



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: District Attorney  
Department No.: 021  
For Agenda Of: October 27, 2009  
Placement: Administrative  
Estimated Tme:  
Continued Item: Select\_Continued  
If Yes, date from:  
Vote Required: Select\_Vote

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**TO:** Board of Supervisors

**FROM:** Acting District Attorney  
Name & Phone: Joshua Lynn, x2311  
Contact Info: Name & Phone: Marnie Pinsker, x2304

**SUBJECT:** Execution of Agreement with National Corrective Group, Inc, to sustain the  
Non-Sufficient Fund (NSF) Bad Check Merchant Recovery and Diversion Program

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** N/A

**Recommended Actions:**

That the Board of Supervisors:

a) Execute a five year agreement with National Corrective Group, dba CorrectiveSolutions, to provide NSF check recovery and Diversion Program services on behalf of the District Attorney, effective October 27, 2009 through October 26, 2014.

**Summary Text:**

The Santa Barbara District Attorney's Office implemented an NSF check recovery and diversion program in the mid-1980s to assist merchants to recover their losses due to NSF bad checks while providing offenders with alternatives to prosecution through diversion classes. Since 1995 this service has been contracted out to private service providers to improve cost effectiveness of the program. The current vendor, previously named the American Corrective Counseling Services, Inc. (ACCS), has successfully managed this program for the past three years. A five year agreement is proposed based on the program and cost effectiveness of the service.

**Background:**

The Santa Barbara District Attorney's Check Restitution / Recovery Program was initially designed to accept NSF bad checks directly from merchants and obtain recovery of their losses at no cost to the merchants, while diverting offenders from prosecution by offering classes and alternative measures for

recovering funds. Case referrals for prosecution were limited to offenders who violated the provisions of Penal Code 476a and did not respond to other collection efforts. Over time the cost of the in-house operation exceeded revenues charged for check recovery and diversion services. Concurrently, private vendors offered to assume responsibility for the actual processing, handling and investigation of the bad check referrals to the office, as well as offender diversion classes. Beginning in 1995, the Board of Supervisors authorized agreements with two successive vendors to provide these services. As numerous other counties also contract out this program, the economies of scale and vendor’s extensive merchant database statewide have contributed to the program’s success. In addition to providing merchants with recovery of bad check losses, statutory fees for check recovery and diversion classes have financed vendor expenses as well as provided the District Attorney’s Office with \$48,000 in annual revenue.

For the last three years, American Corrective Counseling Services, Inc. (ACCS), with principal offices in San Clemente, has contracted with the District Attorney for the NSF check recovery and diversion program. They provide educational seminars, consulting and administrative support services for the District Attorney’s bad check program. It allows offenders to avoid the prospect of criminal prosecution through attendance at a mandatory educational seminar that addresses the causes and prevention of bad check writing, along with payment of fees and restitution.

In April 2009, the company sold its assets and transferred its business and employees to CorrectiveSolutions, a national firm with 300 national employees that provide various misdemeanor diversion programs. This transition has been seamless to the merchants and the counties who contract for services. Over the last two fiscal years they have returned \$463,000 to local merchants, in spite of the downturn in the economy, along with the annual \$48,000 to the District Attorney’s Office. The program continues to provide quality services and successfully diverts offenders from misdemeanor prosecution by participation in diversion classes. A five year extension of the agreement will sustain this viable program for merchants, while providing a steady revenue stream.

**Performance Measure:**

Provide merchants with recovery of bad check losses, while sustaining current revenue to county, minimizing the referral of offenders for prosecution to less than 5%.

**Fiscal and Facilities Impacts:**

Budgeted: Select\_Budgeted

**Fiscal Analysis:**

| <u>Funding Sources</u> | <u>Current FY Cost:</u> | <u>Annualized On-going Cost:</u> | <u>Total One-Time Project Cost</u> |
|------------------------|-------------------------|----------------------------------|------------------------------------|
| General Fund           |                         |                                  |                                    |
| State                  |                         |                                  |                                    |
| Federal                |                         |                                  |                                    |
| Fees                   | (\$48,000)              | (\$48,000)                       |                                    |
| Other:                 |                         |                                  |                                    |
| Total                  | \$ (48,000.00)          | \$ (48,000.00)                   | \$ -                               |

**Narrative:**

There is no cost to the District Attorney for this contract service, with \$48,000 provided annually based on statutory fees charged to offenders.

