

# Financial Services

## Update

JANUARY 2008  
VOL. 2 NO. 8

### GREETINGS FROM FINANCIAL SERVICES:

I would like to recognize all of the Caught in Character awards for the past four months. Job well done!

#### *December*

No Awards presented

#### *November*

Melinda Akin from Amy Albrich  
Dan Tompkins from Martin Abero  
Linda Southward from Shanon Jackson and Shirley Wait

#### *October*

Tracy Wroblewski from David Nemchik  
Norma Wytoski from Carol Byrnes  
Policy and Compliance from Carol Byrnes  
Lois Wallace from Carol Byrnes  
Norma Wytoski from Lois Wallace

#### *September*

Shirley Wait from Vera Kiryuta  
Norma Wytoski from Jim Allen  
Karen Krill from Suzi Simonsen

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*Les Brodie*

*Chief Financial Officer*



<http://intranet.odot.state.or.us/fsb/>

## ODOT Collections

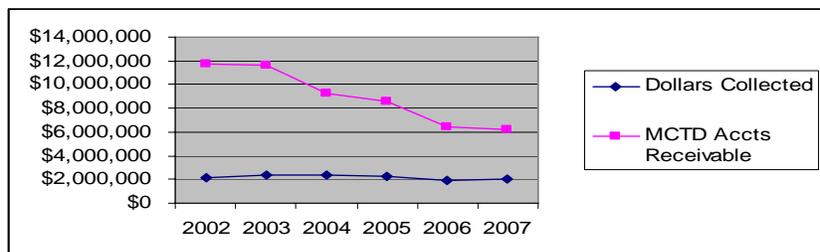
ODOT has a Collections Unit?! Since when? Who are they, and what do they collect?

The Collections Unit consists of a manager, two revenue agents, two support personnel, and a bankruptcy technician. The Collections Unit was originally part of the Motor Carrier Transportation Division when it was a division of the Public Utility Commission. When regulation of motor carriers was transferred to the Oregon Department of Transportation, the Collections Unit was assigned to Financial Services. The Collections Unit has three "clients" within the Department: Motor Carrier Transportation Division, Fuels Tax Group and the Revenue and Expenditure Accounting Unit for Driver and Motor Vehicle Services Division.

### Delinquent Weight-Mile Taxes and Civil Penalties

The Collections Unit's primary focus is the collection of delinquent weight-mile taxes and civil penalties owed by motor carriers based throughout the United States and Canada. The Collections Unit represents the agency when a motor carrier files for bankruptcy. Filing and paying weight-mile taxes is like filing an income tax return, except instead of yearly, motor carriers file their reports monthly or quarterly. A carrier's report and payment are due at the end of the month following the reporting period. For example, a January mileage report and payment is due at the end of February. To ensure motor carriers report accurately, Motor Carrier Transportation Division has a staff of compliance specialists who regularly audit motor carrier reports for accuracy. The audits are the major source of accounts receivable assigned to the Collections Unit from Motor Carrier Transportation Division. The Complaint Resolution Unit of the division may also assess civil penalties against motor carriers for violations of various statutes.

At the end of fiscal year 2007, Motor Carrier Transportation Division's accounts receivable involved a total of 692 carriers owing more than \$6.2 million. During FY07, \$2 million of delinquent weight-mile taxes and civil penalties were collected. During the last six years, collection of delinquent accounts has remained steady even though the Motor Carrier Transportation Division's account receivables have decreased from a high of \$12 million to \$6.2 million at the end of fiscal year 2007.



### Fuels Tax

Beginning in May 2002, the Collections Unit began working with the Fuels Tax Group to collect delinquent motor vehicle fuel (gasoline) taxes and use fuel (other fuels such as diesel) taxes. Filing and paying motor vehicle fuel, use-fuel seller and use-fuel user reports are similar to filing weight-mile reports. They are due during the month following the reporting period. The Fuels Tax Group has a staff of governmental auditors that ensure the reports filed are accurate. By the end of fiscal year 2007, \$3 million of delinquent taxes had been collected.

