



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Employee and Public Services Department

DATE: November 21, 2001

BOARD MEETING DATE: December 11, 2001

TO: Honorable Board of Supervisors
FROM: *MW* Mary Welch, Director of Employee and Public Services
Girdie Bernard, Division Manager, Revenue Services
GB
SUBJECT: Request for Relief of Accountability of Delinquent Accounts

Recommendation

1. Adopt a resolution authorizing the abandonment of collection effort and relief of accountability for certain San Mateo County accounts receivable totaling \$4,493,489.27 for the fiscal year 2000-2001.
2. Adopt a resolution authorizing the abandonment of collection effort and relief of accountability for accounts receivable totaling \$159,082.23 handled by the Human Services Agency for fiscal year 2000-2001.

Background

The Revenue Services Division is responsible for collecting monies for services rendered or for fines against persons who do not make payment. Typical collection accounts include court fines, hospital and clinic services, welfare over-payments and private defender fees.

The accounts handled by the Human Services Agency are for Welfare Assistance over-payments.

The Government Code provides that the County can seek relief from collection efforts for uncollectible accounts by writing off uncollectible debts after collection efforts are

unsuccessful. County Administrative Memorandum Number D-10 provides that such accounts be taken to the Board of Supervisors to request relief. Per County policy, we are now submitting our write-off request for fiscal year 2000-2001.

Discussion

The recommended write-off for FY 2000-2001 is \$4,652,571.50. This is composed of \$4,493,489.27 in accounts handled by Revenue Services and \$159,082.23 in accounts handled by the Human Services Agency.

For fiscal year 2000-2001 the Revenue Services Division collected debts totaling \$14,809,165 a significant achievement. Revenue Services has consistently provided quality collection services for the County at a cost which is lower than companies in the private industry.

REVENUE SERVICES ACCOUNTS

Accounts presented for abandonment fall into six categories of uncollectibility. These are:

- **Accounts lacking sufficient information for collection.** Examples include: clients identified by name and general delivery address but without any other information; and clients who have moved and cannot be located. The uncollectible funds in accounts under \$10,000 for fiscal year 2000-2001 total \$293,775.00. The uncollectible funds in accounts over \$10,000 total \$63,548.13.
- **Accounts for which the client has no resources to pay.** Examples include: clients who have died and left no estates; clients who have died and left insolvent estates; and clients who are bankrupt and have no attachable assets. The uncollectible funds in accounts under \$10,000 for fiscal year 2000-2001 total \$241,742.85. The uncollectible funds in accounts over \$10,000 total \$13,722.52.
- **Accounts that are too small to warrant further collection efforts.** Examples include: initial account balances that are too small; and remaining balances on accounts that are too small. The uncollectible funds in these accounts for fiscal year 2000-2001 total \$107,744.83. There are no uncollectible funds in accounts over \$10,000.
- **Accounts on which all collection efforts and options have been exhausted.** Examples include: accounts that have aged beyond the statute of limitations for collection; and accounts that have been worked by Revenue Services staff and then referred to outside collection agencies and returned as uncollectible. The uncollectible funds in accounts under \$10,000 for fiscal year 2000-2001 total \$1,630,994.43. The uncollectible funds in accounts over \$10,000 total \$2,044,366.28.
- **Accounts that were erroneously established and billed at the point of service.** Examples include: clients who received services while incarcerated; and clients who received care or services while they were minors. The uncollectible funds in accounts

under \$10,000 for fiscal year 2000-2001 total \$65,321.07. There were no uncollectible funds in accounts over \$10,000 for fiscal year 2000-2001.

- **Accounts that, if further collection efforts were pursued, would place the client in extreme hardship.** Examples include: clients who are Medically Indigent Adults; and clients who would become destitute as a result of making payment. The uncollectible funds in accounts under \$10,000 for fiscal year 2000-2001 total \$32,274.16. There are no uncollectible funds in accounts over \$10,000.

Attachment A provides a detailed listing of recommended write-offs by type of account and department.

Attachment B provides details on each of the 109 accounts over \$10,000 recommended for abandonment.

