

FINDINGS OF THE COLLECTIONS BOARD OF REVIEW
REPORT NO. 072920

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 virtually on July 29, 2020, via Google Meets. The Board consists of the following members:

- Shane Min, Sr. Management Analyst II, representing the City Controller
- Avo Davidian, Sr. Management Analyst II, 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 Los Angeles Housing and Community Investment Department, Los Angeles Department of Building and Safety, and the Los Angeles Fire 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.

Los Angeles Housing + Community Investment Department (HCIDLA)

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

- I. March 24, 2020 report requesting the write-off of 396 uncollectible invoices (233 owners, 243 unique APNs accounts) totaling \$111,800.14, each account owing less than \$5,000.00.

Discussion. These invoices are 9 different invoice categories ranging from REAP prepaid inspections, RSO's, 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, 396 invoices totaling \$111,800.14, each account owing less than or equal to \$5,000.00.

- II. March 24, 2020 report requesting the write-off of 7 uncollectible invoices (5 owners of 5 single property APNs accounts) totaling \$119,044.85, each account owing more than \$5,000.00.

Discussion. These systematic code enforcement invoices for the years 2015 - 2017. These invoice has 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 the City Council approve the write-off of 7 invoices totaling \$119,044.85, each account owing more than \$5,000.00.

III. July 13, 2020 report requesting the write-off of 7,425 invoices (3,975 owners of 4,132 property (APNs) accounts) with fees totaling \$2,187,764.13, each invoice owing less than \$5,000.00.

Discussion. These invoices are 14 different invoice categories ranging from REAP prepaid inspections, RSO's, Administrative Investigation fees and SCEP fees. These invoices were recalled after the contract with the collection agency expired. They 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, 7,425 invoices totaling \$2,187,764.13, each account owing less than or equal to \$5,000.00.

IV. July 13, 2020 report requesting the write-off of 108 uncollectible invoices (19 owners of 50 single property APNs accounts) totaling \$136,544.41, each account owing more than \$5,000.00.

Discussion. HCIDLA requests that this item is removed for further analysis.

Board's Decision. The Board agreed to allow HCIDLA to remove this item from the agenda and submit at a later date after further assessment.

Los Angeles Department of Building and Safety (LADBS)

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

I. June 28, 2020 report requesting the write-off of 570 invoices for 542 uncollectible customer accounts for fees totaling \$373,460.99, each account owing less than or equal to \$5,000.00.

Discussion. These customer accounts include a variety of invoices ranging from Code Violation inspection fees, Compliance fees, Bad Check Collections fees, Elevator Pressure Vessel Inspection fees, and Local Enforcement Agency fees. LADBS presented

a list with a date range of January 2006 – April 2016 detailing 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 agrees that additional efforts to collect could be disproportionately costly in relation to the probable outcome. The Board unanimously approved the request from LADBS to remove from its active accounts receivable 570 invoice for fees totaling \$373,460.99, each account owing less than or equal to \$5,000.00.

Los Angeles Fire Department (LAFD)

I. March 17, 2020 report requesting the write-off of 14,229 uncollectable accounts with fees totaling \$17,473,730.55, each account owing less than \$5,000.00.

Discussion. The 14,229 uncollectable accounts represent emergency ambulance services that were billed for Fiscal Year 2013 – 2019 (August 2012 – September 2018). LAFD has exhausted all reasonable collection efforts.

Board's Decision. The Board has reviewed the uncollectible accounts. The Board agrees that additional efforts to collect could be disproportionately costly in relation to the probable outcome. The Board unanimously approved the request from LAFD to remove from its active accounts receivable 14,229 uncollectable accounts with fees totaling \$17,473,730.55, each account owing less than or equal to \$5,000.00.