

THE COLLECTION OF COURT COSTS AND FINES IN
LOUISIANA JUDICIAL DISTRICTS



PERFORMANCE AUDIT SERVICES
ISSUED APRIL 2, 2014

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

April 2, 2014

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Charles E. "Chuck" Kleckley,
Speaker of the House of Representatives

Dear Senator Alario and Representative Kleckley:

This report provides the results of our review of the collection of court costs and fines in Louisiana judicial districts. The purpose of this review was to evaluate the collection process in the state's judicial districts and to identify ways to improve their collections.

The report contains our findings, conclusions, and recommendations. Appendix A contains the Louisiana Supreme Court's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Louisiana Supreme Court and the Louisiana judicial districts for their assistance during this review.

Sincerely,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is fluid and cursive.

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/mk

CC 2014

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



The Collection of Court Costs and Fines in Louisiana Judicial Districts

April 2014

Audit Control # 40120069

Introduction

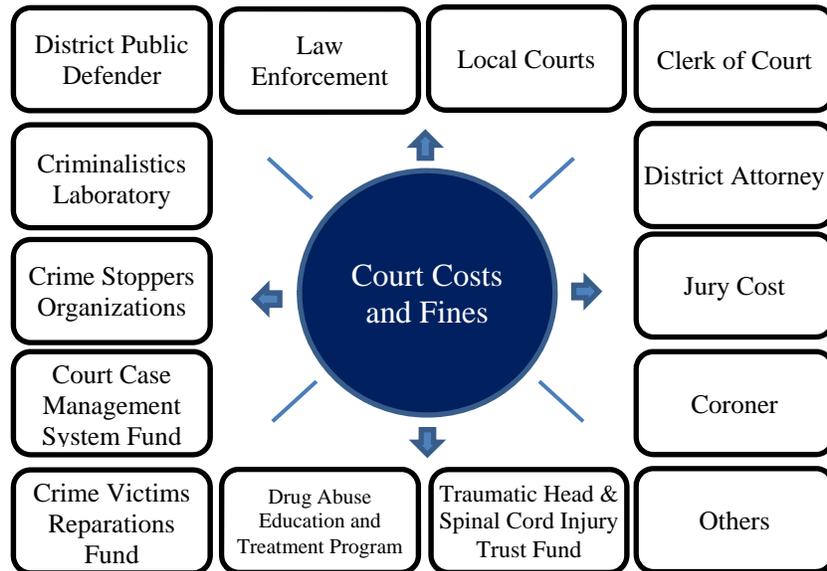
The purpose of this audit was to evaluate the processes for collecting court costs and fines in Louisiana judicial districts and to identify ways to improve collections.¹ Court costs are generally assessed against a convicted offender by a judge to offset the costs of handling a criminal case.² Fines are monetary penalties assessed against a convicted offender by a judge based on the criminal charge. In Louisiana, once the judge assesses court costs and fines, the parish sheriff's office is responsible for collecting these funds and disbursing the collected money on a monthly basis in accordance with state law. Fines are disbursed amongst the sheriff (12%), the district attorney (12%), and the municipality treasury (76%). However, court costs are more widely disbursed to numerous entities, programs, and funds within state and local government in accordance with law to offset the cost of providing services to the public. Exhibit 1 shows examples of the types of entities that receive revenue from collected court costs and fines in Louisiana.³

¹ While other Louisiana court systems (i.e., parish, city, juvenile, traffic, circuit courts of appeal, Supreme Court, etc.) may also assess court costs and fines, this report only focuses on general practices employed by judicial districts for criminal convictions in district courts.

² A convicted offender has been found guilty, pleaded guilty, or pleaded no contest to a criminal misdemeanor (including traffic violations) or felony.

³ This is not a comprehensive list of entities that receive disbursements from the collection of court costs as the assessment and disbursement of court costs varies in accordance with the laws for each judicial district.

Exhibit 1
Entities, Programs, and Funds Impacted by Court Collections



Source: Prepared by legislative auditor’s staff using information obtained from parish sheriffs.

Court costs comprise all or the majority of the budgets of some entities, such as district public defenders, criminalistics laboratories, and some statutorily dedicated funds (e.g., Crime Victims Reparations Fund, Drug Abuse Education and Treatment Program, etc.). Other entities, such as sheriffs, clerks of court, district attorneys, and coroners also receive significant amounts of funds from sources other than court costs and fines. Exhibit 2 shows some examples of entities that received revenue from court costs in fiscal year 2013.

