

County of Santa Clara

Office of the County Executive

County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110
(408) 299-5105



Sent Via E-Mail to TDavis@scscourt.org

May 15, 2017

Santa Clara County Civil Grand Jury
Superior Court
Attention: Tamara L. Davis, Deputy Manager, Jury Services
191 North First St.
San Jose, CA 95113

Dear Mrs. Davis,

On April 12, 2017, the 2016- 2017 Santa Clara County Civil Grand Jury requested a follow-up to the 2015-2016 Santa Clara County Civil Grand Jury report entitled "Department of Revenue: The County's Collection Agency." Specifically, the Grand Jury requested the following:

- 1) How each recommendation has been implemented if previously accepted;
- 2) The status of the accepted and implemented recommendations; and/or
- 3) If the accepted recommendations require further analysis.

Upon the issuance of the report, at the August 16, 2016 meeting of the County of Santa Clara Board of Supervisors (Item No. 64), the Board adopted the response from County Administration and recommendations relating to the Report. Please see ATTACHMENT 1.

This letter includes responses from the Department of Revenue (DOR).

Finding 1: The Department of Revenue's account statements have been sent to debtors with the leading digit of the month missing. This resulted in statements listing incorrect dates, which could leave debtors confused as to how their payments were being applied. Department of Revenue inspections were not shown to be effective in catching anomalies such as those seen in misprinted statements.

Recommendation 1: The County should improve the account statement printing process at the Department of Revenue to ensure that the type of error discussed in this report is avoided.

DOR Response to Recommendation 1: AGREE.

The Department of Revenue is completing a comprehensive revision of its printed statement which will address the error encountered (one which is very rare in occurrence). DOR's new statement forms have been re-designed to a larger and more readable format, using color and font differentiation to provide clearer and more information to the recipient. All information fields are larger and easier to read. The statement size has been enlarged from the former postcard size format to standard 8 ½ x 11. The Statement revision will include the conversion to updated printing technology and equipment. These enhancements will improve the statement printing process. The expected completed date for this project is October 2016.

DOR Response to follow up questions for Recommendation 1:

Since the August 23, 2016 response to the Grand Jury, DOR has taken steps to correct the rare statement errors. DOR has conferred with its software vendor in efforts to isolate and eliminate any systems errors. In addition, DOR has implemented quality control procedures for its staff as well as Printing Services staff (DOR's vendor) to eliminate any printing errors. DOR continues to randomly spot check statements for quality control purposes, and to date, it is not aware of any errors. Since the initial response, DOR has recently been engaged in broader streamlining efforts for payment remittance processes with its vendors. Because of the impact of such ongoing efforts to a comprehensive statement revision project (see the August 2016 response for detailed enhancements of the statement revision project), the expected date of October 2016 for implementation of the comprehensive statement revision project cited in the response is now expected to be July 2017. Additional analysis will be conducted by DOR once the comprehensive statement revision project is implemented.

Finding 2: The current Department of Revenue complaint system lacks online accessibility for debtors and does not include an internal complaint tracking function.

Recommendation 2a: The County should implement an online complaint system accessible through the Department of Revenue's website.

DOR Response to Recommendation 2a: AGREE.

DOR does have online accessibility for submitting complaints; however, it may not be particularly user friendly. DOR will add a section to its website that offers to the public

clear and easy access to the Department for communicating complaints, questions and comments.

DOR Response to follow up questions for Recommendation 2a:

Since the August 23, 2016 response to the Grand Jury, DOR has created a new online public inquiry form on its website. The inquiry form is designed to meet the current industry standards, and it is designed to be user friendly. The inquiry form has fillable fields in which the public can leave comments, questions or complaints for DOR staff to respond. No further analysis for this recommendation is required at this time.

Recommendation 2b: The County should implement a system for the Department of Revenue to track questions, complaints, and follow-ups.

DOR Response to Recommendation 2b: AGREE.

