



**ALAMEDA COUNTY**  
**AUDITOR-CONTROLLER AGENCY**  
**MELISSA WILK**  
 AUDITOR-CONTROLLER/CLERK-RECORDER

January 17, 2020

Honorable Board of Supervisors  
 County of Alameda  
 1221 Oak Street, Suite 536  
 Oakland, CA 94612

Dear Board Members:

**SUBJECT: FRANCHISE TAX BOARD'S COURT-ORDERED DEBT COLLECTIONS PROGRAM AGREEMENT**

RECOMMENDATION:

Authorize the Auditor-Controller, or designee, to enter into an agreement with the State of California, Franchise Tax Board's Court-Ordered Debt Collections Program (FTB-COD) to continue to collect court-ordered fines and fees owed to the State, Alameda County, and various agencies throughout the County, for the new three-year term beginning 01/01/2020 through 12/31/2022.

DISCUSSION/SUMMARY:

In 2004, Court-Ordered Debt Collections became a permanent program to include participation from all 58 California Counties. This allowed the Franchise Tax Board to create a working partnership with the courts system in an effort to reduce the significant delinquent court-ordered debt in California.

The FTB Court-Ordered Debt Collections Program is authorized under the California Revenue and Taxation Code and provides secondary collections services on cases where the Auditor-Controller, Central Collections Division has exhausted all other collection efforts.

The FTB-COD requires an agreement authorized by the Board of Supervisors for every term. The prior three-year agreement was approved by your Board on December 6, 2016 (Item No. 15).

Under the new agreement, collections services will continue to be provided for the successive three-year period beginning January 1, 2020 and ending December 31, 2022. Franchise Tax Board collection services are subject to an administrative fee in accordance with the Revenue and Taxation Code (R&TC 19280-19283) as amended by subsequent legislation. Historically, the actual administrative fees deducted by the FTB-COD have been 15% or less of each payment they collect.

**Office of the Auditor-Controller**  
 1221 Oak St., Suite 249  
 Oakland, CA 94612  
 Tel: (510) 272-6565  
 Fax: (510) 272-6502

**Central Collections Division**  
 1221 Oak St., Suite 220  
 Oakland, CA 94612  
 Tel: (510) 208-9900  
 Fax: (510) 208-9932

**Clerk-Recorder's Office, Main**  
 1106 Madison St., 1<sup>st</sup> Floor  
 Oakland, CA 94607  
 Tel: (510) 272-6362  
 Fax: (510) 208-9858

**Clerk-Recorder's Office, Tri-Valley**  
 7600 Dublin Blvd.  
 Dublin, CA 94568  
 Tel: (510) 272-6362  
 Fax: (510) 208-9858

SELECTION CRITERIA/PROCESS

*The State of California, FTB-COD is the sole provider of its program services to County governments and, per the Small Local Emerging Business (SLEB) website, as a government agency, is exempt from SLEB program requirements.*

FINANCING

No additional appropriations are required, and there will be no increase to net County cost.

VISION 2026 GOAL:

Accurate and transparent financial information, as well as fiscal stewardship meet the County of Alameda's 10x goal pathways in support of our shared vision of a **Prosperous and Vibrant Economy**.

Respectfully submitted,



Melissa Wilk  
Auditor-Controller/Clerk Recorder

Attachment

c: Susan S. Muranishi, County Administrator  
Donna R. Ziegler, County Counsel

**STANDARD AGREEMENT**

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER 0000000000000000000050281	PURCHASING AUTHORITY NUMBER (If Applicable)
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Franchise Tax Board

CONTRACTOR NAME

Alameda County Central Collections

2. The term of this Agreement is:

START DATE

January 1, 2020 or date of approval, whichever is later,

THROUGH END DATE

December 31, 2022

3. The maximum amount of this Agreement is:

FTB will charge an Administration Fee in accordance with the governing R &amp; TC (19280-19283) as amended by subsequent legislation

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C *	General Terms and Conditions	GTC417
Exhibit D	Special Terms and Conditions	1

*Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>**IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.***CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Alameda County Central Collections