Exhibit 2
Examples of Entities That Receive Revenue from Court Costs

Entity	Description	Amount Received in FY13	% of Budget Funded by Court Costs
District Public Defender	Provides for legal representation of indigent offenders through judicial district indigent defender fund [Louisiana Revised Statute [(R.S. 15:168(B)].	\$33.4 million*	64%
Acadiana Criminalistics Laboratory**	Provides crime detection, prevention, investigation, and other related activities in connection with criminal investigation (R.S. 40:2267).	\$1.8 million	72%
Crime Victims Reparations Fund	Provides for reparation awards to victims of criminal actions resulting in convictions [R.S. 46:1816(C)].	\$1.7 million	100%
Law Enforcement Training and Assistance Fund	Provides for training of local law enforcement officers as directed by the Peace Officer Standards and Training Council [R.S. 46:1816(E)(1)].	\$1.5 million	100%
Drug Abuse Education and Treatment Program	Grant program to assist local public and private nonprofit agencies in developing drug abuse and treatment programs [R.S. 15:1224(C)].	\$275,000	100%

*\$33.4 million amount is for all 42 district public defender offices in Louisiana. Court costs comprise the majority of this amount, but it also includes local revenue other than court costs (e.g., bond fees, restitution).
 **Acadiana Criminalistics Laboratory only receives revenue from Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, St. Mary, and Vermilion parishes. Other parishes in Louisiana are served by other crime labs.
Source: Prepared by legislative auditor’s staff using information obtained from the Louisiana Public Defender Board, Acadiana Criminalistics Laboratory, and Louisiana Commission on Law Enforcement.

Considering the impact of court costs and fines in both state and local government, our audit objective was as follows:

Does Louisiana have an effective process for collecting court costs and fines in judicial districts?

Overall, we found that Louisiana does not have an effective process for collecting court costs and fines in judicial districts. However, the 24th JDC could serve as a model for other judicial districts to improve their processes for collecting court costs and fines. Annual collection amounts in the 24th JDC have increased by 1,100% over the past 14 calendar years, from about \$258,000 in 1999 to over \$3.1 million in 2012. Using the 24th JDC's collection rate, we estimated as much as \$126 million in court costs and fines could remain uncollected statewide from the fiscal year 2012 assessments.⁴ Based on our best practice research and review of collection practices in other states, we were able to identify ways to improve collections in Louisiana's other 41 judicial districts. Appendix A contains the Louisiana Supreme Court's response to the report, Appendix B details our scope and methodology, and Appendix C summarizes relevant background information.

⁴ While we estimate as much as \$126 million may be uncollected statewide, there is no guarantee this entire amount would be collected even with an effective collection process. According to a January 2004 informational brief by the Florida Office of Program Policy Analysis and Governmental Accountability, criminal case fines and fees generally have low collection rates as these defendants typically have few financial resources.

Objective: Does Louisiana have an effective process for collecting court cost and fines in judicial districts?

Overall, Louisiana does not have an effective process for collecting court costs and fines. However, we found that the 24th Judicial District Court (JDC) could serve as a model for other judicial districts to improve their processes for collecting court costs and fines. Annual collection amounts in the 24th JDC have increased by 1,100% over the past 14 calendar years, from about \$258,000 in 1999 to over \$3.1 million in 2012. Using the 24th JDC's collection rate, we estimated as much as \$126 million in court costs and fines could remain uncollected statewide from fiscal year 2012 assessments. With respect to Louisiana's current collection processes, we found that:

- State law does not require judicial districts to track the amounts of court costs and fines assessed in their districts. This information is needed to analyze collections.
- Collection practices within and across judicial districts are inconsistent and not all districts actively pursue collections of court costs and fines.
- Louisiana law does not designate a central oversight entity that monitors performance and provides guidance for collections in judicial districts.

In addition, we found that state law does not specify how judicial districts are to disburse partial payments received from offenders. As a result, at least six districts are not disbursing partial payments. One district had collected, but not yet disbursed more than \$700,000 in partially paid court costs and fines. Our findings are discussed in more detail on the following pages.

The 24th JDC could serve as a model for other judicial districts to improve their processes for collecting court costs and fines. Annual collection amounts have increased by 1,100% over the past 14 calendar years, from about \$258,000 in 1999 to over \$3.1 million in 2012.

During our review, we found that the 24th JDC in Jefferson Parish, which is one of the state's largest districts with 16 divisions of courts, had implemented improved collection processes and generally takes a more proactive approach than other districts in collection efforts. As a result, its court cost and fines collection amounts have increased by 1,100% over the past 14 calendar years, from approximately \$258,000 in 1999 to over \$3 million in 2012. The steps that the 24th JDC has taken to increase collections, and which mirror best practices presented later in this report, are discussed on the following page.

Dedicate staff to collection activities. In 1997, state law established the Jefferson Parish Commissioner's Office within the 24th JDC, which created a collections office in 1998.⁵ The collections office has four employees dedicated solely to carrying out collection activities. While the establishment of this office was originally funded through a federal grant, the legislature has since instituted an additional court fee in the 24th JDC that allows the office to continue operating with self-generated funds.⁶ According to data provided by the 24th JDC, during the first year of its existence, the collections office increased collections by 307%, from approximately \$257,873 in 1999 to \$1.1 million in 2000.