At DOR, there already exists a tracking system that is working well on a practical level considering the volume of the universe of people we serve. To improve our current system, DOR will investigate how to develop a selective tracking model that facilitates analysis and improved quick search for critical cases.

DOR Response to follow up questions for Recommendation 2b:

As stated in its August 23, 2016 response, DOR has a tracking system that handles both telephone and online inquiries. In addition to that tracking system, with the development of the public online inquiry form, DOR has created an improved internal electronic tracking system that works in conjunction with the inquiry form and ensures that all online comments, questions and complaints are addressed timely. This tracking system automatically logs and forwards all online inquiry form submissions to appropriate staff via email. Furthermore, this system saves and categorizes submissions, and provides a searchable database for staff. No further analysis for this recommendation is required at this time.

Recommendation 2c: The County should require the Department of Revenue to monitor and report complaint response times to ensure the goal of two business days is met.

DOR Response to Recommendation 2c: AGREE.

Our current system assures that all call messages are cleared from queue timely. However, our high call volume requires that the follow-up check for action taken, date/time and documentation is done on a spot-check basis. To improve our current system, DOR will investigate creating a structured and reportable method for increasing the frequency and consistency of this spot monitoring.

DOR Response to follow up questions for Recommendation 2c:

Specific to telephone inquiries by the public, DOR has in place a tracking system that monitors and reviews telephone inquiries to ensure that the goal of two business days is met for a response. DOR currently monitors all collector telephone messages on a daily basis to assure that respective staff have received and noted incoming calls. A daily report of all incoming calls is created by designated staff and monitored by the unit lead, the unit supervisor and the manager. Detailed notes about telephone transactions are entered into DOR's central database by DOR's staff. As stated in 2b above, in addition to the telephone monitoring system, DOR has implemented an enhanced tracking system for online inquiries by the public to further assure that the goal of two business days is met. No further analysis for this recommendation is required at this time.

Finding 3: Online access provided by the Department of Revenue to debtors is limited to viewing current account balance and making a payment.

Recommendation 3: The County should improve online access through the Department of Revenue's website to include the ability for debtors to view and download account transactions and past statements.

DOR Response to Recommendation 3: DISAGREE.

DOR would have difficulty with this recommendation due to the varying types of privacy confidentiality requirements associated with different types of debt, and the potential for multiple passwords for the same debtor, depending on the nature of the debt. Also, DOR favors personal contact between collector and debtor whenever possible to obtain explanation and information regarding the details of an account. In the past, the system could not generate a past statement facsimile copy. However, upon completion of the statement printing project described above under Response to Recommendation 1, facsimiles will be available by contacting the account representative.

It should be noted that online information related to a debtor's account provides not only their current balance, as referenced in the Grand Jury's report, but also the last payment amount made (if any) and the last payment date.

DOR receives approximately 100,000 accounts per year, so the aggregated volume of accounts that we handle is very large. The compounded requirement to associate individuals to multiple accounts across our several business lines (e.g., hospital, traffic, justice, etc.), with different levels of permission depending on the legal basis for the debt (e.g., victim restitution, hospital, etc.), would make any password management unfeasible at this time.

Further, unlike banks and other financial institutions, DOR operates under the premise that DOR debtors will be in our data base for only the time required to pay the debt. Because DOR is not looking to have a long-term customer relationship with the debtors in its database, the transiency of the relationship between DOR and its debtor population works against establishing long-term password management arrangements.

In addition, in terms of DOR's collections responsibilities, we believe it is advantageous for individuals to speak with us regarding any questions they may have. This is so we can 1) talk to them about paying, 2) update our debtor demographics, and 3) provide correct and clear interpretation of information on their account - often cases can be quite complicated around issues such as victim restitution, joint/several liability status, amnesty, bench warrants, insurance implications, etc. We therefore wish to encourage debtors with questions to call us at every opportunity.

DOR Response to follow up questions for Recommendation 3:

In the August 16, 2016 response, DOR disagreed with the Grand Jury's recommendation (see above response for a detailed explanation).

