

Nov 2024 Revenue Estimating Conference

Nov 4, 2024

Additional Agency Questions and Responses

Additional Agency Questions (CCU, DLT) [Agencies to provide written responses only, no testimony required unless follow-up requested by conferees]

Department of Revenue: Central Collections Unit

1. Please provide an update on the status of collections by the new Central Collections Unit. (DOR-CCU)
 - a. Please provide a summary of Traffic Tribunal receivables by year.
 - b. How much, if any, of the Traffic Tribunal receivables have previously been referred to outside collections services?

Please see below documents:



FISCAL YEAR

2025

REVENUE ESTIMATING CONFERENCE – NOVEMBER 2024

Data as of 10/18/2024

Background

The Central Collections Unit ("CCU") was established within the Department of Revenue by the General Assembly through Rhode Island Gen. Laws§ 42-142-8, effective July 1, 2018, for the purpose of assisting state agencies in the collection of delinquent debts. These debts are made up of unpaid fines, fees, penalties, restitution, plus unpaid wages due from private entities to their former employees for violations of state wage laws-all of which have been levied upon individuals and entities by Rhode Island state agencies. CCU assists state agencies in the collection of these delinquent debts owed to the state utilizing the most efficient collection methods and adhering to the highest professional standards.

Pursuant to Rhode Island Gen. Laws§ 42-142-8(p), the Department of Revenue shall "assess the performance, effectiveness, and revenue impact of the collections associated with [the Central Collections Unit] including, but not limited to, the total amounts referred and collected by [or on behalf of] each referring agency during the previous state fiscal year.

2

Outline

Agency Executed Memoranda of Understanding	21
Delinquent Debt Collected by Fiscal Year	
Fiscal Year 2019 (Jan -Jun)	\$103,039
Fiscal Year 2020	\$747,512
Fiscal Year 2021	\$2,175,304
Fiscal Year 2022	\$2,815,574
Fiscal Year 2023	\$2,721,439
Fiscal Year 2024	\$2,861,588
Fiscal Year 2025 (10/18/24)	\$807,860
Total Collected	\$12,232,316
Total Litigated cases (active & closed)	119
Total Collected from Litigated cases	\$167,174
Total Amount Collected from Wage Restitution Cases for Former Employees	\$535,162

Data as of 10/18/2024

3

Fiscal Year 2025

No.	Agency	Total Debt Referred	FY 2025 (10/18/24) - Total Collections
1	BOE - Rhode Island State Board of Elections	\$44,124	\$725
2	DBR CRB - Department of Business Regulation Contract Registration Board	\$1,234,781	\$6,138
3	DCYF - DCYF-Rhode Island Department of Children, Youth and Families	\$123,807	\$0
4	DEM - Rhode Island Department of Environmental Management	\$535,620	\$10,507
5	DLT - Rhode Island Department of Labor and Training	\$8,730,927	\$40,427
6	DMV - Rhode Island Department of Motor Vehicles	\$1,783,924	\$44,684
7	DOA - Rhode Island Department of Administration	\$208,168	\$10,444
8	DOH - Department of Health	\$4,650	\$0
9	DOR Tax - Rhode Island Department of Revenue, Division of Taxation	\$1,136,767	\$0
10	EOHHS - Executive Office of Health and Human Services	\$514,133	\$20,000
11	Ethics - Rhode Island Ethics Commission	\$151,149	\$320
12	RICHR - Rhode Island Commission for Human Rights	\$18,800	\$0
13	RIPTA - Rhode Island Public Transportation Authority	\$19,938	\$0
14	RISP - Rhode Island State Police	\$63,964	\$0
15	RITBA - RI Turnpike & Bridge Authority	\$3,201,764	\$35,020
16	RITT - Rhode Island Traffic Tribunal	\$45,254,825	\$639,595
17	SOS - Secretary of State	\$4,509	\$0
Total		\$63,031,848	\$807,860

Data as of 10/18/2024

4

Collections by Agency and Fiscal Year

(FY 2019, 2020 & 2021 – separate slide)