Implement an electronic case management and collection system. The 24th JDC further improved its collection practices after collections records and processes were severely disrupted by Hurricane Katrina in 2005. In November 2008 the 24th JDC implemented an electronic collection system ("RevQ") that allows it to track assessments, collections, and outstanding balances; run reports; exchange information with other entities; and generate various notices to send to offenders. Collections in the 24th JDC increased by 33% in the first year after the implementation of a collection system, from approximately \$1.9 million in 2008 to \$2.5 million in 2009. The use of a collection system also enables the collections office to provide a judge with real time information about an offender's payment history and outstanding court costs and fines while the offender is in court.

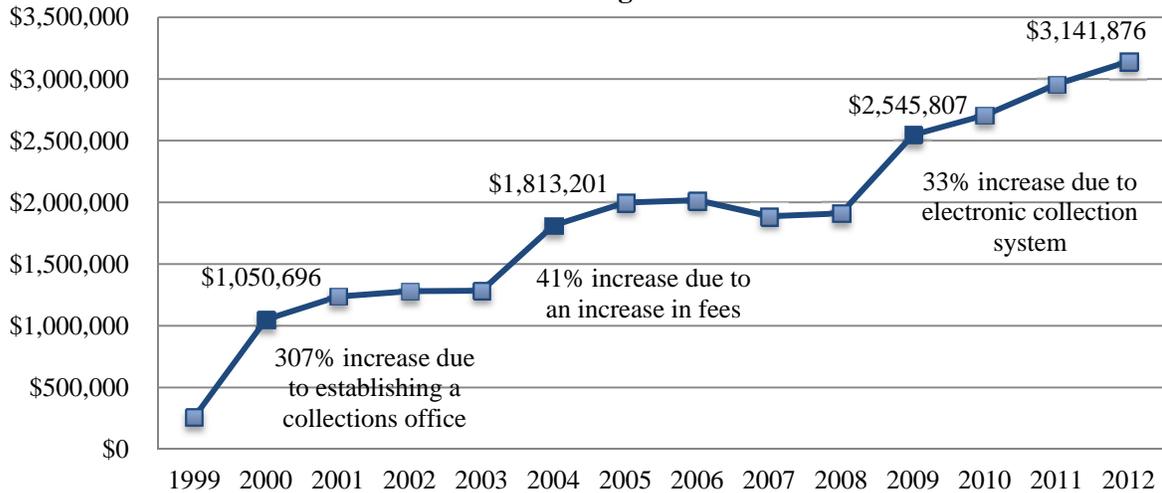
Intercept state taxes. In addition, under the authority that state law grants all judicial districts, the 24th JDC uses tax interception on offenders with outstanding court assessments, increasing collections by \$87,800 in 2010, \$140,000 in 2011, and \$150,000 in 2012.

As a result of the combined efforts of the collections office, electronic collection system, and tax interceptions, the 24th JDC has increased its court cost and fine collections by more than 1,100% from approximately \$258,000 in 1999 to over \$3.1 million in 2012. Exhibit 3 shows the continuing trend of collections in the 24th JDC from calendar years 1999 to 2012.

⁵ LA R.S. 13:717-718

⁶ LA R.S. 13:718(I)(1) allows the 24th JDC to impose an additional fee of up to \$100 on all persons convicted of a felony or misdemeanor offense to offset the expenses of the Commissioner's Office, which houses a court collections office.

**Exhibit 3
Trend Analysis of 24th JDC Collections
Calendar Year 1999 Through Calendar Year 2012**



Source: Prepared by legislative auditor's staff using data provided by 24th JDC.

State law does not require judicial districts to track the amounts of court costs and fines assessed in their districts. Using the 24th JDC’s collection rate, we estimated as much as \$126 million could remain uncollected statewide from fiscal year 2012 assessments.

State law does not require judicial districts to track the amounts of court costs and fines assessed in their districts. The Louisiana Supreme Court collects limited data pertaining to court costs and fines that judicial districts voluntarily submit, but states that this data is unreliable. If all 42 judicial districts were required to track assessment and collection amounts, this information could be used to analyze uncollected amounts and monitor the effectiveness of districts’ collection practices.

The Virginia Supreme Court requires its judicial districts to track assessment and collection data. As a result, the Virginia Auditor of Public Accounts was able to use this data to determine that the state failed to collect an average of \$170 million in court costs and fines each year for the last five years.⁷

Since the actual amount of uncollected court costs and fines in our state is unknown, we estimated the amount potentially uncollected using best available collection information from

⁷ The April 2013 report can be found at <http://www.apa.virginia.gov/reports/CourtsAccountsReceivableSR2012.pdf>.

