

FINDINGS OF THE COLLECTIONS BOARD OF REVIEW

REPORT NO. 013124

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 31, 2024, in the Controller's conference room 350B at City Hall East, Los Angeles, California. The Board consists of the following members:

- Shane Min, Chief Management Analyst, representing the City Controller
- Andrew Kaplan, 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 Los Angeles Department of Transportation and the Los Angeles Housing Department, and Department of Public Works – Bureau of Sanitation. The Board may approve the write-off 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 Department of Transportation (LADOT)

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

I. September 26, 2023 report requesting the write-off of 764,735 uncollectible parking citations for 388,402 vehicle registration holders with fees totaling \$116,170,797.30, each vehicle registration holder owing less than \$5000.00.

Discussion. LADOT submitted a report with a list of 764, 735 uncollectible parking citations (388,402 vehicle registration holders) in which the registration holders were unable to be contacted for collections of fees for citations issued from November 2016 – December 2020. These parking citations are delinquent for various reasons such as incorrect address, DMV ownership transferred, aged DMV non-renewal, out of state and 6 additional categories. LADOT has exhausted all reasonable collection efforts and deemed these parking citations as uncollectible.

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 approve the write-off request from LADOT to remove from its active account receivables, 764,735 uncollectible parking citations for 388,402 vehicle registration holders with fees totaling \$116,170,797.30, each vehicle registration holder owing less than \$5000.00.

II. September 26, 2023 report requesting the write-off of 36,867 uncollectible parking

citations for 335 vehicle registration holders with fees totaling \$3,502,645.97, each owner owing \$5,000.00 or more.

Discussion. LADOT submitted report with a list of 36,867 uncollectible parking citations (335 vehicle registration holders) in which the registration holders were unable to be contacted for collections of fees for citations issued from November 2016 – December 2020. Majority of these delinquent parking citations are in the categories of no DMV Registry (26,778), DMV Ownership Transferred (1,677), DMV Hold Rejected (4,198). The remaining 4,214 delinquent parking citations are in the remaining 6 of 10 categories. LADOT has exhausted all reasonable collection efforts and deemed these parking citations as uncollectible.

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 request from LADOT to remove from its active account receivables, 36,867 uncollectible parking citations for 335 vehicle registration holders with fees totaling \$3,502,645.97, each owner owing \$5,000.00 or more.

Los Angeles Housing Department (LAHD)

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

I. October 2, 2023 report requesting the write-off of 84 uncollectible invoices for 68 owners of 68 property accounts (APNs) with fees totaling \$43,401.53, each owner owing less than \$5000.00.

Discussion. These invoices include 11 different invoice categories such as, REAP prepaid inspections, RSO's, Complaint Inspections, and SCEP fees. These outstanding invoices are for services billed during the years 2013 through 2021. LAHD is submitting these invoices for write-off as they have been identified as uncollectible and all reasonable collection efforts have been exhausted.

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 approve the write-off request from LAHD to remove from its active account receivables, 84 invoices totaling \$43,401.53, each owner owing equal to \$5,000.00 or less.

II. December 18, 2023 revised report requesting the write-off of 173 uncollectible invoices for 144 owners of 105 property accounts (APNs) with fees totaling \$111,299.64, each owner owing less than \$5000.00.

Discussion. LAHD presented a revision of the original request which decreased the number of invoices from 186 to 173 and the number of APN's from 118 to 105. This

revision decreased the amount of the write-off from \$115,194.62 to \$111,299.64. These invoices include 10 different invoice categories such as Bad Check, CM Inspection and Substandard Recording fees. These outstanding invoices are for services billed during the years 2005 – 2012. LAHD is submitting these invoices for write-off as they have been identified as uncollectible and all reasonable collection efforts have been exhausted.

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 approve the write-off request from LAHD to remove from its active account receivables, 173 invoices totaling \$111,299.64, each owner owing equal to \$5000.00 or less.

III. December 18, 2023 report requesting the write-off of 12 uncollectible invoices for 9 owners of 12 property accounts (APNs) with fees totaling \$91,767.40, each owner owing \$5000.00 or more.

Discussion. These invoices are from Foreclosure Registry and SCEP invoice categories. These outstanding invoices are for services billed during the years 2016-2020. LAHD is submitting these invoices for write-off as they have been identified as uncollectible and all reasonable collection efforts have been exhausted.

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 to approve the write-off request from LAHD to remove from its active account receivables 12 invoices totaling \$91,767.40, each owner owing equal to \$5000.00 or more.

Department of Public Works – Bureau of Sanitation (LASAN)

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

I. September 8, 2023 report requesting the write-off of 328 uncollectible invoices for 90 permit accounts with fees totaling \$87,590.36, each account owing less than \$5000.00.

Discussion. The Industrial Waste Management Division determines and collect industrial waste fees to recover the City's cost in providing the required level of service including permitting, monitoring, and control of Industrial Users (IU) and to provide the required level of wastewater treatment and disposal at the City's water reclamation plants. These industrial waste permits for IU's represent fees incurred for the 1st and 2nd billings quarters of calendar year 2020. The three-year statute of limitation for collection has expired. LASAN has made every effort to collect.

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 approve the write-off request from LASAN to remove from its active account receivables, 90 permit accounts with fees totaling \$87,590.36, each account owing less than \$5,000.00.