



December 26, 2014

David Rutherford, City Manager  
City of Crossville, Tennessee  
392 North Main Street  
Crossville, Tennessee 38555

Re: CRO #1313 - Collection Agent Fees & Fines

Dear Mr. Rutherford and Members of the Evaluation Committee:

Pioneer Credit Recovery, Inc. (Pioneer), a Navient Company, understands that city and county governments nationwide are feeling the “crunch” from rising costs and stagnant revenue. On behalf of Pioneer, I appreciate the opportunity to submit a collections proposal to the City of Crossville (the City) that outlines a program that will help rejuvenate lost revenue from delinquent court fees and fines owed to the City.

Pioneer has 21 years of experience collecting on behalf of more than 250 court clients similar in size and scope to the City. Our entire team of collection specialists will provide a worry-free environment where court systems and defendants may satisfy their obligations without harassment or embarrassment.

Jack Frazier Jr., President of Pioneer Credit Recovery, Inc. is authorized to legally bind our organization. Furthermore, we agree to comply with the requirements, terms and conditions as outlined within this RFP.

Pioneer looks forward to establishing a productive relationship with the City. Should you have any questions concerning our services or RFP response, please contact Ken Duncan, Account Representative and Proposed Project Manager for the City, at 615-238-1582 or at [kenneth.duncan@pioneer-credit.com](mailto:kenneth.duncan@pioneer-credit.com).

Sincerely,

Jack Frazier Jr.  
President, Pioneer Credit Recovery, Inc.  
26 Edward Street  
Arcade, New York 14009  
[Jack.Frazier@navient.com](mailto:Jack.Frazier@navient.com)  
Telephone: (585) 492-3414

## Executive Summary

Pioneer Credit Recovery, Inc. ("Pioneer") was founded 34 years ago and has grown into one of the most successful debt collection agencies in the country. We have over 21 years of experience collecting on behalf of government partners, and in the past decade alone have collected \$6 billion for our government and court clients. Pioneer has 15 years of experience in the collection of counties and municipal court debt and our facility in Lake City, Florida, is 100% dedicated to the collection of this unique debt type. Since 1998, Pioneer has successfully worked with over 300 court clients.

*Pioneer is a results-oriented organization; we use advanced technologies, comprehensive employee training, superior client services and customer service to maximize revenue collection.*

We thoroughly understand the unique nature of municipal court debt. Through active participation in professional organizations such as the Association of Credit and Collection Professionals International (ACA International), Pioneer remains current on all federal, state, and local laws and regulations governing the debt collection industry — and we pass that knowledge on to our collection staff through ongoing training and annual certification.

As part of the Navient family, Pioneer possesses the financial stability and essential reliability that is virtually unmatched in the debt collection industry. This relationship means Pioneer has the support of Navient's information technology and security systems, internal controls, disaster recovery resources, training and performance development, compliance and risk management, quality control measures, and the most effective skip-tracing vendors in the industry.

The City of Crossville, Tennessee (the City) will benefit from our customizable and efficient collection system, the skills of our highly trained collectors, and our proven expertise in collecting court debt and returning those dollars to the municipality in which they originated. We make it easy for you.

Pioneer's collectors are the best-trained professionals in the business, as evidenced by our impressive recovery rates for our clients. In every interaction, our collectors treat defendants with respect and integrity, understanding that every interaction with them is a reflection of the City.

Pioneer is a full-service collection agency. We will not assign or subcontract any claim without the written consent of the City. In addition, Pioneer understands that we will not pursue legal actions against the defendant without prior consent of the City.

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The following are Pioneer's key qualifications and competitive advantages.

### **Effective Collection Approach**

Pioneer's efficient, cost-effective collection approach yields outstanding results for our court clients. Throughout the duration of our partnership, Pioneer will meet and collaborate with the City to identify ways to further enhance and improve the superior level of service we provide the City and its constituents. We are here as a resource for you.

### **Financial Strength**

With the support of our respected parent company, Navient, Pioneer offers the financial stability and consistency that comes with a *Fortune 500* company. Pioneer's financial stability, therefore, is virtually unparalleled in the debt recovery industry. The record of steady, sustainable growth we have established throughout our 34-year history is a testament to the essential reliability of our company.

### **Reputable Business Practices**

Pioneer's Florida office has been a member in good standing with the Better Business Bureau (BBB). The BBB system focuses on solving marketplace problems through voluntary self-regulation and consumer education.

Pioneer's integrity, commitment to building trust in the marketplace and rigorous safeguards protecting our client's their defendant's privacy were recognized by the Better Business Bureau when we earned an "A+" rating.

BBB ACCREDITED BUSINESS SINCE 8/20/2012.

