



**NORENE S. REDMOND**  
DISTRICT JUDGE

**LORI K. SHEMKA**  
COURT ADMINISTRATOR

**STATE OF MICHIGAN**  
DISTRICT COURT  
THIRTY-EIGHTH JUDICIAL DISTRICT

16101 NINE MILE ROAD  
EASTPOINTE, MICHIGAN 48021  
(586) 445-5020  
FAX (586) 445-5060

[www.38thdistrictcourt.com](http://www.38thdistrictcourt.com)

**THIRD-PARTY COLLECTION AGENCY REFERRAL  
PILOT PROJECT OVERVIEW**

(Prepared 2/19/2008)

Since July 2006, the 38th District Court has been referring all disposed, uncollected, non-restitution cases, where the 20% late fee has been assessed to a third-party collection agency. If the Court has a valid address, up to four COLLECT mailers may have been sent prior to the cases being referred.

The 38th District Court serves the City of Eastpointe and has only one venue. Prior to beginning the referral process, the court solicited and received approval from its funding unit via a Resolution. The Resolution merely allows the court to engage the services of the collection agency and pay the agency directly from the court's receipts (and not the court's operating budget). The Resolution was drafted and passed in such a way to afford the Chief Judge maximum latitude in negotiating the terms and carrying out any agreement with any collection agency.

The Court Administrator and a part-time clerk identify and prepare the files. Preparation tasks are performed on an intermittent basis as time allows. No additional staff were hired or overtime incurred. Approximately five to seven hours a month is spent accounting for the payments and debt cancellation.

Defendants can either pay the collection agency or at the court. If they pay at the court, they can immediately receive any clearances. If the court receives the payment or the debt is canceled for other reasons, the court notifies the collection agency via fax.

Once a month the collection agency forwards an accounting to the court as well as any receipts it had received. The court applies those payments to the affected accounts. The court separately issues a check to the collection agency for its contractual percentage.

The following materials accompany this overview:

- a) Draft resolution
- b) Step-by-step account identification process for staff
- c) Sample account that is referred to the collection agency
- d) Account activity notification from court to collection agency

CITY OF EASTPOINTE  
RESOLUTION NO. \_\_\_\_\_

WHEREAS, the City of Eastpointe is the funding unit for the 38<sup>th</sup> District Court.

WHEREAS, on May 27, 2004, then-Chief Justice Maura D. Corrigan of the Michigan Supreme Court formed a Collections Advisory Committee to develop a statewide strategy for improving the collection of court-ordered financial sanctions. The strategy was to include methods to promote cultural change, data collection, the training needs of judges and court staff, and identification and implementation of cost-effective collection practices; and

WHEREAS, 38<sup>th</sup> District Court Chief Judge Norene S. Redmond has already implemented a number of successful collection mechanisms including: expecting fines and costs to be paid at the time of assessment, acceptance of credit cards, acceptance online payments, placement of an outdoor payment drop box, allowing payment plans when required by personal circumstances, ordering wage assignments, issuing orders to show cause, sending overdue COLLECT mailers, and issuing bench warrants; and

WHEREAS, courts must send a firm and consistent message that their orders will be enforced; and

WHEREAS, while other states effectively utilize the private sector in collection efforts, the practice seems to be under-utilized in Michigan; and

WHEREAS, individuals move and do not always notify courts of their new address; and

WHEREAS, a third-party collection agency has at its disposal designated staff, locating mechanisms, and credit reporting abilities which courts do not; and

WHEREAS, the City of Eastpointe and 38<sup>th</sup> District Court will recognize an increase in collections if the services of a third-party collection agency are engaged to follow-up on cases involving delinquent accounts where the Court's past collection efforts have not been successful; and

WHEREAS, the efforts of a third-party collection agency should result in the Eastpointe Police Department receiving fewer telephone calls from other police agencies to pick up individuals on bench warrants which were issued for non-payment.

NOW THEREFORE BE IT RESOLVED by the City Council for the City of Eastpointe that the 38<sup>th</sup> District Court is authorized to engage the services of a third-party collection agency, that the collection agency's rate of compensation shall not exceed 33% of its gross receipts, that the collection agency will be directly compensated by the 38<sup>th</sup> District Court from the receipts pre-designated for the City of Eastpointe, and that the 38<sup>th</sup> District Court will document said compensation to the City of Eastpointe on a monthly basis.

**WORKSHEET FOR**  
**REFERRING CASES TO THIRD-PARTY COLLECTION AGENCY**  
**AND POST-REFERRAL FOLLOW-UP**

Have Court Administrator generate a Balance Due report via JIS Report Generator program.