Should you have any questions or need additional information please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Miguel Márquez". The signature is fluid and cursive, with a long horizontal stroke at the end.

Miguel Márquez
Chief Operating Officer
County of Santa Clara



82648

Attachment 1

DATE: August 16, 2016

TO: Board of Supervisors

FROM: Miguel Marquez, Chief Operating Officer

SUBJECT: Grand Jury Report - Department of Revenue: The County's Collection Agency

RECOMMENDED ACTION

Consider recommendations relating to Final Grand Jury Report, Department of Revenue: The County's Collection Agency.

Possible action:

- a. Adopt response from Administration to Final Grand Jury Report relating to Department of Revenue: The County's Collection Agency.
- b. Authorize Board President and Clerk of the Board of Supervisors to forward department response to Grand Jury report to the Presiding Judge of the Superior Court with approval that responses constitute the response of the Board of Supervisors, consistent with provisions of California Penal Code Section 933 (c).

FISCAL IMPLICATIONS

There are no fiscal implications associated with these Board actions.

REASONS FOR RECOMMENDATION

Attached is the Department of Revenue response to the Grand Jury's findings and recommendations enumerated in the Final Report, Department of Revenue: The County's Collection Agency. The response has been completed pursuant to California Penal Code, Section 933 (c) and 933.05 (a).

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

The County would not be in compliance with the law in responding to the Grand Jury's Final Report.

STEPS FOLLOWING APPROVAL

Following approval of the response provided, forward all comments of the Santa Clara County Board of Supervisors to the Honorable Rise Jonës Pichon, Presiding Judge, of Santa Clara County Superior Court on or before Monday, September 12, 2016.

ATTACHMENTS:

- Department of Revenue The County's Collection Agency Final Report (PDF)
- Department Of Revenue Response to Findings and Recommendations (PDF)
- cover letter (PDF)
- DOR - Grand Jury 2015 - DOR Response with eh (PDF)



2015-2016 SANTA CLARA COUNTY
CIVIL GRAND JURY REPORT

(ENDORSED)
FILED

JUN 14 2016

DEPARTMENT OF REVENUE:
THE COUNTY'S COLLECTION AGENCY

DAVID H. YAMASAKI
Chief Executive Officer/Clerk,
Superior Court of CA County of Santa Clara
BY Yamara Davis DEPUTY

Background

The 2015-2016 Santa Clara County Civil Grand Jury (Grand Jury) received and investigated a complaint that the Santa Clara County (County) Department of Revenue (DOR) failed to credit payments to debtors' accounts until months after receipt and imposed excessive late fees and interest.

The DOR is the central collection agency of unpaid fees and fines for County agencies. It is part of the County's Finance Agency, which also includes the Controller-Treasurer Department, Office of the Tax Collector, and the Clerk-Recorder's Office. The DOR is located on Berger Drive in San Jose.

The DOR has a staff of about 100, including approximately 60 employees in collections. Other employees are in legal, accounting, cashiering, and system administration. The DOR reported that they collected about \$78 million on a \$10 million budget in Fiscal Year (FY) 2014-2015.

Debts determined by a County agency to be delinquent are turned over to the DOR. For example, court debts are delivered to the DOR when 60 days past due, while Santa Clara Valley Medical Center (VMC) debts may be 90 days or more past due when sent to the DOR.

Approximately 10,000 new debts are handed over to the DOR each month. Debtors who are unable to pay in full may negotiate payment plans with their assigned DOR account representative; however, court ordered restitutions may be non-negotiable.

Most debts given to the DOR originate from the courts (traffic, adult probation, victim restitution, parking) and VMC. These sources comprised approximately 82% of the collections in FY 2014-2015.

The DOR provides professional collection services such as:

- Skip trace to locate debtors and assets
- Wage garnishment
- Credit reports
- Small claims court

The DOR is also able to intercept state tax refunds through the California Franchise Tax Board and to suspend driver licenses through court orders.