**Pioneer Credit Recovery, Inc**

Additional Locations

Phone: (386) 752-0068

Fax: (386) 752-0166

View Additional Phone Numbers  
197 SW Waterford Ct., Lake City, FL 32025  
View Additional Email Addresses  
<http://www.pioneercreditrecovery.com>

		<small>On a scale of A+ to F Reason for Rating BBB Ratings System Overview</small>
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In addition, Pioneer is a Sponsor of the Tennessee State Court Clerks Association and Tennessee Municipal Court Clerks Association Conferences.

### **Online Access for Clients – Minute to Minute Reporting**

Pioneer's website – [www.pioneercreditrecovery.com/courts](http://www.pioneercreditrecovery.com/courts) – provides 24x7, secured access to client information.

[www.PioneerCreditRecovery.com](http://www.PioneerCreditRecovery.com)

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At the Pioneer website, the City will be able to access the following:

- **Reports:** The City can view and print a variety of reports.
- **Monthly Analysis:** The City can view monthly historical placement volume and recovery activities since the accounts were placed with Pioneer.
- **Case Lookup:** This search function allows the City to select the debt type then search for a defendant's account(s) by last name, first name, case number, citation number, or status. Once the account is found, the City may close, reopen, update, or adjust balances.
- **Real-Time Payments:** The City can view the last seven days of activity within 30 minutes of occurrence (i.e., receiving a payment).

Pioneer has made Dave Schomburg, Senior Systems Analyst, available to answer any questions regarding these services. Dave will work directly with the City to determine how Pioneer can provide customized reports to meet your specific needs.

**Transmittal Letter**

A transmittal letter signed by Jack Frazier, Jr., President of Pioneer, and the person who has the authority to legally bind Pioneer is on the second page of this document.

[www.PioneerCreditRecovery.com](http://www.PioneerCreditRecovery.com)

## REQUEST FOR PROPOSAL

*The Municipal Court of the City of Crossville is seeking proposals from licensed and bonded collection agents to collect delinquent court fees and fines due to the City of Crossville. All companies considered for this contract shall have a minimum of 5 years' experience in collections and three reference accounts.*

Pioneer is a licensed collection agency in the state of Tennessee. A copy of our license can be found on page 19 of this response. Additionally, we will request bond upon contract reward.

Pioneer has over two decades of experience serving municipal court clients across the country in the recovery of civil, criminal/felony, and misdemeanor fines, and traffic debt. Our Court Division in 2013 accepted more than 377,000 accounts totaling more than \$291 million. We have applied our collection strategy with great results for more than 300 court clients across the U.S.

Here are some specifics:

- Pioneer was one of just a few vendors selected by California's Administrative Office of the Courts to collect receivables on behalf of California counties and courts.
- In Florida, Pioneer is the largest collection provider for Court Clerks with 44 contracts, or approximately 60% of the Florida Courts. We are the number one collection agency serving Florida Courts.
- Pioneer works with over 60% of the courts in Georgia.
- Pioneer works with over 50% of the courts in Illinois.
- In 2009, Pioneer was awarded a collection contract with Maricopa County (Phoenix), Arizona that initially included other collection vendors. Maricopa County, which has more than three million residents, has 124 separate referring divisions, giving Pioneer the expertise to work within one jurisdiction using customized services such as periodic and specialized reporting. We have now replaced the other vendors and are the number one collection vendor partner in this large governmental jurisdiction, which includes court debt.

*Pioneer currently serves the following Tennessee Clients:*  
*Blount County*  
*Hawkins County*  
*Anderson County*  
*City of Lawrenceburg*  
*Tennessee Board of Regents*  
*University of Tennessee*  
*University of Memphis*

**Pioneer's overall average recovery rate for our court clients is 34%.**

## **Sampling of Clients**

### **Maricopa County Department of Finance (Arizona)**

This municipal collection project started in May 2009. The scope of work includes the collection of various fees, fines, and restitutions. Maricopa is a progressive municipality that improves collection performance through competition. Upon initial award, Maricopa selected three vendors to service their delinquent account portfolio. As a result of competition, Maricopa has narrowed this field to one collection vendor: Pioneer. Since Pioneer was identified as the top-performing agency, we were awarded all of the placements and debt categories from Maricopa.

Pioneer completed a thorough integration of our contract with Maricopa in a timely and efficient manner. For this project, Pioneer brings our complete suite of collection tools to the table, including skip-tracing, collections via telephone contact and through direct mailing, and forwarding accounts to the Maricopa attorney for legal proceedings.

### **State of Utah, State Cooperative Contract**

Pioneer's ability to deliver outstanding results to clients is reflected in our ongoing non-tax debt collection relationship with the State of Utah, since 2007, for its Statewide Cooperative Contract. The Utah Office of State Debt Collections (OSDC) manages a statewide collections contract for all state agencies. Pioneer partners with the state to perform statewide debt collection (including non-tax debt from state agencies and their political subdivisions, i.e., colleges, school districts, counties, and cities). The types of debt include receivables for court fines and fees, sale of goods/services, fines, forfeitures, contracts, loans, claims, damages, interest, penalties, licenses, permits, fees, overpayments of services, and reimbursement of expense. The scope of work includes collections via telephone contact, direct mailing, skip-tracing, and administrative resolutions. During the length of this contract, Pioneer has become a trusted partner to the State in meeting its recovery goals, as we are consistently ranked at or near the top of the monthly rankings on this contract.