**Staffing Impacts:**

**Legal Positions:**  
0

**FTEs:**  
0

**Special Instructions:**

Please return two executed agreements to District Attorney: ATT: Marnie Pinsker

**Authored by:**

Marnie Pinsker, District Attorney Administrative Director

**Contract Summary Form:** Contract Number : \_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_

Complete data below, print, obtain signature of authorized departmental representative, and submit this form (and attachments) to the Clerk of the Board (>\$25,000) or Purchasing (≤\$25,000). See also "Contracts for Services" policy. Form not applicable to revenue contracts.

D1. Fiscal Year ..... : FY 2009-2014  
 D2. Budget Unit Number (plus -Ship/-Bill codes in paren's) : 021  
 D3. Requisition Number ..... :  
 D4. Department Name ..... : District Attorney  
 D5. Contact Person ..... : Marnie Pinsker  
 D6. Phone ..... : 568-2304

K1. Contract Type (check one):  Personal Service  Capital Project/Construction  
 K2. Brief Summary of Contract Description/Purpose : NSF Check Diversion & Restitution Service  
 K3. Original Contract Amount ..... : n/a  
 K4. Contract Begin Date ..... : October 27, 2009  
 K5. Original Contract End Date ..... : October 26, 2014  
 K6. Amendment History (leave blank if no prior amendments):  

| <u>Seq#</u> | <u>EffectiveDate</u> | <u>ThisAmndtAmt</u> | <u>CumAmndtToDate</u> | <u>NewTotalAmt</u> | <u>NewEndDate</u> | <u>Purpose (2-4 words)</u> |
|-------------|----------------------|---------------------|-----------------------|--------------------|-------------------|----------------------------|
|             |                      | \$                  | \$                    | \$                 |                   |                            |

K7. Department Project Number ..... :

B1. Is this a Board Contract? (Yes/No)..... : yes  
 B2. Number of Workers Displaced (if any) ..... : n/a  
 B3. Number of Competitive Bids (if any)..... : n/a  
 B4. Lowest Bid Amount (if bid)..... : \$  
 B5. If Board waived bids, show Agenda Date ..... :  
 B6. ... and Agenda Item Number ..... : #  
 B7. Boilerplate Contract Text Unaffected? (Yes / or cite ¶¶) :

F1. Encumbrance Transaction Code..... :  
 F2. Current Year Encumbrance Amount..... : n/a  
 F3. Fund Number ..... : 0001  
 F4. Department Number ..... : 021  
 F5. Program Number (if applicable) ..... :  
 F6. Account Number ..... :  
 F7. Cost Center number (if applicable)..... :  
 F8. Payment Terms..... : n/a. Contractor provides % of restitution fees to County.

V1. Vendor Numbers (A=uditor; P=urchasing)..... :  
 V2. Payee/Contractor Name ..... : CorrectiveSolutions, Inc.  
 V3. Mailing Address..... : 180 Avenida LaPata, Suite 200  
 V4. City State (two-letter) Zip (include +4 if known) : San Clemente, CA 92673  
 V5. Telephone Number ..... :  
 V6. Contractor's Federal Tax ID Number (EIN or SSN) : 330-656885  
 V7. Contact Person ..... :  
 V8. Workers Comp Insurance Expiration Date..... : n/a  
 V9. Liability Insurance Expiration Date[s] (G=enl; P=rofl): n/a  
 V10. Professional License Number..... : #  
 V11. Verified by (name of County staff)..... :  
 V12. Company Type (Check one):  Individual  Sole Proprietorship  Partnership  Corporation

**I certify:** information complete and accurate; designated funds available; required concurrences evidenced on signature page.

Date : \_\_\_\_\_ Authorized Signature