Payments may be made to the DOR online using a credit card or debit card. Payments may also be made by mail or in person using a credit card, debit card, check, cash, or money order. Mailed payments are credited the day they are received. In addition, over 300 visitors make payments daily at the DOR counter; those payments are also credited the day they are received.

Debtors receive a monthly account statement. Each new DOR account statement shows the charges from the originating agency. For existing accounts, the statement gives the previous balance, payments, any additional charges, the new balance, any past due payments, the current payment due, and warnings of possible actions for past non-payment. The statement also provides the name of the account representative or responsible DOR unit for questions or complaints.

Discussion

The Grand Jury conducted its investigation by familiarizing itself with the DOR website, conducting interviews, reviewing debtor accounts and statements, and touring the DOR offices.

During its investigation the Grand Jury discovered account statements showing payments that did not appear to be credited on a timely basis. However, a review of the corresponding account history provided by the DOR showed all payments had been properly credited. The Grand Jury discovered that the first digit of the two-digit month in the payment date did not appear on the account statement (see Figures 1 and 2) creating confusion about when the payment was posted.

In Figure 1, for example, the 'TRANS DATE' on a November statement appears as 1-06-14, rather than the correct date of 11-06-14. This gives the impression the payment was made in January and not credited until November. The Grand Jury confirmed with the DOR that statement dates always use two digits each for month, day, and year, so a January payment would have appeared as 01-06-14. The Grand Jury examined the account history and verified that a payment was made on 11-06-14.

Analysis of the December statement shown in Figure 2 and corresponding entries in the account history showed similar results. Payment was actually made on 12-03-14, instead of 2-03-14 as printed on the statement.

**COUNTY OF SANTA CLARA
DEPARTMENT OF REVENUE**

MAIL: P O BOX 1897, SAN JOSE, CA 95109-1897
OFFICE: 1555 BERGER DR, BLDG #2, SAN JOSE, CA

TRANS DATE	DESCRIPTION		ITEM	AMOUNT
1-06-14	PAYMENT - THANK YOU		PYT	-100.00
PREVIOUS BALANCE	PAYMENTS	CURRENT CHGS & ADJS	ACCOUNT BALANCE	CURRENT PAYMENT DUE
	-100.00	0.00		
ACCOUNT NUMBER	STATEMENT DATE	REFERENCE	(IF REFERENCE BEGINS WITH "VM" SEE REVERSE SIDE)	PAST DUE PAYMENT
	11-09-14			0.00
PHONE 408	PAYMENT DUE DATE	(SEE REVERSE SIDE FOR MORE INFORMATION)		TOTAL PAYMENT DUE
EXT		**PAYMENT DUE IMMEDIATELY**		
YOUR ACCOUNT REPRESENTATIVE IS:				

Figure 1. November statement shows an apparent January payment (see arrow). Identifying information has been removed.

TRANS DATE	DESCRIPTION		ITEM	AMOUNT
2-03-14	PAYMENT - THANK YOU		PYT	-100.00
PREVIOUS BALANCE	PAYMENTS	CURRENT CHGS & ADJS	ACCOUNT BALANCE	CURRENT PAYMENT DUE
	-100.00	0.00		
ACCOUNT NUMBER	STATEMENT DATE	REFERENCE	(IF REFERENCE BEGINS WITH "VM" SEE REVERSE SIDE)	PAST DUE PAYMENT
	12-07-14			0.00
PHONE 408	PAYMENT DUE DATE	(SEE REVERSE SIDE FOR MORE INFORMATION)		TOTAL PAYMENT DUE
EXT		**PAYMENT DUE IMMEDIATELY**		
YOUR ACCOUNT REPRESENTATIVE IS:				

STATEMENT OF ACCOUNT 12-07-14 RETURN THIS PORTION WITH YOUR PAYMENT

Figure 2. December statement shows an apparent February payment (see arrow). Identifying information has been removed.

Figure 3 below shows an example of a properly printed statement.