### **City of Philadelphia**

Pioneer's partnership with the City of Philadelphia to recover unpaid taxes ran from May 3 to June 25, 2010. This high-profile project was initiated in an effort to improve compliance and to accelerate revenue collections as part of the City's aggressive deficit mitigation strategy. The City entrusted Pioneer to create a well-designed operational plan and counted on Pioneer to generate \$25–30 million in revenue through the initiative. The 54-day tax amnesty program netted more than \$70 million for the City<sup>1</sup>, more than double the City's public goal.

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[1] <http://www.nbcphiladelphia.com/news/local-beat/Philly-Tax-Amnesty-Nets-More-Than-60M-97877804.html>

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Below are Pioneer's three reference accounts:

Philadelphia Department of Revenue	Frank Breslin (215) 686-6404 <a href="mailto:Frank.Beslin@phila.gov">Frank.Beslin@phila.gov</a> Collection of real estate taxes, individual and business taxes, including business privilege, wage, net profits, earnings, parking, realty transfer
Maricopa County Department of Finance (Arizona)	Kimberly Knox (602) 506-3473 <a href="mailto:kknox@mail.maricopa.gov">kknox@mail.maricopa.gov</a> Collection of court fines, fees, and restitutions
Macon County, Illinois	The Honorable Lois Durbin (217) 425-7052 Collection of delinquent traffic court accounts

## Collection Agent Responsibilities

*The company shall pay without burden to the City of Crossville all monies collected according to the contract.*

Pioneer understands and agrees to comply.

*Accept electronic file of delinquent fee and fines.*

*Pioneer will not  
pursue legal actions  
against the  
defendant without  
prior consent of the  
City*

Data is securely exchanged in the City's desired format by using Secure File Transfer Protocol (SFTP). Handling our customer's changing data requirements is important and our flexibility in this area is critical. Testing will occur prior to any production data transfer and will comply with guidelines or changing layouts set by the City. Any significant file transmission issues are addressed and communicated immediately.

Examples of files shared with existing clients:

- Placement
- Payment
- Debtor Demographic Updates
- Exception File Handling

Technically, using this protocol over the Internet allows us to use various encryption methods (PGP, GPG, and RSA algorithms for Public/Private Key Authentication).

Pioneer provides several options to securely transfer your data to protect Personal Identifiable Information (PII) and financial information.

- Web Interface allows customers to send/receive files using a standard web browser. A user ID and password conveniently secures your data as it is encrypted and transferred (more than one user ID can be provided if required). Supported Browsers: Microsoft Internet Explorer. (<https://cmwao.navient.com>)
- Secure File Transfer Protocol (FTPS and SFTP) are available for customers who have this capability. These methods involve an additional layer of encryption and control over the data. Our technical staff will work with you to create a custom solution to meet your requirements.



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*Pursue reasonable collection efforts in a professional, aggressive manner.*

