

FINDINGS OF THE COLLECTIONS BOARD OF REVIEW
REPORT NO. 012920

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 January 29, 2020, 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, Chief Administrative Analyst, 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 Department of Public Works - Bureau of Sanitation, Los Angeles Department of Transportation, Los Angeles Department of Building and Safety, and Los Angeles Housing and Community Investment Department. 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.

Department of Public Works – Bureau of Sanitation (LASAN)

LASAN presented one (1) write-off request before the Board as follows:

- I. May 15, 2019 report requesting the write-off of 2,100 uncollectible accounts with fees totaling \$263,689.49, each account owing less than \$5,000.

Discussion. These accounts are delinquent industrial water waste fees. These invoices have been submitted for write-off as they have been identified as uncollectible. LASAN 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 LASAN to remove from its active accounts receivable, 2,100 accounts totaling \$263,689.49, each account under \$5,000.

Los Angeles Department of Transportation (LADOT)

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

- I. November 15, 2019 report requesting the write-off of 584,115 citations (299,993 unique plates) with fees totaling \$80,120,432.13, each unique plate owing less than \$5,000.

Discussion. LADOT submitted a list of 584,115 citations (299,993 unique plates) in which the owners are unable to be contacted for collections of the fees for citations issued from July 2014 – June 2017. The report shows that DMV records cannot provide adequate registered owner information due to reasons such as no DMV registry, incorrect addresses, DMV ownership transferred, declaration of non-ownership, aged DMV non-renewal, DMV hold rejected, rentals and misc., out of state, and other. LADOT has exhausted all reasonable collection efforts.

Board's Decision. The Board has reviewed the uncollectible citations. The Board agrees that reasonable efforts have been exhausted in the collection of these citations and further efforts will be disproportionately costly in relation to the possible outcome. The Board unanimously approved the write-off of 548,115 citations (299,993 unique plates) with fees totaling \$80,120,432.13, each unique plate owing less than \$5,000.

- II. November 15, 2019 report requesting the write-off of 2,438 citations (55 unique plates) with fees totaling \$305,581.44, each unique plate owing more than or equal to \$5000.

Discussion. LADOT submitted a list of 2,438 citations (55 unique plates) in which the owners are unable to be contacted for collections of fees for citations issued from July 2014 – June 2017. The report shows that DMV records cannot provide adequate registered owner information due to reasons such as no DMV registry, incorrect addresses, DMV ownership transferred, declaration of non-ownership, aged DMV non-renewal, DMV hold rejected, rentals and misc., out of state, and other. LADOT has exhausted all reasonable collection efforts.

Board's Decision. The Board has reviewed the uncollectible citations. The Board agrees that reasonable efforts have been exhausted in the collection of these citations and further efforts will be disproportionately costly in relation to the possible outcome. The Board unanimously recommends that the City Council approves the request from LADOT to remove from its active accounts receivable 2,438 citations (55 unique plates) with fees totaling \$305,581.44, each unique plate owing more than or equal to \$5,000.

Los Angeles Housing + Community Investment Department (HCIDLA)

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

- I. December 16, 2019 report requesting the write-off of 56 uncollectible invoices (45 owners, 46 unique APNs) totaling \$22,186.00, each account owing less than \$5,000.

Discussion. These invoices are 8 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, 56 invoices totaling \$22,186.00, each account owing less than \$5,000.

- II. December 16, 2019 report requesting the write-off of 1 uncollectible invoice (1 single owner property (APN) account totaling \$6,324.72, the account owing more than \$5,000.

Discussion. This invoice is for SCEP fees for the year 2017. This invoice has been submitted for write-off as it has been identified as uncollectible. HCIDLA has exhausted all reasonable collection efforts.

Board's Decision. The Board has reviewed the uncollectible account. The Board agrees that further efforts will be disproportionately costly in relation to the possible outcome. The Board unanimously recommends the City Council approve the write-off of 1 invoice totaling \$6,324.72, the account owing more than \$5,000.

Los Angeles Department of Building and Safety (LADBS)

LADBS presented one (1) write-off request before the Board as follows:

- I. December 27, 2019 report requesting the write-off of 3 uncollectible customer accounts for fees totaling \$49,748.74, each account owing more than or equal to \$5,000.

Discussion. These three (3) customer accounts are for fees that were generated for violations. LADBS presented a list with a date range of September 2013 – December 2015 detailing elevator fee violations, code violation Inspection fees, and repair and demolition fees in which collection efforts were made without satisfaction of payment. The statute of limitation for collections has passed on these customer accounts.

Board's Decision. The Board has reviewed the uncollectible accounts. The Board agreed that additional efforts to collect could be disproportionately costly in relation to the probable outcome. The Board unanimously recommends that the City Council approves the request from LADBS to remove from its active accounts receivable 3 uncollectible accounts for fees totaling \$49,748.74, each account owing more than or equal to \$5,000.