\_\_\_\_\_ **Is the case number pre-[targeted date]?**

\_\_\_\_\_ If **yes**, proceed to further evaluate for collection referral.

\_\_\_\_\_ If **no**, stop.

\_\_\_\_\_ **Is the case in warrant status?**

\_\_\_\_\_ If **yes**, proceed to further evaluate for collection referral.

\_\_\_\_\_ If the case is **not** in warrant status, evaluate if it should be.

\_\_\_\_\_ **Is the case a civil infraction?**

\_\_\_\_\_ If **yes**, double-check to see that the PNLO and LATE fee were assessed and further evaluate for collection referral.

\_\_\_\_\_ If **yes**, double-check to see that it or a companion ticket has the WARR fee assessed and further evaluate for collection referral.

\_\_\_\_\_ Is the Defendant in jail or prison (check [www.vinelink.com](http://www.vinelink.com))? If **no**, then proceed to collection referral. If **yes**, then evaluate if an Order to Remit Prisoner Funds needs to be prepared (if in MDOC), if the person needs to be brought down from the MCJ, or if a Plea by Mail needs to be prepared.

\_\_\_\_\_ **If the case is a misdemeanor, has there been a disposition?**

\_\_\_\_\_ If **no**, then do not refer it to collection referral (assessed costs such as a warrant and late fee does not mean disposition)

\_\_\_\_\_ If **yes**, double-check to see that it or a companion ticket has the WARR fee assessed.

\_\_\_\_\_ Is the Defendant in jail or prison (check [www.vinelink.com](http://www.vinelink.com))? If **no**, then proceed to collection referral. If **yes**, then evaluate if an Order to Remit Prisoner Funds needs to be prepared (if in MDOC), if the person needs to be brought down from the MCJ, or if a Plea by Mail needs to be prepared.

\_\_\_\_\_ **Does the Defendant owe Restitution?**

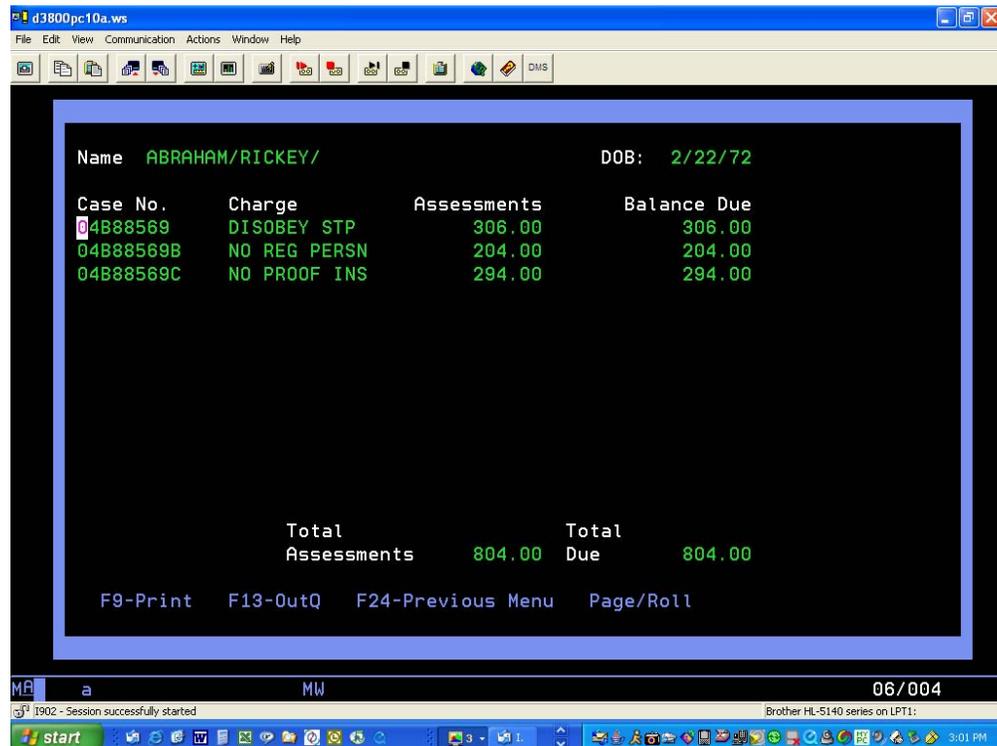
\_\_\_\_\_ If **yes**, do not refer the case to the collection agency.

\_\_\_\_\_ If **no** restitution is owed, further evaluate for collection referral.

To prepare a collection agency referral, do a JIS name search.