HUMAN SERVICES ACCOUNTS

The HSA accounts totaling \$159,082.23 are all under \$10,000 and represent debts for Welfare Assistance over-payments. Over-payments can occur when clients incorrectly or fraudulently report their status or earnings. These amounts are being written off due to their age, and all attempts at collection have been exhausted. These include initial Human Services Agency billings, Revenue Services collection efforts, and the use of the State income tax intercept program.

Pursuant to the Terms of Government Code section 25258(b), the names of the assesseees or persons liable and the amounts owed by each is incorporated by reference in this application are permanently maintained in the office of the Board of Supervisors for the County of San Mateo.

Fiscal Impact

By virtue of the age and condition of the accounts, there is little chance of recovery of the \$4,652,571.50. The accounts are not included in the amount provided to the Controller as collectible and thus will not affect the County's financial statement.

GB:gt

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING DISCHARGE FROM ACCOUNTABILITY
FOR COLLECTION OF OVERPAYMENTS FOR WELFARE ASSISTANCE
FOR THE COUNTY OF SAN MATEO**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, under Government Code sections 25257 and 25258, the Board of Supervisors can discharge the County from continued efforts to collect funds owed to the County; and

WHEREAS, the accounts presented for discharge from accountability for the collection thereof are too small to justify the cost of collection, the likelihood of collection does not warrant the expense involved, or the amount thereof has been otherwise lawfully compromised or adjusted; and

WHEREAS, the Board of Supervisors, desires to terminate any further efforts in the collection of these accounts;

WHEREFORE, it is hereby resolved that the accounts presented are discharged from accountability.

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RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING DISCHARGE FROM ACCOUNTABILITY
FOR COLLECTION OF COSTS, FINES, FEES AND ASSESSMENTS
FOR THE COUNTY OF SAN MATEO**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, under Government Code sections 25257 and 25258, the Board of Supervisors can discharge the County from continued efforts to collect funds owed to the County; and

WHEREAS, the accounts presented for discharge from accountability for the collection thereof are too small to justify the cost of collection, the likelihood of collection does not warrant the expense involved, or the amount thereof has been otherwise lawfully compromised or adjusted; and

WHEREAS, the Board of Supervisors, desires to terminate any further efforts in the collection of these accounts;

WHEREFORE, it is hereby resolved that the accounts presented are discharged from accountability.

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Attachment A

Revenue Services:

Uncollectible Accounts for Write-Off Accounts Under \$10,000	Municipal Court		Health Dept.		SMC Hospital		Misc.		Private Defender		Private Defender Juvenile	
Cost of Collection is Too Great	\$2,158.65	\$2,402.92	\$21,963.62	\$557.20	\$0.00	\$877.50						
Lacking Sufficient Information to Collect	\$4,359.80	\$30,763.50	\$180,099.33	\$4,900.24	\$219.00	\$877.50						
All Options Exhausted	\$116,043.69	\$5,561.82	\$607,552.74	\$13,700.12	\$459,453.03	\$24,120.82						
No Resources to Pay	\$43,980.65	\$5,114.90	\$142,698.28	\$216.97	\$8,477.73	\$821.00						
Erroneously Billed	\$0.00	\$2,683.65	\$62,637.42	\$0.00	\$0.00	\$0.00						
Hardship	\$0.00	\$1,668.00	\$28,701.76	\$0.00	\$0.00	\$0.00						
TOTAL	\$166,542.79	\$48,194.79	\$1,043,653.15	\$19,374.53	\$468,149.76	\$26,696.82						

	Sheriff	Probation	Superior Court	Total	Number of Cases	Average per Case
Cost of Collection is Too Great	\$0.00	\$79,468.28	\$316.66	\$107,744.83	1,280	\$84.18
Lacking Sufficient Information to Collect	\$0.00	\$70,483.16	\$2,072.47	\$293,775.00	1,099	\$267.31
All Options Exhausted	\$0.00	\$263,590.19	\$140,972.02	\$1,630,994.43	8,391	\$194.37
No Resources to Pay	\$121.00	\$39,639.32	\$673.00	\$241,742.85	620	\$389.91
Erroneously Billed	\$0.00	\$0.00	\$0.00	\$65,321.07	345	\$189.34
Hardship	\$0.00	\$1,904.40	\$0.00	\$32,274.16	166	\$194.42
TOTAL	\$121.00	\$455,085.35	\$144,034.15	\$2,371,852.34	11,901	\$199.30

