

May 12, 2010

R. Wayne Johnson
P.O Box 75162
Colorado Springs, CO 80970

Colorado Collection Agency Board
1525 Sherman Street, 7th Floor
Denver, CO 80203-1714

RE: Policy Studies, Inc. (PSI)

Dear Board Member:

This letter is in response to the Collection Agency Board's Compliance Investigator's letter of April 27, 2010 regarding the April 1st response from the PSI Collection Manager to my March 10th fax to the Collection Agency Board requesting the investigation of the business practices of PSI. On which date, I also faxed a similar request for investigation to Attorney General Suthers that the Attorney General subsequently delegated to an employee with the Colorado Department of Human Services Division of Child Support Enforcement (CDHS CSE), to which the response was issued March 18th referring me back to PSI dba El Paso County Child Support Enforcement Unit (CSEU) in Colorado Springs.

Please know CDHS Executive Director Beye, Attorney General Suthers, and Governor Ritter are well aware of the dispute that exists between me and PSI, the independent contractor hired by the El Paso County Board of Commissioner's to administer Colorado's Child Support Enforcement Program on behalf of the El Paso County Department of Human Services. PSI provides similar child support collection services to other human services agencies across the United States. PSI's legal staff, or private attorneys under contract with PSI, also works closely with the court system as State prosecutors in actions such as mine. Therefore, the Director's, Attorney General's, and Governor's decision to be silent on the issues known to them is politically motivated, each of them believing they are serving state and national interests by giving cover to the wrongful and malicious prosecution of both the child support enforcement case and the child support modification case, as most clearly understood by this statement from the court transcript:

(The Court was represented by former Magistrate John Paul Lyle who was under a six month State Judicial contract as a part-time magistrate until it was terminated early effective January 31, 2010. The final order, therefore, was submitted to Magistrate Jayne Candea-Ramsey after she was installed as magistrate on February 12, 2010.)

THE COURT: Thank you. You may step down. (PAUSE.) (I look) forward to this. Dist. Rec. at 31, ¶ 1-2.

As a result of former Magistrate Lyle's assistance and then the installed Magistrate's assistance, I was ordered to pay Ms. Dolbow about \$120.00 less for the 30 months at issue. And my child support obligation increased from \$438.00 to \$958.00 beginning October 2009 through December 31, 2009 and then from \$958.00 to \$1,357.00 commencing January 1, 2010 through my son's 19th birthday in August, based on "selectively" adding imputed income to my current retirement benefit to push our combined gross income to \$20,000.00, the highest tier under the current child support schedule. Consequently, the State and PSI more than made up for the downward adjustment for 2005, 2006, and 2007. And they also successfully used up the \$16,000.00 already seized by CDHS CSE before the hearing ever took place.

So of course, I am not satisfied with the results of your investigation but must accept your decision to close the State Board's investigation. However at the same time, I need to challenge certain information provided by PSI that you have disclosed to me. I too am well aware of PSI's disclosure practices, as it has prevented me from defending against the illegal seizure of my property since October 6, 2008.

Please also know the relationship that PSI has with the State of Colorado supersedes any responsibility it has as a licensed collection agency. The carefully blended relationship that is evidenced through the CDHS website and all disclosures and other written correspondence is to hide the "commercial" nature of the activity it conducts on behalf of the CDHS. And as mentioned in the court document referenced by the Collection Manager, poverty and education go hand-in-hand. The "consumers" of its services are led to believe they are interacting with a government agency. The constant switching back and forth between "CSE" and "PSI" helps maintain that perception. There is no "good" reason to hide the relationship that exists between the State and PSI. Therefore, a simple disclosure should be added to the CDHS website, the application for service, and to all written communications between PSI and the recipients of those communications indicating it is not a human services agency but a privately-owned and independent contractor paid to render collection services for El Paso and Teller counties under a contract approved by the CDHS. Full disclosure, in pamphlet form, should direct the consumers of its services - and those impacted by it - to PSI's official "marketing" website for those desiring more information about the company.

Consider the information that follows as you will.

Sincerely,

R. Wayne Johnson

PSI

PSI has two contracts in Colorado: El Paso and Teller counties. In El Paso County, PSI's five year base contract is subject to renewal each year. The value of the contract to PSI is approximately \$4.1 million annually, which includes approximately \$60,000.00 in incentives. The terms of the contract require PSI to comply with federal and state laws and regulations and to adhere to the requirements of the Child Support Enforcement Program.