*“Large Enough to Serve You...Small Enough to Care”*

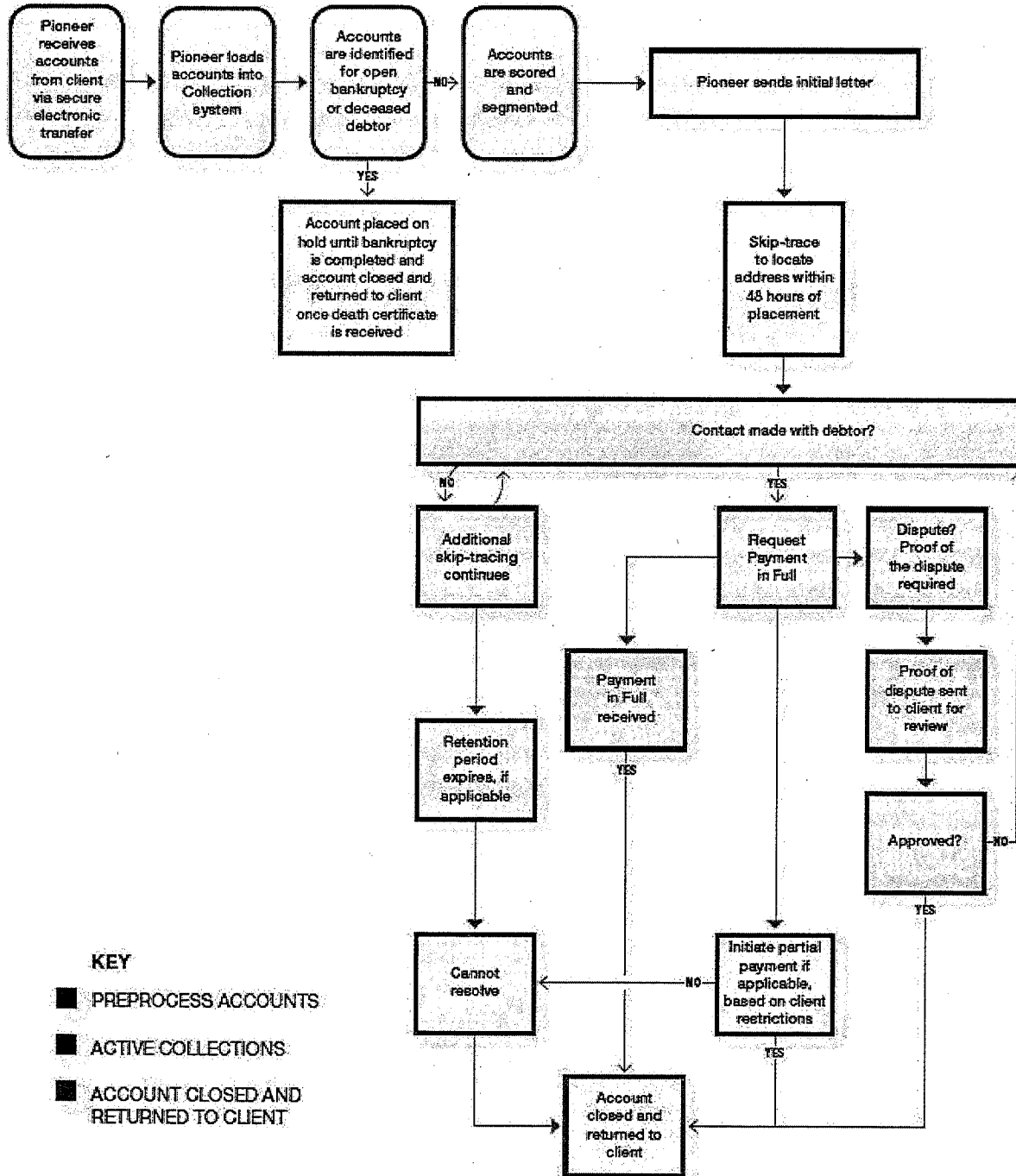
Pioneer's collection philosophy is simple: We will continue collection efforts on an account until it is resolved or until the City closes the case. We will use every available asset to find the defendant and collect the amount owed. Our state-of-the-art skip-tracing software and technology allows us to find new information to maximize collection efforts. We are a results-oriented organization; we use advanced technologies, comprehensive employee training, superb Client Services, and superior Customer Service to maximize revenue collection. Pioneer works on a contingency basis; we have no hidden agendas and no hidden fees. Despite processing hundreds of thousands of accounts each year, every account, large or small, is worked consistently.

Pioneer's collectors are the best-trained professionals in the business, as evidenced by our impressive recovery rates for our clients. In every interaction, our collectors treat defendants with respect and integrity, understanding that every interaction with them is a reflection of the City. Pioneer will not under any circumstances use threats, intimidation, harassment, or any unfair collection practices in the collection of accounts, or violate any guidelines established by federal, state, and local laws, regulations, and rules affecting the work, and will maintain all required protection for property, employees, and public.

[www.PioneerCreditRecovery.com](http://www.PioneerCreditRecovery.com)

Collection Methodology

FLOW CHART OF PROPOSED COLLECTION METHODOLOGY



- KEY**
- PREPROCESS ACCOUNTS
  - ACTIVE COLLECTIONS
  - ACCOUNT CLOSED AND RETURNED TO CLIENT

Figure 1: Pioneer's Collection Methodology Flow Chart for Courts

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Pioneer begins collection activities from the moment we receive the City's delinquent accounts, following Fair Debt Collection Practices Act (FDCPA) guidelines as applicable<sup>2</sup>, as well as any state and local regulations.

First, our IT department downloads the City's transferred account information into our proprietary TicketTracker Software. Once the accounts are downloaded, we cross-reference them to see if any of the City's defendants have other outstanding debts within our system. This allows us to verify defendants' information and addresses and to maximize our total collection efforts.

Once we have cross-referenced all new data entries, we send out a mass mailing – within 24 hours of download – to every defendant. Our letters are designed to generate a response from the defendant and prompt him or her to call into our office for processing.

As defendants begin to call the dedicated toll-free number into our Call Processing Center, our highly trained Call Center Agents (CCAs) answer their questions and concerns in a professional, courteous, and complete manner.

- CCAs are available during regular hours of operation, Monday through Friday from 8 a.m. to 6 p.m. EST. During tax season, we have extended hours of 8 a.m. to 8 p.m. EST on Mondays.
- Pioneer's toll-free number is staffed by at least one bilingual representative at all times.

During a call, the CCA first verifies the defendant's address to ensure we have the correct information on file. The CCA then provides the defendant with the City's specific payment and clearance information, which is accessible on an "information" screen in front of each CCA. This ensures that the defendant has all the information needed to satisfy his or her debt. Defendants' information, including driver's license number, birth date, and address, is kept confidential. We do not maintain any records that contain Social Security numbers. Our data systems are secure and are maintained and scanned daily to ensure the integrity of our data system.