CONTRACTOR BUSINESS ADDRESS

1106 Madison Street

CITY

Oakland

STATE

CA

ZIP

94607

PRINTED NAME OF PERSON SIGNING

TITLE

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

Franchise Tax Board

CONTRACTING AGENCY ADDRESS

P.O. Box 2086

CITY

Rancho Cordova

STATE

CA

ZIP

95741

PRINTED NAME OF PERSON SIGNING

Michael A. Banuelos

TITLE

Procurement and Contracting Officer or Designee

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

SCM Vol. 1, 4.04.A.2

## EXHIBIT A SCOPE OF WORK

### Purpose

This Agreement is entered in between the Franchise Tax Board's Court-Ordered Debt Collections Program, herein after referred to as "FTB-COD" and the Alameda County Central Collections, herein after referred to as the "Court/Client" for the purpose of the collection of unpaid court ordered fines, forfeitures and penalties by the Franchise Tax Board.

### Legal Authority

This Agreement is authorized under the provisions of Revenue and Taxation Code Sections 19280 through 19283 and the Penal Code Sections 1463.010 through 1463.012.

### Duration

1. **Term:** The Agreement will be from January 1, 2020 or date of approval, whichever is later, and will be in effect until December 31, 2022.
2. **Amendments:** This Agreement may be amended by FTB-COD in writing. No alteration or variation of the terms of this Agreement shall be valid by the Court/Client unless made in writing and signed by the parties hereto. Should an Agreement change be necessary the current Agreement terms will remain in effect until a new Agreement is signed by all parties.
3. **Cancellation:** Either party may terminate this Agreement for any reason, upon thirty days (30) prior written notice. This Agreement may be terminated immediately, to be followed by written notice, by either party upon material breach by the other party of the terms of this Agreement.

### General Provisions

The Contract Administrators for this Agreement shall be the following person:

#### **Franchise Tax Board**

FTB - Court-Ordered Debt Collections  
Gretchen Moe  
PO Box 1328  
Rancho Cordova, CA 95741-1328  
Phone: (916) 845-5504  
Email: [gretchen.moe@ftb.ca.gov](mailto:gretchen.moe@ftb.ca.gov)

#### **Alameda County Central Collections**

Satjit Dale, Division Chief  
1106 Madison Street  
Oakland, CA 94607  
Phone: (510) 208-9934  
Email: [satjit.dale@acgov.org](mailto:satjit.dale@acgov.org)

Return two (2) signed Agreements to:

#### **Franchise Tax Board**

FTB- Court-Ordered Debt Collections  
Angela Desmangles  
P.O. Box 1328, Mailstop A-111  
Rancho Cordova, CA 95741-1328  
Phone: (916) 845-3779  
Email: [angela.desmangles@ftb.ca.gov](mailto:angela.desmangles@ftb.ca.gov)

**EXHIBIT A  
SCOPE OF WORK**

**Definitions:**

1. "Delinquent Amount" is the amount of court-ordered fine, fee, state or local penalty, forfeiture restitution fine, failure to appear fine, restitution order, or combination thereof, which has not been paid 90 days after payment of the amount first becomes delinquent.
2. "Case" is a delinquent amount owed by a person or debtor, which has been referred by the Court/Client to FTB-COD for collection.
3. "Pro Rata Distribution": If the amount collected is not sufficient to satisfy the amounts referred for collection, then the amount collected shall be distributed on a pro rata basis as provided in R&TC Section 19282, subdivisions (a) and (d). This is based on a percentage equal to the current balance of each case divided by the total balance of the account.
4. "Account" is the primary location of a debtor's case or cases from one or more Court/Client. Unique identification numbers are assigned by FTB-COD to each debtor that is assigned to our collection program.
5. "Administrative Fee": The cost for FTB-COD to administer the program pursuant to R&TC Section 19282.

