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Economy & Efficiency Commission Presentation

PRESENTATION OF Walter Kelly & Alisa Drakdodaidis Probation Department September 10, 1997

Topic: Collection Activities of Probation Department

Chairman Abel introduced Mr. Kelly and Mrs. Drakdodaidis from the Probation Department. He stated that they were asked to address the Commission regarding the EEC's current project on Debt Collection Management.

Commissioner Jimenez commented that the EEC's report on how the County can improve its debt collection process is scheduled to be completed in December. He introduced Ken Pride who is consulting with the Commission on this project.

Mr. Kelly thanked Chairman Abel for the invitation to address the Commission. He stated that the Probation Department has a private demonstration project with Lockheed Martin IMS. Although this effort is dependant on increased collections activity, it is designed to finance improvements in delivery of services. For the past 17 months the Probation Department has been investigating public/private partnerships. He introduced Mrs. Drakdodaidis, Chief of Administrative Services, who has overseen the project for the last year.

Mr. Kelly stated that there are two facts to consider:

1. Collections should enhance criminal sanctions. For nearly 30 years, and prior to Proposition 13, the state of collections activity in the department has been severely troubled. Probation officers have never felt that collections was a primary function of their job. Fines are used as an alternative sanction to jail by the courts. If collections are not made, the courts' actions are not effectively carried out.
2. The department is not functionally designed to serve as bill collectors. In 1981, the department lost 29% of total staff. Caseloads increased from 150 to 1,000 per deputy in 65% of adult supervision cases. Adults rather than juveniles owe the bulk of fines to the department. When Lockheed Martin came aboard, the department discovered that many of their collection processes had not kept pace with the need. In fact, cases were becoming delinquent almost as soon as they were initiated.

A public/private sector partnership was set-up with Lockheed Martin, and a portion of the funds they collected from delinquent accounts is used to augment the department's services. Instead of probationers sending in reports that have to be entered into the system, a telephonic reporting system that allows the probationer to report his/her status to the department is being developed. The probation deputy can leave a message for the probationer on this system for clarification of information or scheduling of meetings. This allows for better communication between the two parties than the mail in reports permitted. Mr. Kelly

distributed a copy of the Probation Department's report to the Board of Supervisors on this new system.

Mrs. Drakdodaidis stated that the number of accounts assigned to Lockheed Martin have increased from 36,000 to 65,916. Cases are assigned to them if they are 60 or more days past due. As of June 30th, there has been a collection of \$5.6 million. Of this amount, 50% was restitution, 31% was reimbursement, 19% was fines and fees ordered by the court. The department's revenue has increased by 70% from last year.

Mrs. Drakdodaidis went over the charts and graphs of the department's presentation to the Board. She pointed out that there was a delay in posting due to the complexities of interfacing three systems and having several parties agree on reconciliation. This resulted in a large increase in April. Initially, the department planned to withhold Lockheed Martin's 17% fee and post the remaining amount. Given the size of the collections, the reconciliation process was restructured as to post 100%, and in turn they received their payment in the form of a check.

The majority of delinquent accounts owe under \$1,000. The accounts that owe \$1,000- \$3,000 represent the highest account value of collectibles. Most accounts that are referred to delinquency status are less than a year old.

Mr. Kelly stated that 15 years ago the department looked at outsourcing the entire collection activity, but did not pursue this method and is actively reviewing this option. He believes that the collection activity of the department must be outsourced.

Mrs. Drakdodaidis stated that they are trying to implement a standardization of the ability to pay. This will provide guidelines for setting monthly billing amounts to probationers. They are also working to develop a current index schedule. The current schedule has not been updated since 1993.

Commissioner Frankel asked what information the new telephone reporting system will provide. Mrs. Drakdodaidis replied that the direct communication provided by the outbound phone calls by Lockheed Martin allows clarification of questions by the probationer. Automated reporting would provide immediate access to information regarding the probationer's employment status, arrests, etc. In this system the probationer calls in on a 900 number and the data is put into an interactive voice response system, which is transmitted to the adult probation system. This eliminates the delay of the mail system and clerical workers going through paper forms and inputting data.

Commissioner Ojeda-Kimbrough asked if the Probation Department had explored the opportunity of working with other County departments, like job training assistance or the District Attorney, to assist with the collection process. She stated that she volunteers with the California Department of Corrections and the income that inmates, who have jobs and live in half-way houses, earn goes directly to restitution. Mr. Kelly stated that Probation is in the process of instituting similar programs.

Chairman Abel thanked Mr. Kelly and Mrs. Drakdodaidis for taking the time to talk with Commission.

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Kenneth Hahn Hall of Administration, Room 163, 500 West Temple St.,
Los Angeles, CA 90012
Phone (213) 974-1491 FAX (213) 620-1437 [EMail EEComm@co.la.ca.us](mailto:EEComm@co.la.ca.us)
WEB eec.co.la.ca.us