Revenue Services: Uncollectible Accounts for Write-Off Accounts Over \$10,000		SMC Hospital (General)	SMC Hospital (LTC)	Total	Number of Cases	Average per Case
Cost of Collection is Too Great	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Lacking Sufficient Information to Collect	\$63,548.13	\$63,548.13	\$0.00	\$63,548.13	4	\$15,887.03
All Options Exhausted	\$1,997,594.37	\$1,997,594.37	\$46,771.91	\$2,044,366.28	104	\$19,657.37
No Resources to Pay	\$13,722.52	\$13,722.52	\$0.00	\$13,722.52	1	\$13,722.52
Erroneously Billed	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Hardship	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
TOTAL	\$2,074,865.02	\$2,074,865.02	\$46,771.91	\$2,121,636.93	109	\$19,464.56

Attachment B

Write Off Amounts in Excess of \$10,000

There are 109 cases in excess of \$10,000 that are being recommended for abandonment. These 109 cases fall into three general categories:

- Cases for which collection efforts have been exhausted and that have passed the legal time period during which collections can be made. There are 104 cases. The total for these cases is \$2,044,366.28.
- Cases for which the client has no ability to pay. There is 1 of these cases. The total for this case is \$13,722.52.
- Cases that lack sufficient information to continue collection efforts. There are 4 of these cases. The total for these cases is \$63,548.13.

**Cases For Which All Collection Efforts Have Been Exhausted and That
Have Passed The Legal Time Period During Which Collections Can Be Made (104)**

The Revenue Services Division has made extensive efforts to collect the monies on the accounts in this category. After exhausting all avenues available to the division, these cases were referred to an outside collection agency for additional collection efforts.

The outside agency has also been unsuccessful in collecting on these accounts.

The ability of the debtor to make payment on these cases is statutorily limited and the time period during which collections can be made has expired.

Number 820010\$13,729.00
Patient is unemployed and has no means to pay. No credit history. No real property listed. No attachable assets.

Number 725807\$16,875.00
No response to numerous notices. No credit history available. No EDD information. No property ownership listed. No attachable assets.

Number 979589\$10,431.60
87 year old patient in long term care facility. No means to pay medical bills. No information on credit report. No real property listed. No attachable assets.

Number 923560\$69,237.73
Number 923563\$28,294.27
Patient applied for disability benefits and was denied. Mail returned from several addresses. No employment information. No property ownership listed. No credit information. Current whereabouts unknown.

Number 761499\$24,167.33
Debtor moved out of state. No social security number and no credit history. Attempts to locate patient have been unsuccessful. Current whereabouts unknown.

Number 928895\$17,841.24
Numerous notices sent. No credit information available. No property ownership listed. No employment information found. Current whereabouts unknown.

Number 822613\$10,915.19
No response to notices. No credit profile. No property ownership listed. Current whereabouts unknown.

Number 827963\$12,248.81
Patient moved, left no forwarding address. No credit information available. No employment listed. No real property listed. Current whereabouts unknown.

Number 861568\$59,185.80
Patient applied for Medi-Cal assistance but was denied. Patient is unemployed and has no means to pay. No credit history. No real property listed. Mail returned, no forwarding address. Current whereabouts unknown.

Number 493619\$42,597.70
Mail returned, no forwarding address. No EDD available. No credit information. No property ownership listed. Current whereabouts unknown.

Number 700398\$21,509.68
Last employment information on patient was 1996. No credit information available. No property ownership listed. Current whereabouts unknown.

Number 657813\$13,491.23
Mail returned, no forwarding address. Phone disconnected. No credit information. No employment information. No attachable assets. Current whereabouts unknown.

Number 857776\$28,449.07
Patient unemployed and has no insurance. Medi-Cal claim was denied. Credit report negative. No employment listed in EDD. No real property ownership listed. Current whereabouts unknown.

Number 861574\$10,830.71
Patient unemployed. Mail has been returned, no forwarding address. Attempts to locate have been unsuccessful. Current whereabouts unknown.