## EXHIBIT A SCOPE OF WORK

### Court/Client Responsibilities:

1. **Account/Cases and Amounts Referred for Collection:** The Court/Client is responsible for referring accounts that comply with criteria and dollar amount minimums set forth in R &TC 19280-19283 and Penal Code 1463.010 - 1463.012. The amount referred by the Court/Client may include any interest, which accrued prior to the date of referral. The Court/Client may update the debt balance to include any additional accrued interest-through the FTB secure automated information exchange process.
2. **FTB-COD Reimbursement:** The Court/Client agrees to work cooperatively with FTB-COD to resolve erroneous payment/debtor refund issues. The Court/Client will be responsible for reimbursing FTB-COD when:
  - FTB-COD initiates the transmittal of funds to the Court/Client.
  - Debtor's check to FTB-COD has been identified as a "Bad Check", and such funds have been transmitted to the Court/Client.
  - Credit card payments are charged back or reversed by debtor and such funds have been transmitted to the Court/Client.
  - FTB-COD erroneously collected money as a result of inaccurate case data provided by the court and sent the funds collected to the Court/Client.
3. **Case Balance Adjustments Made by the Court/Client:** Case adjustments to the amount of fees and fines imposed on a defendant/debtor for cases referred and accepted by the FTB-COD, which are the result of judicial review of the case or payments and/or credits received from the defendant/debtor, must be immediately communicated by the Court/Client to FTB-COD through the FTB secure automated information exchange process. Case balance adjustments made to cases referred to and accepted by the FTB-COD that are adjusted by the Court/Client, while subject to the FTB-COD collection procedures are not eligible for refund of administration fees if such adjustment resulted in over collection of the case balance.
4. **Court/Client Collection Activity Suspended:** With the exception of referring accounts to the FTB Interagency Intercept Collections Program, the Court/Client will refrain from any and all collection activity, including referring said cases/accounts to another contractor for collection action, on any cases/accounts that have been referred to the FTB under this Agreement.
5. **Court/Client to Resolve Disputes with Debtor:** Cases referred to FTB-COD are deemed final, due and payable in full. Questions or disputes made by a debtor raised with FTB-COD regarding the accuracy of the debt will be referred back to the Court/Client for resolution. FTB-COD collection activity may, at FTB-COD's sole discretion, be suspended pending resolution of the issue.
6. **Information Exchange:** Case Information must be exchanged with FTB-COD through the FTB secure automated information exchange process. The FTB will provide a schedule for weekly processing of client new referrals and case updates to the FTB, and updates back to the client. Specific case information exchanged is contained in the record layout and is used to manage the case collection process. The Court/Client agrees to follow the most currently prescribed record layout. The record layout and exchange process instructions can be found at: [http://www.ftb.ca.gov/online/Court\\_Ordered\\_Debt/record\\_layout.pdf](http://www.ftb.ca.gov/online/Court_Ordered_Debt/record_layout.pdf)

FTB-COD will provide an Action File through the FTB secure electronic information exchange process. Data on this file includes but is not limited to bills sent to the debtor, cases withdrawn, returned or rejected and sent back to the Court/Client. The Court/Client agrees to process the FTB-COD Action file and to update their case management system before submitting their next case information file.

## EXHIBIT A SCOPE OF WORK

7. **Payment Notification:** The Court/Client will provide to the FTB-COD a weekly report of any payments received on referred accounts regardless of the payment source and location received/collected.
8. **Distribution of Money Collected:** The Court/Client is responsible for distributing amounts received under this Agreement pursuant to applicable law.
9. **Refunds and Administration Fees:** Cases referred to the FTB-COD with inaccurate case data resulting in payments collected erroneously will be refunded to the affected parties by the Court/Client. The Court/Client agrees to refund the full amount of erroneously collected funds to include the administration fees if assessed by the FTB-COD.
10. **Information to be made available:** The Court/Client will make available to the FTB-COD, for use in its collection efforts, all necessary information and the sources including enforcement remedies and capabilities available to the court.

### FTB-COD Responsibilities:

1. **Collection and Support Services:** FTB-COD will determine the appropriate enforcement remedies and/or services to be utilized for the collection of amounts referred under this Agreement. To the extent authorized by Revenue and Taxation Code Section 19280, subdivision (d)(2), any enforcement remedies and capabilities available to the court shall apply without limitation to amounts referred under the provisions of Revenue and Taxation Code Sections 19280 - 19283 and this Agreement.

