

Compliance Division

Assistant Director Dick Milanese

Dick has been an Assistant Director for DOR Compliance Division since 1997. Prior to that he was Assistant Director for Taxpayer Services and Administrative Services Divisions. He joined DOR in 1978 as manager of the internal management analysis unit. He was responsible for creating the first training facilities, internal analysis, and accounts receivable units in DOR.

Dick has bachelor degrees from the State University of New York and Syracuse University. He also has a masters degree from Oregon State University and is a Certified Government Financial Manager.

Administrators

Kevin M. Helfrich
License Compliance

Connie Olson
Accounts Receivable

Nick Buta
Office Collections

Frank C. Caruso
Field Collections

Renee Jordan
Technical Compliance
Services



The mission of the Compliance Division is to support the Department's mission for fair administration, firm enforcement, and prompt and courteous service through the Administration of Accounts Receivable, License Compliance and Collections activities.

Compliance Division

License Compliance

The License Compliance unit is responsible for identifying businesses that should be licensed for Transaction Privilege Tax or registered for Withholding Tax but aren't and bringing these businesses into License (registration) Compliance. It has two primary programs in place to do this work. The first uses computerized matches of data files from a variety of sources to the Department's License and Registration Database. Information on businesses that are likely candidates for licensure is obtained from sources such as other government entities as well as private sector listings. If the computer program does not find a match, the listing is worked further manually and a series of letters are sent to the businesses that are not matched. These letters explain the process and ask the business to explain why they should not be licensed, tell us what name and number they may be already licensed under or to complete an application and apply for a license.

The second program monitors listings of vendors at special events such as trade shows, fairs and specialty shows. When possible, the unit works these via the mail from listings provided by event promoters. If that process fails, they work the event in the field checking licenses on site.

They also follow up on leads provided by the public and developed internally.

Accounts Receivable

This unit is responsible for the automated Accounts Receivable systems for the four major tax types (Transaction Privilege, Withholding, Individual Income and Corporate Income Taxes). The main frame processing systems that do math and data validations for the base tax returns create receivables. If a return is filed late, has an error in its calculations or there is a problem with the amount paid versus due, the systems recognized the problem and sends a detailed change notice to the taxpayer explaining the problem. At the same time, if the result is a debit, an account is established on the Accounts Receivable system for the amount due. The systems also provide for a credit to be established for Transaction Privilege or Withholding accounts. (Income tax credits are refunded.) The Accounts Receivable systems also contain receivables created as a result of an audit. These become collectible after the audit appeal process has been exhausted. Depending on the amount of the receivable and the account's filing and payment history, the system sends a series of billing letters before referring the account to collection. While the initial record is created electronically, the staff manually handles all subsequent maintenance. Approximately 45% of account case closure receipts are a result of system billings.

Office Collections

After the Accounts Receivable system has completed the prescribed billing cycle, cases are referred to Office Collections. Delinquents (business accounts with returns that have not been filed) are also worked in this unit. Here, collectors attempt to reach account resolution via the telephone and with targeted mailings. The unit uses an Outgoing Call Management (OCM) system to dial the phone on accounts prioritized for work. This system automatically brings up computer screens of the account on calls made and routs them to the first available collector. It also has an Automated Call Distribution (ACD) system to handle incoming calls. This system has an Interactive Voice (IVR) response module that provides automated responses for some basic collections questions such as account balances. Office Collections is responsible for approximately 35% of department enforced collections. The unit operates from 7 a.m. to 6 p.m. Monday through Thursday and from 7 a.m. to 5 p.m. on Fridays. Office Collectors can request liens and levies be filed and can negotiate installment payment plans. If they are not able to resolve a case, it is referred to Field Collections or Technical Compliance Services for further action.

Field Collections

If an Office Collector determines that a case cannot be resolved there and that a field (on site) approach is warranted, the case is referred to the Field Collections unit. Field collectors are assigned a territory (by ZIP code) and are responsible for all types of tax cases that are in that territory. Field collectors use a combination of telephone and field visits to effect closure. In addition to recommending lien and levy action, field collectors, may subpoena records, work Offers in Compromise, recommend seizure, or write off actions. Their objective is to reach closure in the least intrusive manner and seizure actions are only used as a last resort after all other more reasonable actions have failed. Approximately 12% of collection receipts are field collections.

Technical Compliance Services

Technical Compliance Services (TCS) unit is responsible for all other collection activities. These include cases referred to an outside collection agency and the Attorney General's Office. It also includes all cases involving bankruptcies, disputed audits and skip tracing. The department uses an outside collection agency to work smaller dollar accounts in-state and out-of-state accounts that cannot be resolved in the Office Collections Unit. The Outside Collection Agency receives a commission of 14.9% on receivables collected. The unit refers cases to the Attorney General's Office that may require legal action to effect closure. As part of its activity, the Attorney General's Office retains 35% of its receipts from referred cases to defray its operating costs.

The Bankruptcy Unit within TCS is responsible for identifying all cases which involve bankruptcy filings, seeing that appropriate claims are filed and following up on actions taken by the bankruptcy court relative to these accounts. It also provides clerical support to all collectors through preparation in filing of liens, levies and releases. The remaining 8% of collection receipts occur for cases in TCS.

Revenues per FTE in the four enforcement units were:

License Compliance	\$ 902,252.00
Office Collections	\$1,011,673.00
Field Collections	\$ 407,590.00
Technical Compliance Services	\$ 208,618.00

Highlights

- ◆ In spite of unusually high vacancy factors the three collections programs succeeded in collecting a combined \$129,395,676 which was 6% more than it collected in FY 1999.
- ◆ At the same time, they worked to reduce the turn around time for processing Offers in Compromise. In FY 2000, 265 cases were processed with 51% of them closed within 60 days of receipt.
- ◆ The Accounts Receivable Unit continued its high level of service in processing maintenance items (in less than 24 hours of receipt) on 57,015 items of maintenance with only a 3/10 of 1% error rate.
- ◆ The License Compliance Unit also operated at only half-staff for most of the year. In spite of that, the unit completed 130,000 researches, and licensed 2,700 new accounts. First year revenues from newly licensed accounts totaled \$17,142,793 in FY 2000.
- ◆ Through a combination of billing and collections activities the department collected \$279,557,000 in FY 2000 against an Accounts Receivable inventory that ended at \$136,023,000 in net collectible dollars. This resulted in an inventory turn over of 2.02%.