Louisiana's 64 parishes. According to the parishes' audited financial statements, the state collected a total of approximately \$111 million in fiscal year 2012 in criminal court proceedings.⁸ Using data provided by the 24th JDC, we determined that it had a cumulative collection rate of 47% over the past 4.5 fiscal years, resulting in 53% of assessed court costs and fines remaining uncollected.

Based on total collections of approximately \$111 million statewide in fiscal year 2012, and assuming that 53% of assessed court costs and fines remained uncollected statewide as it did in the 24th JDC, we estimated that as much as \$126 million in court costs and fines remains potentially uncollected statewide for fiscal year 2012. While this amount is an estimate based on the limited available data from judicial districts regarding assessment and collection information, it shows the potential financial impact statewide of uncollected court costs and fines.

Act 745 of the 1995 Regular Session required all executive branch agencies to submit information on accounts receivable and debt owed to the state to the Commissioner of Administration on a quarterly basis. The Commissioner is charged with the responsibility of compiling this information and reporting the results to the Joint Legislative Committee on the Budget. Similar legislation for the judicial branch would be beneficial to collections in judicial districts, as they would be required to track and report data on court costs and fines owed to the state.

Matter for Legislative Consideration: The legislature may wish to consider requiring judicial districts to track assessment and collection data.

Collection practices within and across judicial districts are inconsistent and not all districts actively pursue collections of court costs and fines.

Since Louisiana judicial districts operate independently, we surveyed the 42 judicial districts to obtain general information about their assessment and collection practices. Our survey showed that collection processes are inconsistent not only across judicial districts, but also within the districts,⁹ as discussed throughout the report and documented in Appendix D. In addition, we visited three judicial districts to further understand their collection practices. We found that two of these districts do not actively pursue the collection of court costs and fines. Instead, the two districts wait for offenders to initiate payment and make no effort to pursue uncollected amounts.

⁸ In Louisiana, the audited financial statements for each parish sheriff include how much the sheriff collected in criminal court proceedings. These figures can include a variety of amounts collected in addition to court costs and fines, including cash bonds, forfeitures, restitution, and probation fees, or other related fees imposed on traffic tickets, criminal convictions, and possibly civil cases. Since each financial statement is prepared differently, we were unable to isolate collected court costs and fines from the total collected amount for each of the 64 parishes. Therefore, the \$111 million is an estimate of collected court costs and fines based on a review of audited financial statements and conversations with parish employees.

⁹ Fourteen of the 42 judicial districts are comprised of more than one parish. See Appendix C for a map of the Louisiana judicial districts.

The National Center for State Courts (NCSC) provides best practices for court collections across the United States. According to NCSC, there are several ways that states can make collection practices more consistent and efficient, as discussed below. We also included our survey results with respect to each of these best practices.¹⁰

- Dedicate staff to collection activities.** According to best practices, collections can be improved by dedicating staff to collection activities so that cases are continuously monitored to ensure that payments are made. Our survey reported that 23 (66%) of the responding 35 judicial districts in Louisiana currently do not have staff dedicated solely to collection activities and 13 (41%) of 32 judicial districts cite a lack of resources/staff as a barrier to effective collections. Act 339 of the 2013 Louisiana Regular Session established the Office of Debt Recovery within the Department of Revenue to collect debts on behalf of the executive branch agencies, but not courts. The creation of a similar entity or function in the judicial branch could help increase the collection of court costs and fines in Louisiana.
- Implement an electronic case management and collection system.** According to NCSC, an electronic case management and collection system is essential for efficient and effective collections. Such a system would allow districts to identify noncompliant offenders and take actions to collect any unpaid court costs and fines. According to our survey, 16 (50%) of the responding 32 judicial districts in Louisiana cite a lack of automation/technology as a barrier to effective collections. Exhibit 4 provides a list of useful functions that a system should possess, as recommended by NCSC.

Exhibit 4	
Useful Functions of a Case Management and Collection System	
•	Store offender and case information (e.g., name, phone #, address, case #, charge, assessments, etc.)
•	Create and customize terms for payment plans, including due dates and amounts due on each date
•	Record amounts assessed, amounts collected, and balances
•	Generate reports to identify accounts that are delinquent and categorize them based on the outstanding amount, number days past due, age of debt, etc.
•	Maintain contact log (date & time, type of contact, conversation dialogue, etc.)
•	Allow system accessibility for all involved with assessment and collections (e.g., judges, clerks, sheriffs, etc.)
Source: Prepared by legislative auditor’s staff using information from NCSC.	