**Support Services:** FTB-COD provides the Court/Client with the following services:

- Telephone access for the Court/Client liaisons, available Monday through Friday during typical business hours except observed state holidays
  - New and Refresher Client Service Training
  - Monthly Collections Report
  - On a weekly basis, FTB-COD is to provide the Court/Client a schedule of payments received and applied to the applicable accounts.
  - Updates on policies, procedures, and applicable business news through periodic communication notices via email
  - Conference calls for resolutions to issues that cannot be resolved through normal Client Liaison telephone contact
  - Call Center for debtors available Monday through Friday except observed state holidays.
  - In the event of a disaster, FTB-COD may not be able to fulfill the aforementioned services until such time FTB-COD can resume normal business operations.
  - Informational Website to include frequently asked questions and technical Updates:  
[My Court-Ordered Debt Account - General Information](#)
2. **FTB-COD Data Sources: Confidentiality of Debtor Information:** The Information Practice Act, Public Records Act, and Revenue and Taxation Code prohibit FTB-COD from disclosing personal debtor information secured by our collection efforts to the Court/Client. In addition, this Agreement does not provide for the use of confidential Federal Tax Returns or confidential tax return information obtained from the Internal Revenue Service.
  3. **Case and Data Retention:** All records received by FTB-COD and any database created, copies made, or files attributed to the records received will be destroyed when no longer needed for the business purpose

## EXHIBIT A SCOPE OF WORK

for which it was originally obtained. Data will be destructed in accordance with established FTB Data Retention Guidelines, which are four (4) years from the date the last active case on the account was withdrawn or closed. The records shall be destroyed in a manner to be deemed unusable or unreadable and to the extent that an individual record can no longer be reasonably ascertained.

Exception: Accounts will not be destroyed per the Data Retention Guideline if:

- A payment was received within four (4) years
- A payment issue is being reviewed
- A credit balance exists on the account
- A refund, fund transfer or general fund credit existed within the last four (4) years

4. **Return of Cases:** FTB-COD, at its sole discretion, may return any case that has been pursued for collection to the most practicable extent. Cases will be returned to the Court/Client when the following conditions apply:
  - After 12 months when a case does not have or FTB-COD cannot verify social security number (SSN) provided by client, and known assets and payments have been collected.
  - After 24 months when the case has a social security number but we have no activity.
  - Debtor files Bankruptcy.
  - Higher priority debt has been confirmed.
  - Confirmation of a deceased debtor.
  - A zero balance due.
5. **FTB-COD Installment Agreement:** FTB-COD may, upon proof of debtor's financial condition, in its sole discretion, enter into an installment Agreement with the debtor.
6. **Potential Incorrect Debtor (PID)/Identity Theft:** When identity theft or potential incorrect debtor information is determined by FTB COD, the FTB-COD will take appropriate action to remedy resulting adverse effects. Such action will include, but not limited to:
  - Notify the referring client if the referring client provided the incorrect name and/or identifying information, such as the social security number. The referring clients will either withdrawal the case or provide correct identifying information.
  - Release all orders on account. (Earning Withholding Order and Order to Withhold).
  - Withdraw all cases and return to the appropriate client(s).
  - Contact appropriate client(s) by phone to inform them of potential identity theft.
  - Identify any misapplied funds and request a refund (if applicable).
7. **Audit By the Court/Client:** FTB-COD agrees that those matters connected with the performance of any work done under this Agreement, including, but not limited to, the costs of administering the Agreement, may be subject to the examination and audit by the Court/Client or its authorized representative, for a period of three (3) years after final payment is made.
8. **Audit Report:** In the event an audit is conducted of the FTB-COD, specifically as to this Agreement by any Federal or State auditor, or by any auditor or accountant employed by the FTB-COD or otherwise specified regarding this Agreement, then FTB-COD shall file a copy of such audit report with the Court/Client within thirty (30) days of FTB-COD's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. The Court/Client shall maintain the confidentiality of such audit report(s) to the extent required by law.