Agency	Total Debt Referred	FY 2022 - Collections	FY 2023 - Collections	FY 2024 - Collections	FY 2025 (10/18/24) - Collections	Total Debt Collected	% of collections (Collect / Referred)
BOE - Rhode Island State Board of Elections	\$44,124	\$1,125	\$1,000	\$3,522	\$725	\$6,372	14.44%
DBR CRB - Department of Business Regulation Contract Registration Board	\$1,234,781	\$31,981	\$39,749	\$19,125	\$6,138	\$96,993	7.86%
DCYF - DCYF-Rhode Island Department of Children, Youth and Families	\$123,807	\$0	\$0	\$0	\$0	\$0	0.00%
DEM - Rhode Island Department of Environmental Management	\$535,620	\$84,738	\$19,519	\$39,867	\$10,507	\$154,631	28.87%
DLT - Rhode Island Department of Labor and Training	\$8,730,927	\$172,416	\$118,309	\$273,516	\$40,427	\$604,668	6.93%
DMV - Rhode Island Department of Motor Vehicles	\$1,783,924	\$127,310	\$119,564	\$176,058	\$44,684	\$467,615	26.21%
DOA - Rhode Island Department of Administration	\$208,168	\$2,627	\$2,030	\$8,868	\$10,444	\$23,969	11.51%
DOH - Department of Health	\$4,650	\$0	\$1,018	\$0	\$0	\$1,018	21.89%
DOR Tax - Rhode Island Department of Revenue, Division of Taxation	\$1,136,767	\$0	\$0	\$0	\$0	\$0	0.00%
EOHHS - Executive Office of Health and Human Services	\$514,133	\$152,121	\$148,658	\$25,642	\$20,000	\$346,421	67.38%
Ethics - Rhode Island Ethics Commission	\$151,149	\$1,286	\$1,000	\$1,100	\$320	\$3,706	2.45%
RICHR - Rhode Island Commission for Human Rights	\$18,800	\$0	\$0	\$0	\$0	\$0	0.00%
RIPTA - Rhode Island Public Transportation Authority	\$19,938	\$0	\$0	\$0	\$0	\$0	0.00%
RISP - Rhode Island State Police	\$63,964	\$0	\$0	\$0	\$0	\$0	0.00%
RITBA - RI Turnpike & Bridge Authority	\$3,201,764	\$2,330	\$15,543	\$80,467	\$35,020	\$133,361	4.17%
RITT - Rhode Island Traffic Tribunal	\$45,254,825	\$2,239,639	\$2,255,050	\$2,233,422	\$639,595	\$7,367,706	16.28%
SOS - Secretary of State	\$4,509	\$0	\$0	\$0	\$0	\$0	0.00%
Total	\$63,031,848	\$2,815,574	\$2,721,439	\$2,861,587	\$807,860	\$9,206,460	14.61%

Data as of 10/18/2024

5

Month	FY 2022	FY 2023	FY 2024	FY 2025	Monthly Avg.
July	\$190,019	\$195,708	\$198,396	\$203,668	\$196,948
August	\$170,574	\$212,863	\$237,192	\$218,821	\$209,862
September	\$152,289	\$248,039	\$242,336	\$199,247	\$210,478
October	\$219,501	\$234,874	\$222,992	\$186,123	\$215,872
November	\$167,490	\$179,154	\$201,742	\$0	\$137,096
December	\$206,351	\$210,797	\$215,343	\$0	\$158,123
January	\$159,392	\$202,444	\$210,427	\$0	\$143,065
February	\$285,973	\$286,008	\$258,495	\$0	\$207,619
March	\$369,697	\$347,859	\$369,111	\$0	\$271,666
April	\$363,119	\$183,302	\$223,343	\$0	\$192,441
May	\$255,240	\$215,158	\$276,463	\$0	\$186,715
June	\$275,930	\$205,234	\$205,749	\$0	\$171,728
Total	\$2,815,574	\$2,721,438	\$2,861,589	\$807,860	