COUNTY OF SANTA CLARA DEPARTMENT OF REVENUE		MAIL P O BOX 1897, SAN JOSE, CA 95109-1897 OFFICE: 1555 BERGER DR. BLDG #2 SAN JOSE, CA		
TRANS DATE	DESCRIPTION	ITEM	AMOUNT	
01-14-14	PAYMENT - THANK YOU	PYT	-50.00	
PREVIOUS BALANCE	PAYMENTS	CURRENT CHGS & ADJS	ACCOUNT BALANCE	CURRENT PAYMENT DUE
	-50.00	0.00		
ACCOUNT NUMBER	STATEMENT DATE	REFERENCE	PAST DUE PAYMENT	
	02-09-14		0.00	
PHONE 408	PAYMENT DUE DATE	(SEE REVERSE SIDE FOR MORE INFORMATION)		TOTAL PAYMENT DUE
EXT	**PAYMENT DUE IMMEDIATELY**			
YOUR ACCOUNT REPRESENTATIVE IS				

Figure 3. An example of a properly printed statement. Identifying information has been removed.

Comparison of the column labeled 'ITEM' in the three figures shows 'PYT' centered in Figure 3 and to the far left of the column in Figures 1 and 2; this indicates that the entire printed line has shifted left. While the DOR stated it does check that statements show two digits for the month, these misprinted statements were missed and they were unable to identify the cause of this problem. The DOR also stated that they check for other possible problems such as perforation anomalies, tears, and upside-down printing.

During interviews, the Grand Jury learned that the DOR does not impose fines, penalties, interest, or late charges. In the case of debts transferred to the DOR from the court, the court is notified of overdue payments. The court may then order penalties for late payments or non-payments. These penalties are shown in the monthly statements each debtor receives.

Debtors with questions or concerns may complain to their assigned account representative or responsible DOR unit. The representative notes the complaint in a short entry in the debtor's computer-based account history. The debtor can leave a phone message if the representative is unavailable. The department's goal is to return the call within two business days; however, the DOR does not maintain formal records regarding the timing of callbacks so there is no way to determine if the DOR has met its goal.

While debtors may also submit questions and complaints directly to DOR management or to the County Board of Supervisors in person or by phone or mail,

they cannot submit questions or complaints through the DOR website. With some County agencies, such as the Office of the Sheriff, it is possible to ask questions or file complaints online.

Currently, debtors are unable to obtain copies of their past statements but may retrieve historical information about their accounts by contacting a DOR representative. Although debtors can access their account through the DOR website, they can only view their current balance or make a payment. They cannot see account statements or their transaction history. The ability to review their current and past statements and transaction history online may prevent confusion such as that caused by incorrectly printed statements.

Conclusions

The Grand Jury found that the DOR does credit debtors' payments to their accounts on a timely basis. The DOR does not add fines, penalties, interest, or late charges but collects them if they are imposed.

The DOR performs an important task in recovering revenue for the County. The management of the DOR has a commendable sense of dedication to serve the people of Santa Clara County. The DOR aids the agencies it serves and the public by helping debtors develop payment plans and by returning millions of dollars to County agencies.

The Grand Jury recommends improvements in the areas of:

- Printing statements
- Complaint handling and tracking
- Online access to accounts

Findings and Recommendations

Finding 1

The Department of Revenue's account statements have been sent to debtors with the leading digit of the month missing. This resulted in statements listing incorrect dates, which could leave debtors confused as to how their payments were being applied. Department of Revenue inspections were not shown to be effective in catching anomalies such as those seen in misprinted statements.

Recommendation 1

The County should improve the account statement printing process at the Department of Revenue to ensure that the type of error discussed in this report is avoided.

Finding 2

The current Department of Revenue complaint system lacks online accessibility for debtors and does not include an internal complaint tracking function.

Recommendation 2a

The County should implement an online complaint system accessible through the Department of Revenue's website.

Recommendation 2b

The County should implement a system for the Department of Revenue to track questions, complaints, and follow-ups.