If our letters generate no response, our skip-tracers search for new information and update each case accordingly. A no-response action will automatically generate a second letter in 30 days. Returned letters are sent to our skip-tracing department. Once our skip-tracing department has updated the defendant's file with the new information, a second letter is sent.

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<sup>2</sup>Although the type of debt being collected under the City's contract does not fall under FDCPA, as a matter of best practices, Pioneer closely follows the rules of the regulation. We are dedicated to treating all defendants with respect and require that all Pioneer employees pass an annual compliance recertification for continued employment with the company. This recertification includes, but is not limited to, FDCPA.

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Once a defendant's payment has posted in full, or when the City recalls the account for any reason, the letters automatically cease. If the City places a hold on a case for any reason, we will suspend the letter series until the City confirms that Pioneer can resume collection activities on that account. If the individual sends a partial payment, a modified letter series appropriate to the situation is scheduled and performed. Specialty letters can be produced for the City upon request.

The letter-sending process is repeated until the defendant contacts our Call Center or until Pioneer has made five attempts to locate the defendant by mail. Once the letter series is exhausted, Pioneer uses advanced skip-tracing methods to try and locate the defendant. If no new information can be found, the case is marked inactive for approximately 90 days, at which time Pioneer runs the account through our skip-tracing process again. If new information is found, the letter series is refreshed.

If we determine that the defendant is deceased, we request a copy of the death certificate and suspend further collection efforts. Once the death certificate has been received, we send it to the City, close the account, and cease all collection efforts.

### **Skip-Tracing**

Pioneer's highly successful skip-tracing process distinguishes us from other collection companies in the court debt collection industry. We locate more defendants than our competitors. Pioneer's average skip tracing return percentage, is greater than 38%.

Skip-tracing, in its basic form, assists Pioneer in providing our clients with the most current demographic information by:

- Continually utilizing skip-tracing tools on all accounts with a bad address
- Using these tools on accounts where the existing address yields no contact with the defendant
- Providing our clients with the new contact information, once our collection staff receives updated information

Pioneer has the financial capacity to employ a wide range of resources, software tools, and data providers. This allows Pioneer to partner with vendors that assist us in collecting crucial financial and vital statistics, which we use to contact defendants and determine the best payment solution. Pioneer skip-traces accounts repeatedly, looking for new information the entire time the account is placed with us.

Pioneer understands the critical nature and importance of recovering every dollar on behalf of the City. We work diligently to resolve all accounts placed with us regardless of the size or the age of the debt. Pioneer excels in skip-tracing secondary placements and older accounts.

## **Skip-Tracing In Detail**

Because we consider skip-tracing to be such a vital part of our Collection Work Plan, we are offering a step-by-step description of how Pioneer conducts skip-tracing activities that are efficient, effective, and produce results. We want you to understand our strategy and know that it is an integral part of our overall Collection Work Plan.

Skip-tracing is a complex and challenging process. To date there is no single data bank that provides a complete solution to locating debtors. Therefore, many of our skip-trace resources interface with our flexible collection platform to allow batch process through a variety of tools.

Pioneer will provide the City with the most current demographic information by continually utilizing skip-tracing tools on all accounts without a known good address, and on accounts where the existing address has yielded no defendant contact. Once updated information is received, we will inform the City, detailing any new contact information.

### **The following describes Pioneer's step-by-step skip-trace procedures:**

Upon receipt of account files, accounts are loaded into our collection software system on our secure server. One account files are loaded; skip-trace efforts begin with the following steps:

**New Inventory Processing** – New inventory is processed using the U.S. Post Office National Change of Address to identify good and bad addresses. Accounts identified with good addresses are immediately sent a collection letter. Accounts identified with bad addresses are placed in a skip-trace status and prepared for skip-tracing.

**Collection Letters** – All collection letters will reference the City and will provide a toll-free phone number and a post office box for correspondence. Letters are reviewed by our Corporate Compliance Legal Department to ensure they are in compliance with federal and state regulations.

**Skip-Tracing** – Accounts identified as a "skip" status are sent through our skip-trace process. Address hits returned with a name and date of birth match are updated in our collection system and collection letters are sent.

**Continued Skip-Tracing** – Upon receiving notice that a collection letter was undeliverable to the intended address, the mail return is scanned into our collection system. The account is then sent through our skip-trace process to try and locate a different address and generate a collection letter on the account.

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*Establish a secure trust account for the deposit of all City collections.*

Upon contract award, Pioneer secures a bank account in the name of the City. All funds collected on behalf of the City are to be held in this account until they are remitted to the City. Funds held in this account will not be commingled with our other client accounts or operating funds. The account is held at an FDIC insured bank.

