

Automating Court Collections

Practical Approaches and Tools to Improve Collections and Court Order Compliance

Overview

Across the country, courts are seeking new ways to better enforce outstanding judgments and improve rates of compliance and collection. Legislation enacted in states such as Texas, California, Oregon, and Florida has prompted increased accountability for courts with regards to fine enforcement and compliance issues.

Compelled by legislative mandates and the need to improve operational efficiency, courts are now employing the same principles and sound business practices that private sector collection agencies have been using successfully for many years.

Today, new technology solutions tailored specifically for the government sector are enabling courts to conduct and achieve new levels of enforcement and productivity, including:

- Configuring workflows that automate routine collection activities
- Case Scoring and Reporting to identify cases with the highest probability of payment
- Improving correspondence effectiveness with user definable notices and legal templates
- Improved contacting success with automated dialers and interactive voice systems
- Creating work-lists based on court criteria, frequency, objectives and case lifecycles
- Setup, track and manage multiple payment plans for a defendant
- Real time interfacing with case management and other information systems

This document explores the functional and technical options and innovative tools that are available and steps that courts can employ today to get on the path to collection and compliance improvements.

Asking the Right Questions

At each point in the collection process, the overriding objective is for the court staff to always be working on the highest priority cases (court defined) that have the highest probability of payment. The road to improvement begins with asking the right operational questions that will help define collection events to be monitored, the conditions and criteria to be tested for, and the actions to be taken to create the court's compliance workflow. These questions can include:

- How, when, and by whom can/should the court contact the defendant?
- How and when should the court use notices or use the phone?
- What if the defendant can only pay a portion of the obligation?

- How long can will the court allow them to pay off the obligation?
- What penalties, fees or interest can the court charge on delinquent cases?
- What forms of payment can and will the court accept?
- What efforts does the court undertake and at what point (if any) should the case be sent to a third party?

The functional goal is to have as many of these operational steps running in the background with the least amount of human intervention. The system then will present to court personnel those cases and/or defendants that are not complying with the workflows as defined for further focus. This approach allows court staff to monitor and act upon the cases needing attention which will increase collections and decrease collection costs (per dollar collected) and defaults.

Promptly, Consistently, and Continually

Depending on the jurisdiction, courts typically have significant power to encourage a defendant to pay his court ordered fines, fees, and other obligations. Drivers licenses may be suspended, liens may be imposed, wages can sometimes be garnished, other governmental services can be withheld, tax returns and lottery winnings can be intercepted, warrants for arrest may be issued, vehicles may be confiscated and defendants can sometimes be incarcerated. In some states, the court may impose an additional charge, add interest to the order, or outsource collection to a third-party agency if the defendant does not respond within a reasonable period of time. Often, a court may not exercise all available remedies due to a lack of

manpower, initiative, expertise, or other resources. These impediments often can be overcome with proactive planning, organization, and workflow automation.

As the private sector has found, automation lends itself very well to the repetitive nature of collections enforcement. Workflow automation enables prompt, consistent, and frequent efforts to contact the defendant. Whether this contact takes place via letters or notices, electronically or over the phone, the defendant population begins to understand that this is not just an overdue “bill,” but a penalty and legal obligation that will be enforced and must be paid. Automated correspondence processing generates the desired documents, pulling data from the database and inserting it into the proper correspondence. Management

Often, a court may not exercise all available remedies due to a lack of manpower, initiative, expertise, or other resources. These impediments often can be overcome with proactive planning, organization, and workflow automation.

determines the frequency and content of each contact. Typically, the tone and severity of each contact will escalate as the process goes along. It is important that at every stage of the collections and compliance lifecycle that the consequences of non-compliance are explained and reinforced. Automation can also prepare prioritized work lists for court staff to follow up with and work on based on management’s needs and objectives.

An unpaid fine is not a punishment if not enforced and the court must establish an expectation that all costs, fees, fines, and other obligations are due promptly. However, if the defendant is unable to pay in full and the court is willing to accept payment over time, they must be required to promptly complete and sign an application for extension of time to pay. This provides court staff with the opportunity to verify application information and to set up an appropriate payment plan for the defendant. Payment terms are usually strict and set to be completed as quickly as possible. Automated payment plan processing allows the court to apply interest, apply possible fees for payment plan administration, and to configure the follow-up activities that will be taken and by whom in case of late payment or default.

Additional Technology Options and Resources

As a case moves through the compliance process, a comprehensive payment and contact history must be kept to monitor progress and determine the next step that must be taken based on collection objectives. Depending on the collection results to date and taking into account other factors, such as case volume, dollar volume, mail returns, cannot locates, pay plan defaults, and other caseload criteria, additional technology options may be employed, such as:

- Skip Tracing Technology: Automated processing to locate new contact information
- Predictive Dialing: Providing court staff with large volume phone contacting options
- Interactive Voice Response: Better management and access of judgment information
- Scoring and Case Prioritization: Scoring

methodologies to prioritize contacts

- Liens, Garnishment, and Other Legal Processes: At the right time, by the right party

Based on available resources and collection performance, the court must then decide if they are going to outsource some portion of their collections to an outside agency and at what point in the collections lifecycle does that transition make the most sense. When done correctly, a mix of internal collection activities and outside assistance can enable the court to maximize enforcement on all of their cases, bring in critical revenue, and hold defendants accountable for compliance, thus upholding the integrity of their judgments.

Conclusion

The primary key to improvement is achieving compliance with monetary penalties an objective of the court that will be supported by attention, action, and accountability. There is the reality that there is a certain percentage (however small) of the population that may never pay for a variety of reasons. Nonetheless, this noncompliant percentage is typically overstated and compounded by a lack of resources, focus, and proactive enforcement. With all of the technologies, better practices, and automation options available to improve compliance, this percentage can be greatly minimized.

About RevQ

RevQ, Inc. is part of the Columbia Ultimate family of companies, providing industry leading expertise, software solutions, ancillary technologies and consulting services to improve collection results for State, County and City clients nationwide.