The Colorado Child Support Enforcement (CSE) Program is established to collect support, to reimburse, in part or whole, Title IV-A grants paid to families, help remove IV-A recipients from the IV-A program by assuring continuing support payments, and assist persons who do not receive IV-A or IV-E foster care to remain financially independent. Such purpose is achieved by: locating absent parents, establishing the paternity of children born out-of-wedlock, establishing child support obligations and health insurance, reviewing the order for a possible adjustment, and enforcing and collecting support. Although this program must be closely coordinated with the IV-A, Medicaid, Low-Income Child Care Assistance, and foster care programs, it is a separate and distinct program with defined functions, which must be performed by a distinct administrative unit. (9 CCR 2504-1)

The Program is designed to ensure that Colorado meets the requirements of Title IV-D of the Social Security Act and implementing federal regulations to prevent the reduction of federal payments to the State of Colorado for the IV-A program by up to 5% of such payments. My case is an IV-D case, which under the Program requires strict CSE Unit compliance to the CSE Program and under State law is subject to vigorous child support enforcement measures.

In 2008, at the time of the enforcement action taken against me by PSI, the downturn in the economy was just beginning to surface in a "publicly" noticeable way. In PSI's 2008 Annual Report to the El Paso County Board of Commissioners submitted in 2009, PSI attributed its 6% increase in 2007 collections to its ability to seize the economic stimulus checks intended to lessen the impact of the downturn nationally. It also indicated that 79% of its collections came from wage garnishments and that the increasing job losses continuing into 2009 had decreased the garnishment collection rate to 54% and increased the collection rate through unemployment compensation to 174%. And as is well known, the economic downturn worsened through 2009 when the unemployment rate hit double digits nationally.

Consequently, PSI's "business" decision to pursue child support for the period of time I had custody of my son was motivated by its special interests as a private contractor with performance standards to be met. It was not made in the interest of my son. As a result of its self interests, the parenting relationship between me and Ms. Dolbow was destroyed. And the impact of lost parenting time on my son is immeasurable.

Application for Service

The Code of Colorado Regulations (9 CCR 2504-1) established the Colorado Child Support Enforcement (CSE) Program and sets forth the policies and rules to which county DHS child support enforcement units or a county's delegate must adhere. And as the Collection Manager indicated, the application process is governed by these regulations. **6.201** addresses application

requirements and states: “County CSE Units shall establish procedures to ensure that all appropriate functions and activities regarding applications and information on available services are undertaken and completed within the time frames specified and that all activities are documented on ACSES. **6.201.2(B)** addresses application requests for non-public assistance cases, such as the case initiated on behalf of Ms. Dolbow. If Ms. Dolbow appeared in person, CSEU was required to provide the application on the day it was requested. If the request was made by telephone or in writing, CSEU was required to provide the application within 5 days of the request. Moreover, **6.201.2(B)(5)(d)** states: “CSE Units must maintain a log of requests for services which includes the following information: name of person requesting an application; type of request (in person, phone, mail); date of request; date the application was mailed or provided; date the application is accepted.” **6.201.2(B)(7)(d)** states: “Acceptance of an application involves recording the date of receipt on the application.” Therefore, the date of the application is a known but “undisclosed” fact.

The application available online at <https://childsupport.state.co.us> is CSE 6-E. However, Ms. Dolbow may have completed CSE 6 in “September 2008.” I had intended to compel disclosure of the entire application packet, but the hearing that would have allowed me to force PSI to produce documents was neither denied nor granted. It was ignored. My motion for a hearing was filed on March 2, 2010 and is a matter of public record in the El Paso County District Court (“District Court”). Noticeably, the PSI Collection Manager chose not to disclose the actual date of the application because of the 11 day gap that exists between the date the Family Support Registry account was created using ACSES on September 18, 2008 and the Affidavit of Custody and Direct Support dated September 29, 2008. This document was referenced and recorded in the hearing on January 13, 2010 and is attached. The Collection Manager also referenced the affidavit but called it the “Direct Payment Affidavit.” As you will note, I paid child support consistently from October 1997 to July 2005. I then stopped paying child support for 30 months after taking custody of my son in January 2005 and through December 2007. This is the arrears amount downwardly adjusted and then retaken by adding an extra \$6,000.00 to my current retirement benefit. Please also note Ms. Dolbow marked the affidavit that she had had custody of my son since birth.

Data Sharing

As mentioned, the electronic data transfer between DHS and government agencies (such as CDHS to seize financial institution assets, the Department of the Treasury and State Department of Revenue to seize income tax refunds, and the Division of Motor Vehicles to suspend driver’s licenses) occurs through ACSES, Colorado’s statewide child support enforcement computer system. ACSES shares data statewide with Colorado’s judicial case management system, the Colorado Online Integrated Network (ICON). The CSE case number that appears on written communications was assigned through data sharing between DHS or delegate DHS employees using ACSES and judicial employees using ICON. One of the purposes of the link is to set up a Family Support Registry (FSR) account to process intercepted and/or voluntary “collected” court-ordered child support payments. FSR is the contracted fiscal agent responsible for processing those payments.