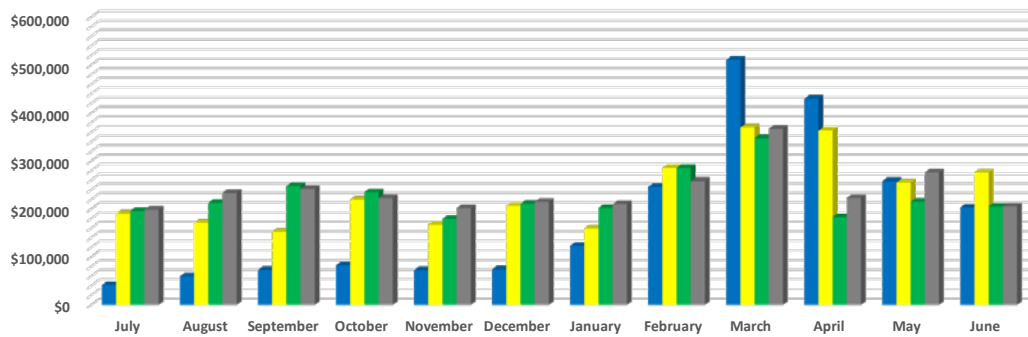
Data as of 10/18/2024

6

FY 2022		FY 2023		FY 2024		FY 2025 (Jul-Oct 18)	
Min.	Max	Min.	Max	Min.	Max	Min.	Max
September	March	November	March	July	March	October	August
\$152,289	\$369,697	\$179,154	\$347,859	\$198,396	\$369,111	\$186,123	\$218,821

Collections by month

■ FY 2022 ■ FY 2023 ■ FY 2024 ■ FY 2025 (10/18/24)



Data as of 10/18/2024

7

Agency Funds Distribution

Agency	FY 25 (10/18/24) Collections	Fund Desc.	Distribution %
BOE - Rhode Island State Board of Elections	\$725	General Revenue	100%
DBR CRB - Department of Business Regulation Contract Registration Board	\$6,138	Restricted Receipts	100%
DCYF - DCYF-Rhode Island Department of Children, Youth and Families	\$0	Other Funds	100%
DEM - Rhode Island Department of Environmental Management	\$10,507	General Revenue	100%
DLT - Rhode Island Department of Labor and Training	\$40,427	General Revenue	100%
DMV - Rhode Island Department of Motor Vehicles	\$44,684	General Revenue	100%
DOA - Rhode Island Department of Administration	\$10,444	Other Funds	100%
DOH - Department of Health	\$0	Restricted Receipts	100%
DOR Tax - Rhode Island Department of Revenue, Division of Taxation	\$0	General Revenue	100%
EOHHS - Executive Office of Health and Human Services	\$20,000	General Revenue	100%
Ethics - Rhode Island Ethics Commission	\$320	General Revenue	100%
RICHR - Rhode Island Commission for Human Rights	\$0	General Revenue	100%
RIPTA - Rhode Island Public Transportation Authority	\$0	Other Funds	100%
RISP - Rhode Island State Police	\$0		
RITBA - RI Turnpike & Bridge Authority	\$35,020	Other Funds	100%
SOS - Secretary of State	\$0	General Revenue	100%
RITT - Rhode Island Traffic Tribunal	\$639,595		
RITT Distribution Fund 1	\$466,904	General Revenue	73%
RITT Distribution Fund 2	\$140,711	Restricted Receipts	22%
RITT Distribution Fund 2	\$31,980	Other Funds	5%
Total FY 2025 (10/28/24) Collections	\$807,860		

Data as of 10/18/2024

8

RITT – Receivables

- The information contained on the chart was gleaned from the citations that were referred by RITT to CCU
- The chart reflects all the receivables referred by RITT to CCU
- As of October 18, 2024, collection letters have been sent primarily to businesses for the period 2000 through 2024
- Collection letters have been sent to individuals for the period 2001 through 2024

Disposition Date by Calendar Year	Total Debt Referred	Total Collections	No. of Tickets
Unknown date	\$999,739	\$180,860	1,767
Prior to 2000	\$8,867	\$7,512	73
2000 - 2004	\$3,966,705	\$99,990	11,885
2005 - 2009	\$4,848,702	\$260,686	14,107
2010 - 2014	\$5,161,992	\$455,778	13,719
2015 - 2019	\$10,226,105	\$2,278,907	27,059
2020 - 2023	\$17,323,476	\$5,575,057	54,431
2024	\$2,718,699	\$329,518	9,090
Total	\$45,254,285	\$9,188,307	\$132,131

Disposition date— date Rhode Island Traffic Tribunal (court) makes a final ruling in the case

10

RITT – Outside collection services

How much, if any, of Traffic Tribunal receivables have previously been referred to outside collection services? In researching a response to this question, the CCU has spoken to representatives of the RITT, the Supreme Court Administrator and the Supreme Court's Assistant Administrator for Finance and Budget.

