

FINDINGS OF THE COLLECTIONS BOARD OF REVIEW

REPORT NO. 042623

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 April 26, 2023, via Zoom. 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 Fire Department and Los Angeles Housing Department. 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 Fire Department (LAFD)

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

- I. February 28, 2023 report requesting the write-off of 860 uncollectable invoices with fees totaling \$522,596.73, each invoice owing less than \$5,000.00

Discussion. Submitted for write-off are 860 invoices for uncollected Certified Unified Program Agency (CUPA) permit fees. 658 of the 860 invoices originated in Fiscal Year 2016-2017 to 2017-2018 were referred for additional collection efforts to the City's contractor, Caine and Weiner. These 658 invoices were deemed uncollectable and returned to the Department in September 2022. The remaining 202 of the 860 invoices billed in August 2016 to July 2017 had businesses that are no longer at the invoiced facilities; therefore, business owners are difficult to locate. LAFD has exhausted all reasonable collection efforts.

Board's Decision. The Board has reviewed these uncollectible invoices. 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 account receivables, 860 uncollectable invoices with fees totaling \$522,596.73, each invoice owing less than or equal to \$5,000.00.

Los Angeles Housing Department (LAHD)

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

- I. March 13, 2023 report requesting the write-off of 8,796 uncollectible invoices for 4,680 owners of 4,864 property accounts (APNs) with fees totaling \$2,917,809.92, each owner owing less than \$5000.00

Discussion. These invoices include 15 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 2016 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, 8,796 invoices totaling \$2,917,809.92, each owner owing equal to \$5,000.00 or less.

- II. March 13, 2023 report requesting the write-off of 57 uncollectible invoices for 53 owners of 56 property accounts (APNs) with fees totaling \$2,049,423.23, each owner owing \$5,000.00 or more.

Discussion. These invoices include 5 different invoice categories, Foreclosure Registry, REAP Administrative Fee Balance, RSO, SCEP and URP Contractor Cost fees. These outstanding invoices are for services billed during the years 2017 through 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 approve the write-off request from LAHD to remove from its active account receivables, 57 invoices totaling \$2,049,423.23, each owner owing equal to \$5,000.00 or more.