- Set up payment plans.** When offenders are unable to make a payment in full on the day of sentencing, best practices prescribe that payment plans should be established to allow offenders to pay court costs and fines over a set timeframe.

¹⁰ Although we surveyed all 42 judicial districts, not all districts responded to each question; therefore, the total number of respondents for each question differs.

A payment plan should include the total amount assessed, provide the payment schedule, and communicate possible consequences for nonpayment. According to our survey, 28 (74%) of the responding 38 judicial districts in Louisiana have set up some type of payment plans to increase collections.

- **Follow-up with noncompliant offenders.** According to best practices, if payment plan terms are not met by the offender, the collection agent should begin follow-up procedures. Phone calls or mailed notices of nonpayment are two simple and inexpensive methods of follow-up. If the offender does not respond, more aggressive consequences should be enforced as outlined in the payment plan. Currently, 30 (81%) of 37 Louisiana judicial districts report that they perform some type of follow-up with offenders.
- **Hold and suspend driver's licenses.** Best practices also recommend that collection entities hold and/or suspend offenders' driver's licenses until full payment is received to increase collections. Louisiana Code of Criminal Procedure Article 885.1 authorizes the collection agent to hold the offender's driver's license, if the amount is not paid in full, for up to 180 days. If full payment is not received after 180 days, the offender's driver's license can be forwarded to the Department of Public Safety and Corrections for suspension. The offender's driver's license will not be reinstated until the collection agent has received full payment. According to our survey, 17 (46%) of the 37 responding judicial districts currently hold and suspend drivers' licenses when offenders do not pay court costs or fines in a timely manner. Twenty districts do not take action on drivers' licenses, despite all districts having the legal authority to take such action.
- **Intercept state taxes.** According to NCSC, another method to increase collections is to intercept state tax refunds for offenders that do not pay assessed court costs and fines. Louisiana Code of Criminal Procedure Article 886 authorizes the courts to file a claim with the Department of Revenue to intercept an offender's state tax refund for outstanding court assessments. However, currently only six (16%) of 37 judicial districts report intercepting tax refunds as a method to increase collections.

Matter for Legislative Consideration: The legislature may wish to consider requiring judicial district courts to develop and implement processes based on best practices for collecting assessed court costs and fines.

Louisiana law does not designate a central oversight entity that monitors performance and provides guidance for collections in judicial districts.

According to best practices, in addition to implementing various collection practices, successful collection programs have an oversight entity that monitors performance and provides guidance to improve collections. Louisiana, however, does not have a central oversight entity, either at the state level or within its judicial districts. According to Article V, Section 5(A) of the Louisiana Constitution, the Louisiana Supreme Court has “general supervisory jurisdiction” over all other courts. However, according to the Louisiana Supreme Court, its role in the area of local court costs and fines is statutorily limited to the Judicial Council’s review of requests by judicial districts for new or increased court costs and/or fees.¹¹ In addition, the Louisiana Supreme Court states that it is not involved in local courts’ cost and fee collection practices. According to the Supreme Court, its supervisory authority does not extend to clerks of court and sheriffs, who are independently elected officials and who are often responsible for collecting and distributing revenue generated from the imposition of court costs and fines.

NCSC states that an oversight entity should monitor performance by reviewing metrics such as collection rate, average collection period, and cost of collections for each judicial district. This information could then be used to determine the effectiveness of collection efforts, justify the necessity of funding collection resources (e.g., technology or personnel), set and review attainable and measurable goals, and provide guidance for each judicial district to improve. Although Louisiana does not have an oversight entity, six (17%) of the responding 35 judicial districts reported using metrics to monitor collection performance on the local level.

Both Texas and Florida have statewide oversight entities that monitor the effectiveness of and provide guidance to collection programs. The Texas Supreme Court oversees the Office of Court Administration that provides information and technical guidance to cities and counties on how to improve court collections. From 1998 to 2005, this office helped develop 69 collection programs serving 237 courts across Texas, increasing collection revenues by 86%, or \$42 million. In addition, the Texas Office of Court Administration conducts audits of the collection programs and monitors their collection rates to determine the effectiveness of the programs. We also found that to monitor collections in Florida, the Clerks of Court Operations Corporation developed a uniform data reporting process where judicial districts must report collection totals. The oversight entity then reviews the collection information to identify deficiencies and develop corrective action plans when districts fail to meet performance goals.

Recommendation 1: The Louisiana Supreme Court should provide education and guidance to the 42 judicial districts in the collection of court costs and fines, as authorized by Article V, Section 5(A) of the Louisiana Constitution.

Summary of Management’s Response: The Louisiana Supreme Court agrees with this recommendation. See Appendix A for the Supreme Court’s full response.

¹¹ R.S. 13:62

Matter for Legislative Consideration: The legislature may wish to consider establishing or assigning a central oversight entity that monitors the collection performance of judicial district courts and provides assistance in improving statewide collections.