*Submit all collected fees and fines to the City within 30 days after collection.*

Pioneer will submit all collected fees and fines to the City within 30 days after collection per the City's request. Checks are printed the following business day after the last day of the month, then sent to the City. Please see the section below in regards to Pioneer's standard payment processing procedures. This is an automatic feature, and reported to the City.

### **Remittance of Payment**

As Pioneer collects full or partial payments on collection items, we record them in TicketTracker. Pioneer processes payments daily, in-house. Payments received in our office by 3:00 p.m. EST will be processed that same day. Payments received after 3:00 p.m. EST will be processed the following day. There is a 48-hour turnaround time on credit cards; the payment will post in Pioneer's system on the following business day and the City will be notified the next business day after that. Real-time payment information is available to the City on our online Superior Collections Online Tracking System (SCOTS).

Our clients have the option to choose the method and frequency of payment. Pioneer can remit via check or ACH on a daily, weekly, or monthly basis. Pioneer currently sends a remittance to the City each week via ACH, along with accounting detail of the remittance.

Some payments arrive with little or no information and our payment processing specialists are trained to cross-reference names against our database. Any missing information needed to process the payment quickly and efficiently is determined by the payment processors and added to the account. Pioneer will then send the payment back to the remitter with a request for additional information.

Payments are processed under dual control in the secured, controlled payment processing room under closed circuit television monitoring. All payments are processed via remote scanner through JP Chase Morgan; however, cash payments are deposited through TD Bank of Lake City, Florida. We are not on a lock box service.

[www.PioneerCreditRecovery.com](http://www.PioneerCreditRecovery.com)

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### **Payment Methods**

Pioneer places great emphasis on the importance of recovering the City's portfolio, and accepts the following methods of defendant payment<sup>3</sup>:

Major Credit Cards – Pioneer accepts all major credit cards for payment (MasterCard, Visa, Discover, and American Express) via telephone or via our website, <http://www.pioneercreditrecovery.com/courtpay>.

Western Union Quick Collect – Western Union payments are accepted at agent locations or online at [www.westernunion.com](http://www.westernunion.com). Payment reports are available online and are downloadable; posted funds are deposited within 2 business days.

Cashier's Check/Money Order – Pioneer provides a post office box for defendants who prefer to mail payment and we provide our street address for defendants who choose to send payment overnight via FedEx, UPS, or overnight mail.

Personal Check- Pioneer will accept personal checks with a 14 day holding period.

### **Payments Made Directly to the County**

The City will provide a daily report to Pioneer of all defendants who have made a payment directly to the City so that collection efforts may cease and the account is closed as paid-in-full.

### **Overpayment Refund Policy**

If a defendant submits overpayment by \$1 or more, Pioneer will automatically refund it at the beginning of the following month. The City may also request a refund for an account, either verbally or in writing. Pioneer will process the refund request within 5 business days of request receipt.

### **Payment Plans and Remittance**

Incorporating flexible payment plans is essential to maintaining an effective collection system, since some defendants may not have the funds available to satisfy their past due debt all at once. Pioneer, therefore, allows defendants to pay their fines in installments. Those who cooperate with a payment plan receive a reformulated letter series that provides updates on the amount already paid and the amount still owed, thus reducing errors.

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<sup>3</sup> Pioneer requires an IRS W-9 statement, Request for Taxpayer Identification Number and Certification, from all of our clients. The W-9 must feature the client's street address as post office boxes are not sufficient and the form must be signed and dated.

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Any partial payments received will be distributed at 75% to the City and 25% to Pioneer until the debt is satisfied. Payments are distributed evenly until paid in full. Partial payments are remitted on a payment schedule chosen by the City. Once again, Pioneer abides by all federal, state, and local laws.

**Non-sufficient Fund Charges**

In the event that a payment is returned for insufficient funds or a stop payment has been placed, the account will become open and collectable, and Pioneer will become responsible for the collection of any/all NFS charges/fees.

**Dispute Resolution**

In the event of a dispute regarding any overdue court fine, fee, or cost, Pioneer will immediately stop collection efforts with respect to the defendant and will contact the City for verification of the account.

**Written Dispute Notice**

Pioneer will request a written notice of the dispute, which will then be forwarded to the City within 2 business days of receipt. Collection efforts will commence or cease once verification from the City is received. Upon request, Pioneer will provide written responses to complaints and disputes received by the City and/or Pioneer within 5 business days of request. All records of disputes will be maintained by Pioneer.

*Report monthly on all outstanding accounts in collection to include account name, balance owed, last collection date, last collection effort.*

**Custom Reporting Capabilities**

Pioneer will work closely with the City to meet all of its monthly reporting requirements.

The City's designated Collection Support Specialist will encrypt and password protect any non-public data prior to electronically delivering the customized report. Any changes required on customized reports will be captured by your CSR.

Pioneer can download reports and send this information to the City via FTP or data-encrypted email.