[www.oregon.gov/ODOT/CS/FS](http://www.oregon.gov/ODOT/CS/FS)

## Financial Services

### Vision

To be recognized by customers and stakeholders as the most accountable, responsive and innovative finance organization in Oregon state government

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#### FSB Trivia:

During the last five years, the Collection Unit has collected an average of \$2,000,000 delinquent weight-mile taxes, \$600,000 delinquent fuels tax and last year \$200,000 in returned checks. During that time, what is the largest single payment received?

Submit [Answer](#) to Kate Black by 2/15/08 and the winner will be announced in the FS Update.

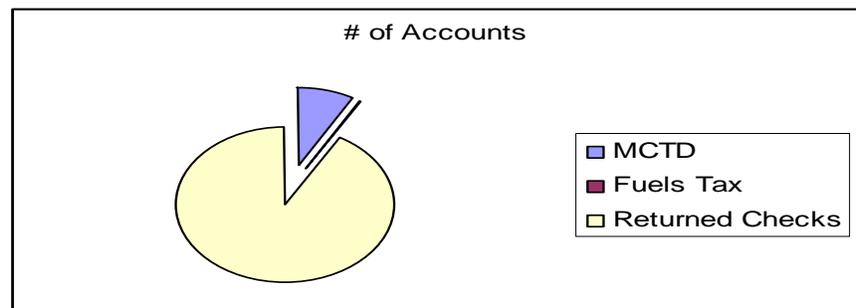
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### DMV Returned Checks

In May 2006, the Collections Unit began working with the Revenue and Expenditure Accounting Unit to bring collection of insufficient fund checks from Driver and Motor Vehicle Services Division (DMV) in-house. The effort was designed to increase collection rates and reduce the cost incurred by Financial Services (FSB).

DMV has approximately 6,000 checks returned every year. Prior to May 2006, the returned checks were sent to private collection firms that had contracted with the State of Oregon for collection services. The firms charged a commission of between 20 and 28% of the dollars they collected and averaged collection rates less than 10%. In May 2006, the Collection Unit began collecting returned checks written to DMV. Since May 2006, the Collection Unit has been collecting these checks, over 7,600 returned checks totaling more than \$730,000 have been assigned, and over \$279,000 have been collected; a collection rate of 38.3%. While the dollar amount collected is less than 15% of the dollar amount collected for Motor Carrier Transportation Division and less than 40% of fuels tax, the number of DMV returned checks is more than 1000% higher than the number of Motor Carrier Transportation Division accounts, which means that every member of the Collections Unit is actively involved in the collection process.

While keeping members of the Collections Unit busy, the returned checks have brought some humor with them as well. One check writer, not a very bright young man, broke into a house and stole a box of checks. Almost immediately, he went to the check owner's bank and wrote a check to himself. Not only did he use his photo ID and his thumbprint to cash the check, he was video-taped by the bank's surveillance camera. From there, he went to DMV and used a stolen check to title and register a car in his name. The car was also stolen.



### Collections Process

The process to collect debts is similar for each type. All debtors receive a letter advising them of the debt and giving them a chance to pay before any action is taken. If the debt isn't paid, the account is assigned to one of two revenue agents who attempt telephone contact with the debtor and try to get a voluntary payment. If that doesn't work, another letter may be sent. If the revenue agent is not able to secure a voluntary payment, or worse, is unable to locate the debtor, they have several tools available to help. The Collections Unit has access to DMV records, credit reports, the Oregon Judicial Information Network (OJIN) and various internet-based search engines to help locate debtors. The 2007 Legislature passed Senate Bill 219, which gives the Collections Unit access to Employment Department records beginning January 2008. Additionally, ORS 825.504, 319.182 and 319.742 give ODOT the authority to issue warrants for delinquent and liquidated debts. Warrants are an administrative procedure, which has the same effect as a court judgment. The warrants allow the Collections Unit to place tax liens on debtors' real and personal property, attach assets, and garnish wages and bank accounts.

This is a quick overview of the Collection Unit. If you would like more information, feel free to contact the Unit at (503) 378-8915.

#### September Trivia Answer:

The city of Greenhorn with a population of 2 with a total of \$93.64 in 2006-2007.