State law does not specify how judicial districts are to disburse partial payments received from offenders. As a result, at least six districts are not disbursing partial payments. One district had more than \$700,000 in partially paid court costs and fines it has not yet disbursed.

As previously discussed, state law mandates which entities within each judicial district are to receive disbursements of collected court costs and fines and how much each entity should receive. However, state law does not mandate, nor does formal guidance exist, regarding how judicial districts are to disburse partial payments received from offenders. As a result, some judicial districts have developed their own processes for disbursing partially collected court costs and fines. For example, some districts use a formula based on percentage of total payment received, while others disburse to entities on a priority basis. At least six (14%) of the 42 judicial districts that accept partial payments reported that they do not currently disburse these partial funds to the applicable entities. One of these districts has collected more than \$700,000 in partially paid court costs and fines that it has not yet disbursed to the statutory entities because it lacks guidance on how to disburse partial payments. According to this district, it stopped disbursing partial payments because entities within the district could not reach an agreement on how to best disburse partial payments and it is waiting for a formula or other guidance for disbursing. As a result, entities are not receiving all the revenue from court costs and fines that they are entitled to in a timely manner.

Recommendation 2: The Louisiana Supreme Court, through the Judicial Council, should make recommendations to the 42 judicial districts for the disbursement of partially paid court costs and fines.

Summary of Management's Response: The Louisiana Supreme Court agrees with this recommendation. See Appendix A for the Supreme Court's full response.

Matter for Legislative Consideration: The legislature may wish to consider amending state law to include how partial payments of court costs and fines are to be disbursed in each of the 42 judicial districts.

APPENDIX A: MANAGEMENT'S RESPONSE



Supreme Court
STATE OF LOUISIANA
New Orleans

CHIEF JUSTICE
BERNETTE J. JOHNSON Seventh District
JUSTICES
GREG G. GUIDRY First District
JEFFREY P. VICTORY Second District
JEANNETTE THERIOT KNOLL Third District
MARCUS R. CLARK Fourth District
JEFFERSON D. HUGHES III Fifth District
JOHN L. WEIMER Sixth District

JOHN TARLTON OLIVIER
CLERK OF COURT

400 Royal St., Suite 4200
NEW ORLEANS, LA 70130-8102

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March 19, 2014

Mr. Daryl G. Purpera, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Re: The Collection of Court Costs and Fines in Louisiana Judicial Districts -
Management Response

Dear Mr. Purpera,

The Supreme Court Justices (Court) have reviewed your audit of the Collection of Court Costs and Fines in Louisiana Judicial Districts and provide the following response to your recommendations:

Recommendation 1: The Louisiana Supreme Court should provide education and guidance to the 42 judicial districts in the collection of court costs and fines, as authorized by Article V, Section 5(A) of the Louisiana Constitution.

Management Response: The Court agrees to provide education and guidance to the 42 judicial districts in the collection of court costs and fines. The Court has already engaged the Louisiana Judicial College to develop a training program on the collection of court costs and fines. The 24th Judicial District Court has agreed to collaborate with the Judicial College in developing the training program and will conduct the training at an upcoming judicial conference.

Recommendation 2: The Louisiana Supreme Court, through the Judicial Council, should make recommendations to the 42 judicial districts for the disbursement of partially paid court costs and fines.

Management Response: The Court agrees, through the Judicial Council, to study and recommend a methodology for the disbursement of partially paid court costs and fines. The Court has already taken steps to begin this process.

I would like to thank you for allowing your team to meet with us and discuss the numerous issues surrounding the collection of court costs and fines in Louisiana judicial districts. Hopefully, from our discussions and future collaborations with other stakeholders, we will be able to increase collections by establishing consistent methodology and providing the judicial districts the tools and resources necessary to make them all successful in their collection efforts.

Yours very truly,



Chief Justice Bernette J. Johnson

cc: Justices
Scott Griffith
Terence Sims

APPENDIX B: SCOPE AND METHODOLOGY

Louisiana Revised Statute 24:513 A (1) (a) authorizes the Louisiana Legislative Auditor to compile financial statements and to examine, audit, or review the books and accounts of the state treasurer, all public boards, commissions, agencies, departments, political subdivisions of the state, public officials and employees, public retirement systems enumerated in R.S. 11:173 (A), municipalities, and all other public or quasi-public agencies or bodies. The scope of the examinations may include financial accountability, legal compliance and evaluation of the economy, efficiency, and effectiveness of the auditee's programs or any combination of the foregoing. Our report provided the results of our review of the collection of court costs and fines in Louisiana and identified areas for improving collections in the 42 judicial districts.

