



Secretary of State - Audits Division AUDIT FOLLOW UP FORM

Report Title: Oregon Needs Stronger Leadership, Sustained Focus to Improve Delinquent Debt Collection
Report Number: 2015-25
Date: September 2015
Agency: Oregon Department of Revenue

Recommendation:

Improve Other Agency Account collections by identifying optimal caseload for efficient and effective debt collection and pursuing additional staff if necessary.

Status: Fully Implemented/Resolved:	
Partially Implemented - In Progress:	X
Partially Implemented - No Further Action to be Taken:	
Not Yet Started	
Decline to Implement	

Brief Explanation of Actions Taken/Current Status:

We determined optimum agent caseload was between 2,000 to 2,200 debtors per agent using our legacy system. Since implementation of a new system in November 2016, the optimum agent caseload is yet unknown. Revenue (DOR) is in the process of learning this new system and establishing optimal caseloads. It is expected that we will be stabilized by the end of 2017 unless there are significant changes to OAA. DOR developed a Policy Option Package for the 2017 legislative session requesting enough agents to meet current workloads.



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Recommendation:

Improve Other Agency Account collections by asking the Legislature to allow OAA collectors to access state tax return information.

Status: Fully Implemented/Resolved:	<input type="checkbox"/>
Partially Implemented - In Progress:	<input checked="" type="checkbox"/>
Partially Implemented - No Further Action to be Taken:	<input type="checkbox"/>
Not Yet Started	<input type="checkbox"/>
Decline to Implement	<input type="checkbox"/>

Brief Explanation of Actions Taken/Current Status:

For the 2017 session, SB89 has language that would allow OAA collectors to access state tax return information. If SB89 does not become law, OAA will consider a legislative concept to use state tax return information for the 2019 legislative session.



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Recommendation:

Improve Other Agency Account collections by improving data sharing with client agencies.

Status:	<input type="checkbox"/>
Fully Implemented/Resolved:	<input type="checkbox"/>
Partially Implemented - In Progress:	<input type="checkbox"/>
Partially Implemented - No Further Action to be Taken:	<input type="checkbox"/>
Not Yet Started	<input checked="" type="checkbox"/>
Decline to Implement	<input type="checkbox"/>

Brief Explanation of Actions Taken/Current Status:

Sharing of collection data analyses is ongoing. More research needs to be done to determine what additional data DOR can share and how to share it effectively.



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Recommendation:

Improve Other Agency Account collections by boosting outreach to increase full collections assignment and tax refund offset assignment.

Status: Fully Implemented/Resolved:	<input checked="" type="checkbox"/>
Partially Implemented - In Progress:	<input type="checkbox"/>
Partially Implemented - No Further Action to be Taken:	<input type="checkbox"/>
Not Yet Started	<input type="checkbox"/>
Decline to Implement	<input type="checkbox"/>

Brief Explanation of Actions Taken/Current Status:

DAS developed a group called, Statewide Accounts Receivable Management (SWARM), one purpose of which is to educate agencies about OAA and the services DOR offers. DOR plans to do more outreach during 2017 and 2018 to agencies that don't use DOR services. This is an ongoing initiative for OAA.



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Recommendation:

Improve Other Agency Account collections by streamlining service agreements and working with clients to expand allowed garnishments.

Status: Fully Implemented/Resolved:	<input checked="" type="checkbox"/>
Partially Implemented - In Progress:	<input type="checkbox"/>
Partially Implemented - No Further Action to be Taken:	<input type="checkbox"/>
Not Yet Started	<input type="checkbox"/>
Decline to Implement	<input type="checkbox"/>

Brief Explanation of Actions Taken/Current Status:

DOR streamlined service agreements into four templates, which were originally customized to each of our client agencies. In regards to working with clients to expand allowed garnishments:

- We worked with the agencies with the largest volume and dollars to collect. As a result of this work they now allow us to garnish the debtor.
- A few of agencies are either prohibited by federal law to garnish the debtor or have policies that don't allow garnishment.
- For the remainder of the agencies, because of the minimal dollars and volume of collections assigned to OAA, the cost of using garnishment as a collection tool outweighs the dollars of debt resolved. For these agencies, we will continue to use collection tools to resolve their debt that are less costly than garnishment.



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Recommendation:

Improve Other Agency Account collections by working with agencies to have original debt due dates included in accounts assigned to OAA.

Status: Fully Implemented/Resolved:	
Partially Implemented - In Progress:	X
Partially Implemented - No Further Action to be Taken:	
Not Yet Started	
Decline to Implement	

Brief Explanation of Actions Taken/Current Status:

A new system implemented in November 2016 now has a data entry field available for client agencies to give us original due dates of debt. Only some agencies are able to provide this information or have the data available. DOR continues to work with agencies to provide this data. This is an ongoing initiative in OAA.



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Recommendation:

Prioritize automated matching of debtor data, for both OAA and tax units, to wage and other databases to improve collection effectiveness.

Status: Fully Implemented/Resolved:
Partially Implemented - In Progress:
Partially Implemented - No Further Action to be Taken:
Not Yet Started
Decline to Implement

X (OAA)
X (Delinquent Tax)

Brief Explanation of Actions Taken/Current Status:

OAA Collection Response (Fully Implemented/Resolved): DOR developed a collection risk score in the new system, implemented in November 2016, so the most collectible accounts/debt are prioritized for agents to work. DOR will continue to refine this prioritization as more data becomes available within the data warehouse through the use of this new system.

Delinquent Tax Collection Response (Partially Implemented – In Progress): Prioritizing automated matching of debtor data as it relates to tax units is partially implemented and in progress. There are tools in GenTax related to matching of debtor data all the way up to automated actions including automated garnishments. Currently, with full implementation of GenTax in personal income tax collections, DOR is realizing the benefits of data match as it relates to the candidacy of garnishing a taxpayer, be it wage or bank. DOR’s process has been refined because GenTax is the sole source of this research and information outcome. At this time, DOR is still in the process of defining the rules in which the sole source information and the automated functions will perform. After DOR has completed this process we will then fully implement the automated matching of debtor data.