**EXHIBIT B  
BUDGET DETAIL AND PAYMENT PROVISIONS**

1. **Deposits to State Treasury:** All amounts collected by FTB-COD for amounts owing on delinquent court ordered debts should be transmitted to the State Controller's Office for deposit in the Court Collection Account. Amounts collected pursuant to this program are amounts collected pursuant to a comprehensive program as provided in Section 1463.007 of the Penal Code.
2. **State Controller Distribution:** The State Controller's Office shall transfer amounts collected to the Court/Client, less the administrative costs of the program. Such amount deducted by FTB-COD for administrative costs shall not exceed the maximum percentage authorized by Revenue and Tax Code (R&TC) Section 19282 of the amount collected. The State Controller's Office shall make transfers at least once each month. This Agreement makes no provision for any such other direction of amount recovered. This provision shall not be construed to preclude or affect any contractual Agreement by the State Controller and the Court/Client regarding transfers, except as to the deduction for cost of administration.
3. **Invoicing:** For any administrative fees, funds identified as erroneous collections, and/or dishonored checks that are owed by the court/client, FTB shall submit an invoice quarterly in arrears to:

**Alameda County Central Collections  
1106 Madison Street  
Oakland, CA 94607**

4. **Payments Collected In Error:** Payments collected in error by FTB-COD will be refunded to the affected parties by FTB-COD. The Court/Client will not be assessed administrative fees on those payments.
5. **Partial Recovery - Pro Rata Distribution:** If the amount collected is not sufficient to satisfy the amounts referred for collection, then the amount collected shall be distributed on a pro rata basis as provided in R&TC Section 19282, subdivisions (a) and (d). This is based on a percentage equal to the current balance of each case divided by the total balance of the account.
6. **Administrative Fees:** Payments to cases referred to the FTB-COD for collections and accepted by the FTB-COD are subject to an administrative fee provided for in R&TC Section 19282. FTB-COD may receive administrative fees for amounts collected up to one year of the return of a case, subject to the fiscal provisions in this Agreement and provisions relating to payments deemed FTB-COD collected. Administrative fees will be assessed on payments received and applied to the referred case regardless of where or by whom payment is made subject to the following exceptions:
  - Payments collected through the FTB Interagency Intercept Collection program (R&TC 19280-19283).
  - Payments collected through liens filed by the Court/Client or an agent for the Court/Client prior to referral to FTB-COD.
  - The payment is collected after the FTB-COD has returned the case/account under guidelines set forth in this Agreement and the FTB-COD cannot prove that the collection resulted from FTB-COD collection activity.
  - Payments that the Court/Client can prove did not result from FTB-COD collection activity
7. **Refunds and Administration Fees:** FTB-COD will refund monies, not yet transferred to the respective client, to the affected parties wherefrom money was collected erroneously as a result of FTB-COD's actions. Administration fees will not be assessed on monies collected in error by the FTB-COD.

**EXHIBIT B**  
**BUDGET DETAIL AND PAYMENT PROVISIONS**

8. **Payment Application for Withdrawn or Returned Cases:** Payments received by FTB-COD on cases that have been withdrawn and/or returned will be applied in the following manner:

- Recovery of bad checks
- To the last case that was withdrawn\returned.

Any refund issues resulting from payments on the above case types will be the responsibility of the Court/Client.

**EXHIBIT D**  
**SPECIAL TERMS AND CONDITIONS**

1. **Statement of Confidentiality:** The Franchise Tax Board has confidential taxpayer tax returns and other data in its custody. Unauthorized inspection or disclosure of State returns or other confidential taxpayer data is a misdemeanor (Sections 19542 and 19542.1, Revenue and Taxation Code and 90005, Government Code). Unauthorized inspection or disclosure of confidential data that includes Federal returns and other data is a felony (Sections 7213(a) (1) and 7213A (a) (1) (B) Internal Revenue Code).
2. **Employee Access to Information:** FTB-COD agrees that the information obtained will be kept in the strictest confidence and shall be made available to its own employees only on a "need to know" basis. Need to know is based on those authorized employees who need information to perform their official duties in connection with the uses of the information authorized by this Agreement. FTB-COD agrees to ensure that the information received under this Agreement is disclosed only to those individuals and for such purpose as specified in this Agreement.
3. **Contingency Clause to Budget Act:** It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to the Court/Client or to furnish any other considerations under this Agreement and the Court/Client shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either: cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to the Court/Client to reflect the reduced amount.