**Customized Reporting**

Pioneer can remit payment via ACH or by mailing a check to the City at a mutually agreed-upon time frame. By the middle of each month, the City will receive an accounting statement showing all collections from the preceding month. This statement includes an invoice identifying all payments received by Pioneer and/or the City, an account of all monies collected by Pioneer and owed to the City, and a statement for the

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commission fee due to Pioneer. Each statement outlines payments made in full as well as partial payments, with each respective case identified. Our standard reports are available for 24/7 review by the City on our "SCOTS" website. Pioneer can also create custom reports for the City.

Below is a link to the demo. Please contact your Account Representative, Ken Duncan, for demo access.

Demo link: [www.pioneercreditrecovery.com](http://www.pioneercreditrecovery.com)

Reports – The City can view and print a variety of reports as shown below.

PIONEER CREDIT RECOVERY, INC.											
ACCOUNT ANALYSIS											
March 2013											
Collection Transaction History											
Collection History Analysis Report March 2013 - TestClient											
TestClient	New Accounts	Submitted Dollars	Recalled Count	Recalled Amount	Adjusted Count	Adjusted Amount	Current Collections	Collected To Date	LTD Placed	LTD Collected	Liquidity
05/01/2013	473	\$77,019.50	7	\$705.50	466	\$76,314.00	\$64,114.38	\$426,728.06	\$10,709,102.70	\$6,303,446.02	58.86%
04/01/2013	579	\$93,773.50	8	\$1,276.50	571	\$92,497.00	\$62,995.49	\$362,613.68	\$10,632,788.70	\$6,239,331.64	58.68%
03/01/2013	591	\$98,633.50	11	\$1,503.00	580	\$97,130.50	\$110,125.55	\$299,618.19	\$10,540,291.70	\$6,176,336.15	58.60%
02/01/2013	332	\$50,802.50	6	\$618.00	326	\$50,184.50	\$134,958.08	\$189,492.64	\$10,443,161.70	\$6,066,210.60	58.09%
01/01/2013	437	\$76,992.00	6	\$931.00	431	\$76,061.00	\$54,534.56	\$54,534.56	\$10,392,976.70	\$5,931,252.52	57.07%
2013	2412	\$397,221.00	38	\$5,034.00	2374	\$392,187.00	\$0.00	\$426,728.06	\$10,709,102.70	\$6,303,446.02	58.86%
2012	6067	\$980,513.75	3905	\$441,395.85	2162	\$539,117.90	\$0.00	\$741,211.43	\$9,903,067.95	\$5,876,717.96	59.34%
2011	6884	\$1,095,296.70	85	\$14,941.50	6799	\$1,080,355.20	\$0.00	\$807,779.33	\$9,363,950.05	\$5,135,506.53	54.84%
2010	7342	\$1,162,475.17	185	\$26,633.26	7157	\$1,135,841.91	\$0.00	\$786,604.44	\$8,283,594.85	\$4,327,727.20	52.24%
2009	16630	\$2,390,987.31	228	\$33,093.30	16402	\$2,357,894.01	\$0.00	\$419,150.89	\$7,147,752.94	\$3,541,122.76	49.54%
2008	1529	\$138,591.08	39	\$2,895.40	1490	\$135,695.68	\$0.00	\$160,838.24	\$4,789,858.93	\$3,121,971.87	65.18%
2007	64	\$8,747.70	2	\$535.50	62	\$8,212.20	\$0.00	\$327,889.13	\$4,654,163.25	\$2,961,133.63	63.62%
2006	5220	\$726,265.50	194	\$25,864.71	5026	\$700,400.79	\$0.00	\$711,050.50	\$4,645,951.02	\$2,633,244.50	56.68%
LTD	91483	\$12,086,846.56	12944	\$1,377,110.36	78539	\$10,709,736.20	\$0.00	\$6,303,446.02	\$10,709,736.20	\$6,303,446.02	58.86%

**Figure 2: Account Analysis Report**

www.PioneerCreditRecovery.com

City of Crossville, Tennessee  
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Figure 3 displays two overlapping 'OUTSTANDING CASES REPORT' forms. The top report lists 17 cases with details including Defendant Name, Case Number, Citation, Total Due, and Offense. The bottom report is partially obscured and shows a summary section with the following data:

<b>TOTALS:</b>	<b>OUTSTANDING CASES:</b>	<b>TOTAL DUE:</b>	<b>Payments:</b>	<b>Outstanding Balance:</b>
	333	\$154,550.00	\$0.00	\$154,550.00

Figure 3: Outstanding Cases Report

We have included a copy of our standard court reports in the "Attachments" tab.

Up to the Minute Reporting - Client Online Access

Pioneer's website (see Figure 2) features a client portal for court clients at [www.pioneercreditrecovery.com/courts](http://www.pioneercreditrecovery.com/courts). This portal allows the City to log in and obtain access to its accounts and up to the minute reports 24 hours a day, 7 days a week. The City can view and print a variety of Online Reports.