The scope of our review was significantly less than that required by *Government Auditing Standards*. We believe the evidence obtained provides a reasonable basis for our findings, conclusions, and recommendations. To conduct this review, we performed the following steps:

- Researched Louisiana Revised Statutes and the Code of Criminal Procedure to determine the authority, responsibility, and guidelines for the assessment, collection, and disbursement of court costs and fines.
- Conducted a survey of the 42 judicial districts to obtain general information about the assessment, collection, and disbursement processes.
 - Received 40 of the 42 judicial districts' responses and received between 21 and 38 responses for individual questions.
 - Followed up with districts as needed to clarify questions that may have been interpreted differently across the districts, gain more information, and possibly obtain corroborating evidence.
 - Performed a quantitative analysis for yes/no questions.
- Visited three judicial districts (small, medium, and large) to gain a further understanding and provide examples of assessment, collection, and disbursement processes as well as readily available data.
 - Met with individuals from various areas including Judicial Administration, the Sheriff's Office, the Clerk of Court's Office, the Collections Office, Records Management, Information Technology, Accounting, and Finance.
 - Requested assessment and collection data related to court costs and fines; assessed the completeness and accuracy of the data; and determined if the total amounts of court costs and fines assessed and collected in a particular

year is readily available without the need of conducting a detailed file review.

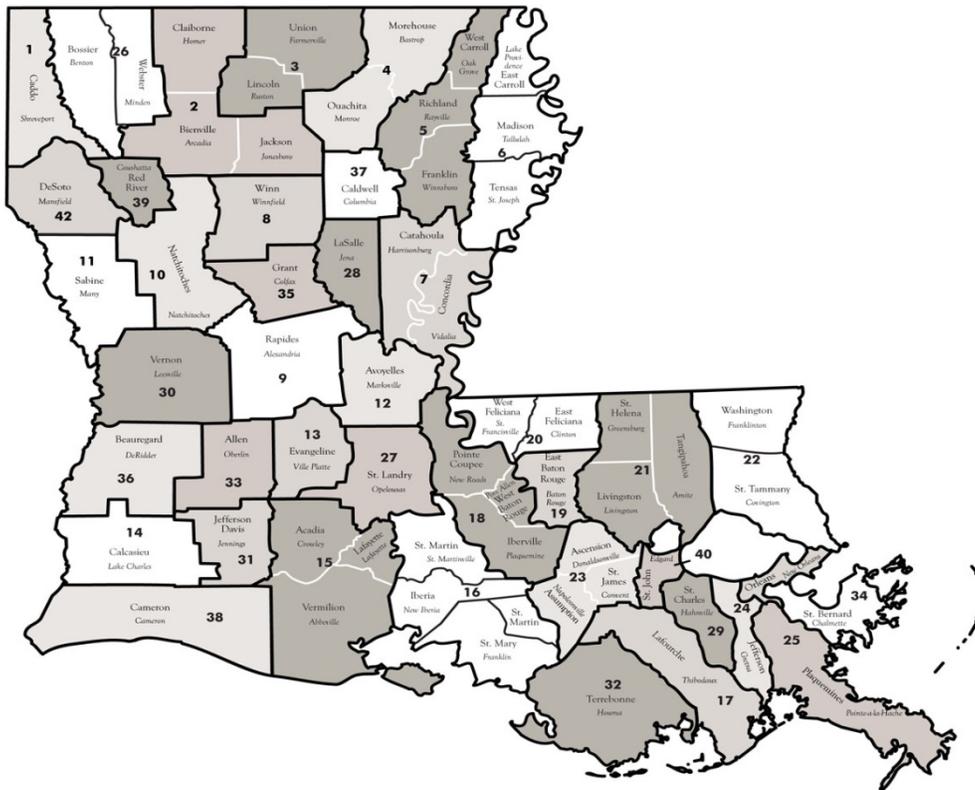
- Met with Supreme Court officials regarding its involvement in the collections of court costs and fines in judicial districts.
- Requested assessment and collection data from the 24th Judicial District Court, Jefferson Parish.
 - Obtained an understanding of how the collection's office tracks the assessment of court costs and fines and also the processes for collections.
 - Observed the generation of assessment and collection data.
 - Calculated a cumulative collection rate based on the assessment and collection data tracked in the 24th JDC's electronic collection system for fiscal years 2011, 2012, and 2013.
 - Graphed annual collections and percent increase based on the collection data.
- Analyzed annual financial audit reports from 64 parish sheriffs to estimate the amount of court costs and fines collected in fiscal year 2012 and projected the potential amount uncollected.
 - Reviewed annual financial audit reports and contacted the staff from each parish sheriff to locate the applicable financial statement and agency fund that was used to report the amount of collected court costs and fines. The fund for collected court costs and fines was commonly reported together with other payments (e.g., bonds, restitutions, etc.) collected by the sheriff.
 - Requested supplemental information if the applicable financial statement was not available in the annual financial audit report or if the level of detail was insufficient for our purposes.
 - Compiled the collection information obtained from each parish sheriff to calculate the statewide amount collected in fiscal year 2012.
 - Projected amount uncollected statewide for fiscal year 2012 using the totals from audited annual audit reports and supplemental information using Jefferson Parish's cumulative collection rate from November 2008 through June 2013.
- Researched best practices recommended by the National Center for State Courts and practices used by other states including Texas, Florida, and Virginia that can be applied in Louisiana to improve collections.