Number 720420\$13,074.41
Patient unemployed. No credit information available, no property ownership listed. No attachable assets.

Number 663353\$18,522.62
Mail returned from several addresses. No phone number listed. No credit information available. No employment listed. No real property found. Current whereabouts unknown.

Number 715817\$13,003.52

Number 716032\$13,627.16

No response to notices. Phone disconnected. No credit profile found. No property ownership listed. Current whereabouts unknown.

Number 766375\$14,598.38

Medi-Cal portion of bill paid. Mail returned due to no forwarding address. No credit information. No employment history. No real property listed. Current whereabouts unknown.

Number 678343\$15,018.05

Patient unemployed. Attempts to locate have been unsuccessful. No credit information available. No real property listed. Current whereabouts unknown.

Number 680660\$10,048.65

Mail returned from several addresses. No employment information available. No credit history. No real property. Current whereabouts unknown.

Number 733814\$11,013.30

Patient applied for Medi-Cal and was denied. Notices sent to patient were returned undeliverable. Telephone disconnected. No employment history found. No real property found. Current whereabouts unknown.

Number 761496\$10,164.51

Patient moved, left no forwarding address. No credit information available. No employment listed. No real property listed. Current whereabouts unknown.

Number 726505\$10,369.66

Patient with no current home address. Credit report negative. No employment listed in EDD. No real property ownership listed. Current whereabouts unknown.

Number 880638\$34,894.65

Mail returned from several addresses. No phone number listed. No credit information available. No employment listed. No real property found. Current whereabouts unknown.

Number 880640\$13,884.79

Patient unemployed. Attempts to locate have been unsuccessful. No credit information available. No real property listed. Current whereabouts unknown.

Number 888902\$12,340.69
Patient is unemployed and has no means to pay. No credit history. No real property listed.
No attachable assets.

Number 838479\$16,423.33
Numerous notices sent. No credit information available. No property ownership listed. No
employment information found. Current whereabouts unknown.

Number 923133\$15,833.60
Patient unemployed and has no insurance. Medi-Cal claim was denied. Credit report
negative. No employment listed in EDD. No real property ownership listed. Current
whereabouts unknown.

Number 676744\$14,649.70
Patient is unemployed and has no insurance. No credit information available. No real
property listed. No attachable assets.

Number 859069\$13,002.16
Patient unemployed (70 years old) and has no means to pay bills. No credit history. No real
property listed. No attachable assets.

Number 736594\$12,429.97
Patient applied for Medi-Cal and was denied. Notices sent to patient were returned
undeliverable. Telephone disconnected. No employment history found. No real property
found. Current whereabouts unknown.

Number 789817\$14,918.98
Mail returned from several addresses. No credit information available. No property
ownership listed. No employment listed. Current whereabouts unknown.

Number 712483\$12,071.96
Insurance portion of bill paid. Patient unemployed and is unable to pay. No credit
information available. No real property listed. No attachable assets.

Number 766460\$11,632.69
Patient unemployed. No current address or phone number available. Attempts to locate
patient have been unsuccessful. No credit information. No attachable assets. Current
whereabouts unknown.

Number 657901\$10,262.12
Patient unemployed. Mail has been returned. Attempts to locate have been unsuccessful.
Current whereabouts unknown.

Number 796094\$17,477.46
Patient applied for Medi-Cal assistance but was denied. Credit profile is negative. No
property ownership listed. No response to collection attempts. Current whereabouts
unknown.

Number 693383\$12,908.85
No response to notices. No credit profile. No property ownership listed. Current
whereabouts unknown.

Number 757801\$15,757.97
Insurance portion of bill paid. Patient unemployed and has no means to pay. No credit
history. No real property. No attachable assets.

Number 693386\$11,741.99
Patient has no Social Security number and no credit history. Also unable to verify current
location or status. Current whereabouts unknown.

Number 866988\$18,539.28
Patient unemployed. Mail has been returned from current address. Attempts to located have
been unsuccessful. Current whereabouts unknown.

Number 663362\$15,349.40
Patient moved to New Mexico. No forwarding address listed. No employment information
available. No credit profile found. No real property listed. Current whereabouts unknown.