Debt Collection

The Collection Manager acknowledged the FSR account was set up on September 17, 2009 but as the excerpt from my affidavit below filed with the Court on April 9th indicates, I did not receive the “Redirect Notice” purported to have been sent to me on September 18, 2009. ***The Redirect Notice is not in my possession and will be requested from CDHS CSE today.**

I do however receive a monthly FSR statement of the disputed debt. Last month’s statement reports that FSR credits total \$16,409.80. The amount seized is over \$5,000.00 more than would have been paid under the original order, adjusting for the unauthorized sale of my personal property. The FSR balance is made up of intercepted funds only. I have withheld all voluntary payments because I do not owe the amount claimed and making any payment would be perceived as my acknowledgement I owed the debt. But my son is presumed to have benefited from the total collected and has not suffered because of my refusal to pay child support. While the financial responsibility did fall on Ms. Dolbow beginning January 2008, she also received a substantial inheritance that lessened the impact on her in 2008 and then another substantial inheritance in 2009.

The excerpt that follows explains how I learned of the application for child support enforcement services. It also addresses other information provided by the Collection Manager:

15. On Thursday, October 2, 2008, a computer-generated personalized “form-like” letter from the El Paso County Child Support Unit at 30 East Pikes Peak Avenue, Suite 203, Colorado Springs, Colorado 80903, bearing the printed name of Jonica Brunner, Legal Technician, was printed and mailed to me. It advised me of my right to request a modification of child support. It did not specify why I should make such a request. The letter stated the request should be made to the El Paso County Delegate Child Support Enforcement Unit, phone number 719-457-6331. On the date I received the letter, “delegate” meant nothing to me; I presumed I was dealing with the El Paso County Department of Human Services, a governmental agency.

16. On Saturday, October 4, 2008 at the Midnight Rose Casino in Cripple Creek, Colorado, I won a \$1,427.75 prize on a 25 cent video poker machine on a \$20 first try. I completed IRS Form W- 2G to claim it. I was told my social security number matched with the Colorado child support database. Three deductions were made: \$438.80 for child support, a licensee fee of \$15.00, and a portal administration fee of \$10.00. I received \$963.95 in cash.

17. On Saturday, October 4, 2008, a personalized “form-like” notice was printed advising me of the gambling intercept. The title of the notice was “Child Support Enforcement Program Notice of Intercept of Gambling Winnings for Child Support.” The notice was from the Colorado Division of Child Support Enforcement, State Enforcement Unit, phone number 303-866-4300. The letter advised me the \$438.80 would be held for 30 days to give me an opportunity to request an administrative review of child support arrears, or I could waive that right by submitting a notarized request to have the money applied to back child support. The contact person was identified as Jonica Brunner of the El Paso County Child Support Enforcement Unit at 30 East Pikes Peak Avenue, Suite 203, Colorado Springs, Colorado 80903.

18. On Saturday, October 4, 2008, a “Gambling Intercept Payment Receipt” was printed. The first section of the receipt is titled, “Information from Colorado Department of Human Services.” It identifies Jonica Brunner, El Paso County Child Support Enforcement Unit, 30 East Pikes Peak Avenue, Colorado Springs, Colorado 80903.

19. On Sunday, October 5, 2008, I called Ms. Dolbow. She told me to “take care of it” and apologized for my embarrassment the night before.

20. On Monday, October 6, 2008, I spoke with caseworker Luz Morales at the CSE Unit to discuss the “failure to give notice” because of the humiliation I experienced at the time of the intercept on October 4. She had no knowledge of the intercept and was unable to provide any information. I subsequently connected the October 2nd letter about child support modification to the intercept and requested a review of child support. The review was scheduled for October 10.

The October 10, 2008 alleged letter of arrears calculated from the September 29th affidavit was sent to me to comply with the Colorado Fair Debt Collection Act. The letter was printed the same day I disputed the debt. The letter has the exact language in the Act as required by it. The information that follows is also from my affidavit.

21. On October 7, 2008, Jonica Brunner printed and mailed a personalized “form-like” letter on business-type letterhead acknowledging my request to discuss modification of the child support order. The letter required the return of notarized financial information. The letter said Ms. Dolbow and I would be advised of the findings. The return address was PSI/Child Support Services of Colorado, 30 East Pikes Peak Avenue, Suite 203, Colorado Springs, Colorado 80903, phone number 719-457-6330.

22. On October 10, 2008, I met with Jonica Brunner at the CSE Unit at 30 East Pikes Peak Avenue and was told I owed over \$16,000 in back child support. I examined Ms. Dolbow’s Affidavit of Custody and Direct Support and learned child support was being claimed for the three years I had custody of my son.