Hit F11 for the Alternate View, then move the cursor to the person's name and hit F4 to prompt.



Hit F9 to print that screen. Review the list to make sure all of the listed cases fit the collection referral criteria. If a listed case does not fit that criteria (i.e., because one of the cases is an undeposited misdemeanor or restitution is owed on it), then clearly cross it out with an ink pen or Sharpie and modify the "Total Due."

Print out all the ROAs for the remaining listed cases that can be sent to collections and staple them behind the Balance Summary Sheet.

Pull those court files and note the current date, stamp in red that the file was referred to a collection agency, list the dollar amount that was referred for that particular file, list your initials, and place a red sticker on the file.

Make a note in JIS that the case was referred to a collection agency.

Return the court file(s) to the Warrant Drawer.

Give Balance Summary Sheet and ROA packets to Court Administrator for shipment to Collection Agency.

If someone comes to pay on a file that has already been referred to collections (you can tell by the red sticker and red collections stamp on the file), accept the payment and notify the designated court clerk so that he can notify the Collection Agency.

If someone does a plea by mail on a file that has been referred to collections, notify the designated court clerk so that he can notify the Collection Agency.

If someone dies and that file had been referred to collections, notify the designated court clerk so that he can notify the Collection Agency.

If someone is ordered to jail on a file that has been referred to collections, notify the designated court clerk so that he can notify the Collection Agency.

38TH District Court  
16101 NINE MILE ROAD  
EASTPOINTE, MI 48021  
(586) 445-5020

SMITH/KATARA/M

DOB: 6/27/71

*disposed  
sd.*

CASE NO.	TYPE	COUNTS	CURRENT CHARGE	ASSESSMENTS	BALANCE DUE
<del>06B106211</del>	<del>OT</del>	<del>01</del>	<del>DR LIC S/R/D</del>	<del>70.00</del>	<del>70.00</del>
06B106211B	OI	01	EXP PLATE	279.00	279.00
<del>06B106211C</del>	<del>OT</del>	<del>01</del>	<del>NO INS</del>	<del>70.00</del>	<del>70.00</del>
Total Assessments				279- <del>419.00</del>	Total Due 279- <del>419.00</del>

\*\*\*\*\* END OF INQUIRY \*\*\*\*\* 2/18/08 10:45 AM \*\*\*\*\*

STATE OF MICHIGAN 38TH JUDICIAL DISTRICT ORI500065J PIN: 06-17092	REGISTER OF ACTIONS	CASE NO: 06B106211B D01 OI X-REFERENCE #: 06-17092 STATUS: WRNT
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JUDGE OF RECORD: REDMOND, NORENE S., P-45264  
JUDGE:

CITY OF EASTPOINTE v

SMITH/KATARA/M

CTN:

TCN:

SID:

ENTRY DATE: 08/28/06

OFFENSE DATE: 08/22/06 820 AM

VEHICLE TYPE: PA

VPN: MI WQV651 06

DOB: 06/27/1971 SEX: F RACE: B DLN: MI S530461566502 CDL: U

VEH YR: 1995 VEH MAKE: MERC VIN:

PAPER PLATE:

OFFICER: WOOD/ANDREW

DEPT: EASTPOINTE POLICE DEPARTM

PROSECUTOR:

VICTIM/DESC: 9 MILE/ GRATIOT

VENUE: CITY OF EASTPOINTE

COUNT 1 C/M/F: C 3511

PACC#257.2551

EXPIRED PLATE

ARRAIGNMENT DATE:

PLEA:

PLEA DATE:

FINDINGS: DEFAULT JGMT DISPOSITION DATE: 09/06/06

SENTENCING DATE: 09/06/06

FINE	COST	ST.COST	CON	MISC.	REST	TOT FINE	TOT DUE
60.00	59.00	40.00	0.00	120.00	0.00	279.00	279.00

JAIL SENTENCE:

PROBATION:

VEH IMMOB START DATE:

NUMBER OF DAYS:

VEH FORFEITURE:

DATE	ACTIONS, JUDGMENTS, CASE NOTES	INITIALS
08/22/06		
1	ORIGINAL CHARGE EXP PLATE	AAS
	ORDINANCE FINE & COSTS \$ 60.00	AAS
	STATE COSTS - TRAFFIC CIVIL INFRACTION \$ 40.00	AAS
	SCHEDULED FOR INFORMAL HEARING	
	090106 800A REDMOND, NORENE S., P-45264	AAS
08/28/06		
	FILING DATE 082806	AAS
09/01/06		
1	MISCELLANEOUS ACTION EXP PLATE	DCL
	SUPPLEMENTAL SENTENCING \$ 75.00	DCL
	TRANSFERRED FROM A TICKET	DCL
	WARRANT FEE \$ 75.00	DCL
09/05/06		
1	PENALTY ADDED-ORDINANCE EXP PLATE \$ 25.00	
09/06/06		
1	DEFAULT JUDGMENT GENERATED EXP PLATE	
09/07/06		
1	BENCH WARRANT ISSUED EXP PLATE	RRS
09/14/06		
	PREV. 20270 PLAINVIEW	AMF
	ADDR: DETROIT MI 48219	AMF
1	MISCELLANEOUS ACTION EXP PLATE	AMF
	ATTEMPTED NOT KNOWN	AMF

DATE	ACTIONS, JUDGMENTS, CASE NOTES	INITIALS
09/22/06	MISCELLANEOUS ACTION ALL COUNTS "A" TICKET IS A WARRANT	RGS RGS
10/03/06	1 14 DAY NOTICE GENERATED EXP PLATE	
10/17/06	1 DRIVERS LICENSE REINSTATEMENT FEE (SOS) EXP PLATE	\$ 25.00
	SOS FEE/JUROR COMPENSATION EXP PLATE	\$ 20.00
	FAC/FCJ/FCPV NOTICE GENERATED EXP PLATE	
10/30/06	1 20% LATE PENALTY EXP PLATE	\$ 34.00
03/07/07	1 MISCELLANEOUS ACTION EXP PLATE REFERRED TO COLLECTION AGENCY	DCL DCL



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**NOTIFICATION TO COLLECTION AGENCY**  
**OF CHANGE IN ACCOUNT STATUS**

TO:

FROM: 38<sup>th</sup> District Court, phone (586) 445-5020, fax (586) 445-5060

DATE:

RE:

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Be advised of the following account activity:

- Debtor paid \$\_\_\_\_\_ at the 38<sup>th</sup> District Court. Please apply to account and close file.
- Debtor was arrested on court's warrant and ordered to jail instead of paying. Please close your account.
- Debtor is in jail/prison and will be serving time instead of paying. Please close your account.
- Debtor's debt has been discharged in bankruptcy. Please close your account.
- Debtor has died. Please close your account unless able to recover from the estate.
- Other:

**WARNING:** Unauthorized interception or use of this fax could be a violation of Federal and State law. If you have received this information in error, please notify the sender immediately and destroy this fax.



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**Collection Agency Referral Project Status Report**  
(through February 29, 2008)

Month	Gross Referrals	Gross Collections	Canceled	Collection Fees paid for the prior month (i.e., fees for July collections are paid and noted in August)
July 2006	\$185,761.75	\$242.00	\$0.00	\$0.00
August 2006	\$172,344.64	\$2,682.00	\$0.00	\$80.67
September 2006	\$178,946.16	\$6,537.00	\$6,585.00	\$893.99
October 2006	\$265,740.75	\$9,187.70	\$160.00	\$2,529.34
November 2006	\$198,962.09	\$13,627.00	\$6,361.00	\$3,252.55
December 2006	\$77,457.60	\$17,230.51	\$8,095.00	\$4,946.30
January 2007	\$0.00	\$24,857.00	\$10,004.00	\$5,796.16
February 2007	\$0.00	\$33,680.00	\$5,839.00	\$10,218.65
March 2007	\$92,003.00	\$28,192.00	\$9,598.00	\$11,934.35
April 2007	\$65,517.72	\$25,744.00	\$9,966.00	\$7,871.33
May 2007	\$0.00	\$18,633.80	\$4,448.00	\$7,590.66
June 2007	\$0.00	\$16,813.00	\$10,535.00	\$6,642.62
July 2007	\$93,913.00	\$17,473.75	\$9,969.87	\$5,830.26
August 2007	\$0.00	\$17,692.25	\$5,807.00	\$5,365.76
September 2007	\$0.00	\$16,103.10	\$7,859.00	\$6,502.35
October 2007	\$0.00	\$18,363.00	\$9,696.00	\$7,421.31
November 2007	\$138,314.60	\$14,157.00	\$5,512.00	\$6,429.88
December 2007	\$0.00	\$13,767.67	\$4,017.00	\$4,450.01
January 2008	\$0.00	\$11,742.67	\$2,036.00	\$4,333.66
February 2008	\$0.00	\$37,310.00	\$10,074.35	\$5,949.07
March 2008	98,630.00			\$12,846.88
<b>Totals</b>	<b>\$1,567,591.31</b>	<b>\$344,035.45</b>	<b>\$126,562.22</b>	<b>\$120,885.80</b>