Number 1011178\$14,780.37
Patient disabled and has no insurance. No credit information available. No property
ownership listed. No employment listed. No attachable assets.

Number 862813\$10,879.20
Mail returned, no forwarding address. No phone number listed. No employment record
found. No credit information available. No real property listed. Current whereabouts
unknown.

Number 822534\$22,177.96
Notices returned, no forwarding address. No phone listing available. No credit profile
found. No employment listed. No real property listed. Current whereabouts unknown.

Number 838485\$22,171.43
No response to numerous notices. No credit information. No property ownership listed.
Current whereabouts unknown.

Number 753409\$10,708.57
Mail returned, no forwarding address. No credit information available. No employment
history. No real property listed. Current whereabouts unknown.

Number 838488\$28,401.89
Patient is self-employed with no income. Patient applied for Medi-Cal assistance but was
denied. Credit report is negative. No real property listed. Current whereabouts unknown.

Number 765076\$11,629.97
No response to notices. No phone listing available. No credit profile found. No
employment information. No real property listed. Current whereabouts unknown.

Number 868618\$10,825.65
Numerous address changes. No response to notices. Patient is unemployed, has no
insurance or DMV history. Current whereabouts unknown.

Number 789823\$10,485.01
Patient had been conserved. Has no assets or ability to pay.

Number 859607\$28,322.00
Patient with no current home address (transient). No credit information. No attachable
assets. No real property listed. Current whereabouts unknown.

Number 715914\$15,527.62
Patient has no social security number and no credit history. Also unable to verify current
location or status. Current whereabouts unknown.

Number 701867\$13,972.66
Patient supported by sister and is not employed. Mail returned from previous address. No
information on credit report. Current whereabouts unknown.

Number 681939\$17,745.07
Numerous notices sent. No credit information available. No property ownership listed. No
employment listed. No response from current address. Current whereabouts unknown.

Number 887032\$15,172.47
Debt is owed as result of an injury. Patient moved out of state. No real property ownership listed. Current whereabouts unknown.

Number 815365\$11,334.65
No response to notices. No credit profile found. No property ownership listed. Current whereabouts unknown.

Number 910099\$12,075.29
Patient unemployed. Mail has been returned from several addresses. Attempts to locate have been unsuccessful. Current whereabouts unknown.

Number 897981\$12,072.41
Notices returned, no forwarding address. No phone listing for patient available. No credit profile found. No employment listed. No real property listed.

Number 831891\$11,234.38
No response to notices. No credit information. No property ownership listed. Current whereabouts unknown.

Number 880644\$20,696.14
Patient unemployed. Credit history indicates many defaults. Numerous notices were sent and returned. No real property ownership. Several legal actions against debtor. No attachable assets. Current whereabouts unknown.

Number 822546\$15,501.56
Patient is self-employed with no income. Credit report is negative, mail was returned. Current whereabouts unknown.

Number 700531\$12,589.70
Patient with no current home address. Credit report negative. No employment listed in EDD. No real property ownership listed. Current whereabouts unknown.

Number 984687\$40,241.83

Number 985085\$16,932.49
Patient applied for Medi-Cal and was denied. Notices sent to patient were returned as undeliverable. Telephone disconnected. No employment history found. No response from last known address. No real property found. Current whereabouts unknown.

Number 1104785\$26,053.23
Patient evicted from last known address. Several contacts with attorneys also fruitless as they indicated they were also unable to locate. Negative credit reports. No real property ownership listed. Current whereabouts unknown.

Number 852713\$23,888.02
No response to numerous notices. No credit information. No property ownership listed. EDD returned no employment information. Current whereabouts unknown.

Number 977938\$12,509.71
Patient is unemployed and has no means to pay. No credit history. No real property listed. No attachable assets.

Number 822634\$30,914.12
Number 822640\$45,925.39
Number 845408\$11,822.43
Patient moved out of country (Austria). No Social Security number and no credit history. Attempts to locate patient have been unsuccessful. Current whereabouts unknown.

Number 821332\$16,400.00
Mail returned from several addresses. No credit information available. No property ownership listed. No employment listed. Current whereabouts unknown.

Number 904687\$10,870.00
No responses to no