- Shared report contents with the 42 judicial districts and received feedback on the report from 35 of these districts.
- Shared report contents with the Louisiana Clerks of Court Association and Louisiana Sheriffs' Association.

APPENDIX C: BACKGROUND

Louisiana Court System. The Louisiana court system consists of a supreme court, five courts of appeal, and 42 judicial districts. This review focused on the judicial districts. The exhibit below illustrates the location of each judicial district and the parish(es) included in each district.

Map of Louisiana Judicial Districts (42)



Source: Louisiana Supreme Court's website (www.lasc.org).

Within judicial districts, there are district courts that have jurisdiction over all criminal matters, clerks of courts who are responsible for keeping records of all legal proceedings including assessed court costs and fines, and sheriffs who are responsible for collecting and disbursing court costs and fines. In this review, we excluded civil cases from our scope because the court costs that apply to them must be paid in advance for cases to progress.

Court Costs and Fines. Court costs and fines are assessed by the judges in criminal cases to punish offenders and to help offset the costs of services related to the judicial process.

- **Court Costs** are generally assessed against an offender by a judge to offset the costs of handling a case. The amount of court costs that should be assessed is not expressly written in the law for a particular charge because court costs may vary depending on the judicial district, the judge, the type of crime, and many other variables. For example, if an offender is charged with a misdemeanor drug charge in Jefferson Parish, the judge could ask the offender to pay \$398 for court costs. This amount includes \$75 to the clerk of court, \$12.50 to the Sheriff, \$45 to the Indigent Defense Fund, \$50 to the crime lab fee, \$20 to the district attorney, etc.
- **Fines** are monetary penalties assessed against an offender by a judge based on the charge. For example, R.S. 14:67 states an offender charged with simple theft of less than \$500, shall be imprisoned for not more than six months, or may be fined not more than \$1000, or both.

Assessment, Collection, and Disbursement Processes. Once the judge assesses court costs and fines, the parish sheriff's office is responsible for executing court orders by collecting court costs and fines and disbursing the collected money on a monthly basis in accordance with the law. Fines are only disbursed among the sheriff (12%), the district attorney (12%), and the municipality treasury (76%). However, in addition to the previously mentioned entities, court costs are also disbursed to entities or funds such as the district public defender, crime lab, crime stopper organization, judicial building fund, crime victims reparations fund, etc.

Throughout the year, district courts handle a significant number of cases. According to the Louisiana Supreme Court's 2012 annual report, there were a total of 750,530 cases filed in the district courts. Of these, 434,883 were traffic cases and 154,721 were non-traffic criminal cases. From when the case is originally filed to when it is considered disposed, various entities contribute their staff and resources to support this process.

APPENDIX D: COLLECTION PRACTICES SURVEY RESULTS

42 Louisiana Judicial Districts Surveyed

Question	# of JDC's that Responded*	Response			
		Yes	% Yes	No	% No
District has differing collection processes from parish to parish?	23**	12	52%	11	48%
District has staff dedicated solely to collection activities?	35	12	34%	23	66%
If offenders have not made a payment towards their assessment, is their assessment information tracked electronically?	35	24	69%	11	31%
District has performance measures for collections?	35	6	17%	29	83%
District accepts partial payments?	39	35	90%	4	10%
District disburses partial payments to applicable entities?	34	29	85%	5	15%
Methods to increase collections:					
Set up payment plans?	38	28	74%	10	26%
Follow-up with delinquent offenders by mail or phone?	37	30	81%	7	19%
Hold and suspend driver's license?	37	17	46%	20	54%
Intercept income tax refund?	37	6	16%	31	84%
Judge continuously meets with offender until payment is made in full?	36	21	58%	15	42%
Barriers to Effective Collections					
Lack of technology?	32	16	50%	16	50%
Lack of resources/staff?	32	13	41%	19	59%
Lack of coordination between court and sheriff?	35	9	26%	26	74%
Lack of easy payment methods for the offender?	36	6	17%	30	83%
*Not all 42 judicial districts responded to each question.					
**Fourteen of the 42 districts are comprised of multiple parishes.					
Source: Prepared by legislative auditor's staff using judicial districts' self-reported responses to the survey.					