City of Crossville, Tennessee  
CRO# 1313 Collection Agent Fees & Fines


NAVIENT COLLECTIONS

**PIONEER**  
A Navient Company

About **Services** Results Employment Contact

ACHIEVING CLIENTS' BUSINESS GOALS AND SAVING THEM MONEY


Pioneer utilizes its unique collection methodology to quickly review a client's needs and then design a receivables strategy that can work for clients of all size and scope.



**Services**

- Government Collections
- Court Debt
- Payment Options
- Tax Amnesty

Contact us with questions on our past performance.



**REVENUE RECOVERY FOR COURT CLIENTS**

Collecting past due fines and fees is no easy task in this challenging economy and your internal resources are already strained. We're here to assist you. Pioneer offers superior collection performance to County and Municipal governments for the collection of court fines and fees. Clients who work with Pioneer have the peace of mind of working with not only a Fortune 500 company, but one of the largest and most successful collectors of government debt in the country.

**OUR COMMITMENT**

When you work with us, we will:

- Save taxpayer money
- Collect fines and fees more efficiently
- Enhance your revenue
- Eliminate your collections budget
- Guarantee your complete satisfaction

**OUR PEOPLE**

Pioneer's staff of more than 1,000 employees across the nation has a strong reputation for efficiency and ethics in the collection industry. Our programs instill in our employees integrity and accountability across all departments, and ensure that risk is managed consistently. We adhere to the strictest standards of privacy and security. Your information is safe with us.

*Our ability to design programs for collecting special types of debt makes us a leader in court debt collections.*

[Client Login](#)

**MAKE A PAYMENT:**

- [Pay Online](#)
- Western Union Form Guide
- Full List of Payment Options

Figure 4: Pioneer's Website

Maintain current licensure as a collection agency with the State of Tennessee.

Pioneer is currently licensed as a collection agency in the state of Tennessee. A copy of Pioneer's current State of Tennessee license follows:



Figure 5: Tennessee State License

## Collection Fee

*Fees shall not exceed the amount allowed by Tennessee Code Annotated (TCA 40-24-105); The agent's collection fee shall not exceed forty percent (40%) of any amounts actually collected.*

Pioneer has reviewed Tennessee Code Annotated (TCA 40-24-105) and has provided our pricing in accordance with the Code, as follows:

Pioneer's collection fee will be 25 percent (25%) of any amounts actually collected.

### **Net Back – The Difference Between Value and Cost**

Evaluating collection agencies can be an involved and complicated process. The City needs to choose the vendor that will ensure the highest return on investment. To do this, the City should look at the *value* an agency will provide, rather than relying on price alone.

Pioneer provides outstanding value to the City through our extensive suite of services. While other agencies submit the “lowest bid” in the hope of winning contracts, we provide our client partners with full-service collections – at a price that enables us to dedicate the necessary personnel, technology, and collection expertise to meet and exceed all of the City’s requirements. By charging a fair market rate, we are able to engage the resources required to deliver the best collection recoveries to our clients.

The implied savings offered by low-bid agencies comes at a significant price. Often, these agencies compensate for their low rates by concentrating only on accounts that are the most easily collected and have the highest balances, neglecting the rest of the City’s portfolio. A lower price usually also means less investment in collector training and cutting-edge technology. The results are mediocre service, increased gaps in compliance, reduced recovery rates and, ultimately, fewer dollars returned to the client.

Pioneer’s focus on quality service and maximum recoveries, by contrast, results in enduring partnerships with clients and a commitment to long-term success.

As further evidence of this value-versus-cost model, during a 2005 panel discussion featuring experts in the field of government collections, Gary Hopkins of the U.S. Department of Education noted “a lot of government agencies going away from the low bidder” and stated that at his own agency “we go on best value. That’s why we place most of our emphasis on...performance.” Hopkins also suggested that the low-bid win philosophy “encouraged agencies to bid lower prices when they weren’t as confident in their ability to perform.”<sup>4</sup>

Pioneer is confident that our “net back” recovery provides the best value in the collections industry. Given the chance, we will produce the same outstanding net back results on behalf of the City’s collection portfolio.

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<sup>4</sup> Lunsford, Patrick, Ed. “Government Collections Panel Discussion”. [CollectionIndustry.com](http://CollectionIndustry.com), 2005.  
[www.PioneerCreditRecovery.com](http://www.PioneerCreditRecovery.com)

## Afterword

Pioneer has provided information that meets or exceeds the selection criteria the City has identified. We have provided evidence of our current Tennessee state licensure, bonding, and proof of insurance. With the support of our parent company, Navient, we offer second to none Information Technology tools and support and have the capability to receive electronic files of delinquent accounts, we have extended experience doing so for our current clients.

In addition, Pioneer has over two decades of experience collecting on behalf of more than 300 court clients similar in size and scope to the City. Our entire team of collection specialists will provide collection efforts in a professional, yet aggressive manner, where court systems and defendants may satisfy their obligations without harassment or embarrassment.