- The Traffic Tribunal was established in 1999, pursuant to Rhode Island Gen. Laws Chapter 8-8.2
- The Traffic Tribunal, as currently constituted, has never retained an outside collection agency and the referrals recently made to the CCU are the first time the Traffic Tribunal has referred its debts to an outside entity for collection
- The Administrative Adjudicative Court was extinguished in 1999
- The Supreme Court's Assistant Administrator for Finance and Budget recalls that the Administrative Adjudicative Court retained an outside collection agency many years ago, but there is no documentation that can be found concerning any interactions between the Administrative Adjudicative Court and that collection agency

11

Agency	Total Debt Referred	FY 2019 - Collections	FY 2020 - Collections	FY 2021 - Collections
BOE - Rhode Island State Board of Elections	\$44,124	\$0	\$2,362	\$1,052
DBR CRB - Department of Business Regulation Contract Registration Board	\$1,234,781	\$0	\$0	\$1,350
DCYF - DCYF-Rhode Island Department of Children, Youth and Families	\$123,807	\$0	\$0	\$0
DEM - Rhode Island Department of Environmental Management	\$535,620	\$10,670	\$79,099	\$54,403
DLT - Rhode Island Department of Labor and Training	\$8,730,927	\$90,939	\$541,194	\$129,017
DMV - Rhode Island Department of Motor Vehicles	\$1,783,924	\$0	\$23,565	\$112,923
DOA - Rhode Island Department of Administration	\$208,168	\$0	\$8,875	\$5,268
DOH - Department of Health	\$4,650	\$0	\$801	\$1,500
DOR Tax - Rhode Island Department of Revenue, Division of Taxation	\$1,136,767	\$0	\$16,243	\$0
EOHHS - Executive Office of Health and Human Services	\$514,133	\$0	\$0	\$110,843
Ethics - Rhode Island Ethics Commission	\$151,149	\$1,430	\$8,035	\$1,145
RICHR - Rhode Island Commission for Human Rights	\$18,800	\$0	\$3,000	\$0
RIPTA - Rhode Island Public Transportation Authority	\$19,938	\$0	\$0	\$0
RISP - Rhode Island State Police	\$63,964	\$0	\$0	\$0
RITBA - RI Turnpike & Bridge Authority	\$3,201,764	\$0	\$0	\$0
RITT - Rhode Island Traffic Tribunal	\$45,254,285	\$0	\$63,178	\$1,757,803
SOS - Secretary of State	\$4,509	\$0	\$925	\$0
	\$63,031,308	\$103,039	\$747,277	\$2,175,304

Department of Labor and Training

1. Please provide an update on the status of the misclassification task force and collections stemming from its work. (DLT-Employer Tax)

RESPONSE:

FY2025 (7/1/24 - 10/31/24) Completed Employer Tax Audits				
Audit Type	# of Audits	# of Individuals Misclassified	Under Reported Wages	Tax, Interest & Penalty
Task Force Audits	9	105	995,561.19	17,862.46
Verification/Request Audits	186	213	4,942,791.19	121,942.35
Totals	195	318	5,938,352.38	139,804.81

*There are 47 outstanding Task Force audits currently scheduled or in progress (not included in the above figures).

FY2024 (7/1/23 - 6/30/24) Completed Employer Tax Audits				
Audit Type	# of Audits	# of Individuals Misclassified	Under Reported Wages	Tax, Interest & Penalty
Task Force Audits	43	323	4,314,782.50	133,893.97
Verification/Request Audits	696	730	10,805,723.67	446,965.74
Totals	739	1053	15,120,506.17	580,859.71