Recommendation 2c

The County should require the Department of Revenue to monitor and report complaint response times to ensure the goal of two business days is met.

Finding 3

Online access provided by the Department of Revenue to debtors is limited to viewing current account balance and making a payment.

Recommendation 3

The County should improve online access through the Department of Revenue's website to include the ability for debtors to view and download account transactions and past statements.

References

Bibliography

County of Santa Clara, Department of Revenue. (2016). Website. Retrieved from <https://www.sccgov.org/sites/dor/Pages/Department-of-Revenue.aspx>

County of Santa Clara, Department of Revenue (2016). 200 account histories, July 2013 to September 2015.

County of Santa Clara, Department of Revenue. (2015, October). Employee training slides.

County of Santa Clara, Office of the Sheriff. (2014, March 27). Internal Affairs Unit Complaint Form. In *Santa Clara County Sheriff*. Retrieved from www.sccgov.org/sites/sheriff/Pages/iau.aspx

Interviews


Three interviews were conducted between August 27, 2015 and September 29, 2015.

Tour

October 16, 2015

Santa Clara County Department of Revenue offices
1555 Berger Drive, Building 2, San Jose

This report was **ADOPTED** by the 2015-2016 Santa Clara County Civil Grand Jury on this 8th day of June, 2016.



Gil Zamora
Foreperson

DOR DRAFT RESPONSE TO JUNE 2016 CIVIL GRAND JURY REPORT

On June 14, 2016, the Santa Clara County Civil Grand Jury released its final report titled: "Department of Revenue, the County's Collection Agency." There are three findings and recommendations in the report.

The Department of Revenue (DOR) would like to thank the Civil Grand Jury for their review of this subject and welcomes their interest and thoughtful recommendations. The three findings and associated recommendations, and DOR's response and/or additional information relating to the recommendations are presented below:

Finding 1: The Department of Revenue's account statements have been sent to debtors with the leading digit of the month missing.

This resulted in statements listing incorrect dates, which could leave debtors confused as to how their payments were being applied. Department of Revenue inspections were not shown to be effective in catching anomalies such as those seen in misprinted statements.

Recommendation 1: The County should improve the account statement printing process at the Department of Revenue to ensure that the type of error discussed in this report is avoided.

DOR Response to Recommendation 1: AGREE.

The Department of Revenue is completing a comprehensive revision of its printed statement which will address the error encountered (one which is very rare in occurrence). DOR's new statement forms have been re-designed to a larger and more readable format, using color and font differentiation to provide clearer and more information to the recipient. All information fields are larger and easier to read. The statement size has been enlarged from the former postcard size format to standard 8 ½ x 11. The Statement revision will include the conversion to updated printing technology and equipment. These enhancements will improve the statement printing process. The expected completed date for this project is October 2016.

Finding 2: The current Department of Revenue complaint system lacks online accessibility for debtors and does not include an internal complaint tracking function.

Recommendation 2a: The County should implement an online complaint system accessible through the Department of Revenue's website.

DOR Response to Recommendation 2a: AGREE.

DOR does have online accessibility for submitting complaints; however, it may not be particularly user friendly. DOR will add a section to its website that offers to the public clear and easy access to the Department for communicating complaints, questions and comments.

Recommendation 2b: The County should implement a system for the Department of Revenue to track questions, complaints, and follow-ups.

DOR Response to Recommendation 2b: AGREE.

At DOR, there already exists a tracking system that is working well on a practical level considering the volume of the universe of people we serve. To improve our current system, DOR will investigate how to develop a selective tracking model that facilitates analysis and improved quick search for critical cases.

Recommendation 2c: The County should require the Department of Revenue to monitor and report complaint response times to ensure the goal of two business days is met.

DOR Response to Recommendation 2c: AGREE.

Our current system assures that all call messages are cleared from queue timely. However, our high call volume requires that the follow-up check for action taken, date/time and documentation is done on a spot-check basis. To improve our current system, DOR will investigate creating a structured and reportable method for increasing the frequency and consistency of this spot monitoring.

