totaling \$206,028.90, each invoice under \$5,000.

HCIDLA presented two write off requests before the Board as follows:

- I. March 19, 2019 report requesting the write off of 9,060 uncollectible invoices (4,816 owners, 5,013 unique APNs) totaling \$2,653,143.18, each owner owing less than \$5,000.

**Discussion.** These invoices are 14 different invoice categories ranging from REAP inspection, legal case fees, administrative investigation fees and SCEP fees. These invoices have been submitted for write off as they have been identified as uncollectible. HCIDLA has exhausted all reasonable collection efforts.

**Board's Decision.** The Board has reviewed the uncollectible accounts. The Board agrees that further efforts will be disproportionately costly in relation to the possible outcome. The Board unanimously approved the write off request from HCIDLA to remove from its active accounts receivable 9,060 invoices totaling \$2,653,143.18, each owner owing less than \$5,000.

- II. March 19, 2019 report requesting the write off of 255 uncollectible invoices (87 owners, 144 unique APNs) totaling \$1,220,276.90, each owner owing \$5,000 or more.

**Discussion.** These invoices are 8 different invoice categories – Complaint Inspection, RSO, CM Inspections, Legal Case Preparation, SCEP fees etc. These invoices have been submitted for write off as they have been identified as uncollectible. HCIDLA has exhausted all reasonable collection efforts.

**Board's Decision.** The Board has reviewed the uncollectible accounts. The Board agrees that further efforts will be disproportionately costly in relation to the possible outcome. The Board unanimously recommends that the City Council approve the write off request from HCIDLA to remove from its active accounts receivable 255 invoices totaling \$1,220,276.90, each owner owing \$5,000 or more.