Finding 3: Online access provided by the Department of Revenue to debtors is limited to viewing current account balance and making a payment.

Recommendation 3: The County should improve online access through the Department of Revenue's website to include the ability for debtors to view and download account transactions and past statements.

DOR Response to Recommendation 3: DISAGREE.

DOR would have difficulty with this recommendation due to the varying types of privacy confidentiality requirements associated with different types of debt, and the potential for multiple passwords for the same debtor, depending on the nature of the debt. Also, DOR favors personal contact between collector and debtor whenever possible to obtain explanation and information regarding the details of an account. In the past, the system could not generate a past statement facsimile copy. However, upon completion of the statement printing project described above under Response to Recommendation 1, facsimiles will be available by contacting the account representative.

It should be noted that online information related to a debtor's account provides not only their current balance, as referenced in the Grand Jury's report, but also the last payment amount made (if any) and the last payment date.

DOR receives approximately 100,000 accounts per year, so the aggregated volume of accounts that we handle is very large. The compounded requirement to associate individuals to multiple accounts across our several business lines (e.g., hospital, traffic, justice, etc.), with different levels of permission depending on the legal basis for the debt (e.g., victim restitution, hospital, etc.), would make any password management unfeasible at this time.

Further, unlike banks and other financial institutions, DOR operates under the premise that DOR debtors will be in our data base for only the time required to pay the debt. Because DOR is not looking to have a long-term customer relationship with the debtors in its database, the transiency of the relationship between DOR and its debtor population works against establishing long-term password management arrangements.

In addition, in terms of DOR's collections responsibilities, we believe it is advantageous for individuals to speak with us regarding any questions they may have. This is so we can 1) talk to them about paying, 2) update our debtor demographics, and 3) provide correct and clear interpretation of information on their account – often cases can be quite complicated around issues such as victim restitution, joint/several liability status, amnesty, bench warrants, insurance implications, etc. We therefore wish to encourage debtors with questions to call us at every opportunity.

County of Santa Clara

Office of the Clerk of the Board of Supervisors
County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110-1770
(408) 299-5001 FAX 298-8460 TDD 993-8272



Megan Doyle
Clerk of the Board

August 23, 2016

The Honorable Rise Jones Pichon
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

RE: Grand Jury Report: Department of Revenue: The County's Collection Agency

Dear Judge Pichon:

At the August 16, 2016 meeting of the County of Santa Clara Board of Supervisors (Item No. 64), the Board adopted the response from the County Administration to the Final Grand Jury Report and recommendations relating to Department of Revenue: The County's Collection Agency.

As directed by the Board of Supervisors and on behalf of the Board President, our office is forwarding to you the enclosed certified copy of the response to the Final Grand Jury Report. This response constitutes the response of the Board of Supervisors, consistent with provisions of California Penal Section 933(c).

If there are any questions concerning this issue, please contact our office at 299-5001 or by email at boardoperations@cob.sccgov.org.

Very truly yours,

A handwritten signature in cursive script that reads "Michele Neighbors".

Michele Neighbors
Deputy Clerk, Board of Supervisors
County of Santa Clara

Enclosures

DOR RESPONSE TO JUNE 2016 CIVIL GRAND JURY REPORT

On June 14, 2016, the Santa Clara County Civil Grand Jury released its final report titled: "Department of Revenue, the County's Collection Agency." There are three findings and recommendations in the report.

The Department of Revenue (DOR) would like to thank the Civil Grand Jury for their review of this subject and welcomes their interest and thoughtful recommendations. The three findings and associated recommendations, and DOR's response and/or additional information relating to the recommendations are presented below:

Finding 1: The Department of Revenue's account statements have been sent to debtors with the leading digit of the month missing.

This resulted in statements listing incorrect dates, which could leave debtors confused as to how their payments were being applied. Department of Revenue inspections were not shown to be effective in catching anomalies such as those seen in misprinted statements.

Recommendation 1: The County should improve the account statement printing process at the Department of Revenue to ensure that the type of error discussed in this report is avoided.

DOR Response to Recommendation 1: AGREE.

The Department of Revenue is completing a comprehensive revision of its printed statement which will address the error encountered (one which is very rare in occurrence). DOR's new statement forms have been re-designed to a larger and more readable format, using color and font differentiation to provide clearer and more information to the recipient. All information fields are larger and easier to read. The statement size has been enlarged from the former postcard size format to standard 8 ½ x 11. The Statement revision will include the conversion to updated printing technology and equipment. These enhancements will improve the statement printing process. The expected completed date for this project is October 2016.

Finding 2: The current Department of Revenue complaint system lacks online accessibility for debtors and does not include an internal complaint tracking function.

Recommendation 2a: The County should implement an online complaint system accessible through the Department of Revenue's website.

DOR Response to Recommendation 2a: AGREE.

DOR does have online accessibility for submitting complaints; however, it may not be particularly user friendly. DOR will add a section to its website that offers to the public clear and easy access to the Department for communicating complaints, questions and comments.

Recommendation 2b: The County should implement a system for the Department of Revenue to track questions, complaints, and follow-ups.

DOR Response to Recommendation 2b: AGREE.

At DOR, there already exists a tracking system that is working well on a practical level considering the volume of the universe of people we serve. To improve our current system, DOR will investigate how to develop a selective tracking model that facilitates analysis and improved quick search for critical cases.

Recommendation 2c: The County should require the Department of Revenue to monitor and report complaint response times to ensure the goal of two business days is met.

DOR Response to Recommendation 2c: AGREE.

Our current system assures that all call messages are cleared from queue timely. However, our high call volume requires that the follow-up check for action taken, date/time and documentation is done on a spot-check basis. To improve our current system, DOR will investigate creating a structured and reportable method for increasing the frequency and consistency of this spot monitoring.

Finding 3: Online access provided by the Department of Revenue to debtors is limited to viewing current account balance and making a payment.

Recommendation 3: The County should improve online access through the Department of Revenue's website to include the ability for debtors to view and download account transactions and past statements.

DOR Response to Recommendation 3: DISAGREE.

DOR would have difficulty with this recommendation due to the varying types of privacy confidentiality requirements associated with different types of debt, and the potential for multiple passwords for the same debtor, depending on the nature of the debt. Also, DOR favors personal contact between collector and debtor whenever possible to obtain explanation and information regarding the details of an account. In the past, the system could not generate a past statement facsimile copy. However, upon completion of the statement printing project described above under Response to Recommendation 1, facsimiles will be available by contacting the account representative.

It should be noted that online information related to a debtor's account provides not only their current balance, as referenced in the Grand Jury's report, but also the last payment amount made (if any) and the last payment date.

DOR receives approximately 100,000 accounts per year, so the aggregated volume of accounts that we handle is very large. The compounded requirement to associate individuals to multiple accounts across our several business lines (e.g., hospital, traffic, justice, etc.), with different levels of permission depending on the legal basis for the debt (e.g., victim restitution, hospital, etc.), would make any password management unfeasible at this time.

Further, unlike banks and other financial institutions, DOR operates under the premise that DOR debtors will be in our data base for only the time required to pay the debt. Because DOR is not looking to have a long-term customer relationship with the debtors in its database, the transiency of the relationship between DOR and its debtor population works against establishing long-term password management arrangements.

In addition, in terms of DOR's collections responsibilities, we believe it is advantageous for individuals to speak with us regarding any questions they may have. This is so we can 1) talk to them about paying, 2) update our debtor demographics, and 3) provide correct and clear interpretation of information on their account – often cases can be quite complicated around issues such as victim restitution, joint/several liability status, amnesty, bench warrants, insurance implications, etc. We therefore wish to encourage debtors with questions to call us at every opportunity.