23. On October 10, 2008, Jonica Brunner printed and mailed a personalized “form-like” letter using a slightly different PSI/Child Support Services of Colorado letterhead and design logo telling me I owed \$16,071.60 referencing the **Colorado Fair Debt Collection Practices Act**.

12-14-105. Communication in connection with debt collection.

(3) (a) If a consumer notifies a debt collector or collection agency in writing that the consumer refuses to pay a debt or that the consumer wishes the debt collector or collection agency to cease further communication with the consumer, the debt collector or collection agency shall not communicate further with the consumer with respect to such debt, except to: (c) In its initial written communication to a consumer, a collection agency shall include the following statement: "**FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE WWW.AGO.STATE.CO.US/CADC/CADCMAN.CFM**" If such notification is placed on the back of the written communication, there shall be a statement on the front notifying the consumer of such fact.

12-14-109. Validation of debts. (1) Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector or collection agency shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice with the

disclosures specified in paragraphs (a) to (e) of this subsection (1). If such disclosures are placed on the back of the notice, the front of the notice shall contain a statement notifying consumers of that fact. Such disclosures shall state:

- (a) The amount of the debt;
- (b) The name of the creditor to whom the debt is owed;
- (c) That, unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector or collection agency;
- (d) That, if the consumer notifies the debt collector or collection agency in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector or collection agency will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector or collection agency;

Administrative Reviews

Administrative reviews conducted at the local and state level **ONLY** consider child support payment information. **NO** consideration was given to the private and voluntary change of custody that occurred beginning January 2005 and ending January 2008, although it was explained in the modification review and the local and state administrative reviews and numerous times with “caseworkers.” This is the **accepted** CDHS CSE disclosure of the reviews:

35. On March 4, 2009, a personalized “form-like” letter printed on PSI/Child Support Services of Colorado letterhead was mailed to me bearing the name of Jonica Brunner, Legal Technician. It states in part: “In response to you/your client’s written request for an Administrative Review of the amount due for child support arrearages, please refer to the item checked below for the necessary information or action.” The item checked states: “You/Your client’s request for an Administrative Review of contested child support arrearages is scheduled as indicated below: Date: 04/03/2009; Time: 9:00 AM; Location: 30 EAST PIKES PK AVE STE 203, Colorado SPGS, CO 80903.” “You/Your Client do/does not need to come to this office for the review to take place. Please mail to this office by 00/00/0000: a. Copies of any modifications made to you/your client’s court order; b. Records of child support payments made to the court, to the parent receiving support or to the Family Support Registry.” “Additional comments: PLEASE PROVIDE ANY INFORMATION CONCERNING PAYMENTS MADE DIRECTLY TO VANESSA DOLBOW NO LATER THAN 3/18/09.” “This will only be a review of the total payments you/your client have/has made toward you/your client’s ordered obligation.” “If you/your client are/is not satisfied with the decision of this office or the Division of Child Support Enforcement you/your client may appeal to the state that issued the court order. Please contact this office if you/your client wish(s) to appeal to the

state that issued the court order.” The phone numbers on the letter were 719-457-6330 and 6331. [Note: The text is formatted as it appears in the letter.]

40. On May 1, 2009, a personalized “form-like” letter was printed and mailed to me from the Colorado Department of Human Services, Office of Self-Sufficiency, Division of Child Support Enforcement bearing the State of Colorado seal and the name of CDHS Executive Director Karen L. Beye. It states in part: “In response to you/your client’s written request for an Administrative Review of the amount due for child support arrearages, please refer to the item checked below for the necessary information or action.” The item checked states: “You/Your client’s request for an Administrative Review of contested child support arrearages is scheduled as indicated below: Date: 05/29/2009; Time: 8:30 AM; Location: 1575 Sherman Street, Fifth Floor, Denver, CO 80203.” “You/Your Client do/does not need to come to this office for the review to take place. Please mail to this office by 05/14/2009. Page 2 says in part: “This will only be a review of the total payments you/your client have/has made toward you/your client’s ordered obligation.” The letter is signed Mary Ann Hicks, Administrative Program Specialist. [Note: The text is formatted as it appears in the letter.]

***The June 29, 2009 letter of the State’s administrative review results is not in my possession and will be requested from the CDHS CSE today.**

As you will notice, the Obligor and/or the Obligor’s legal representative are “discouraged” from participating in the administrative review process.

Fraudulent Information

On March 11, 2010, CDHS CSE issued a fraudulent notice of lien and levy to American National Bank as indicated in my affidavit.

116. On March 11, 2010, a letter was printed and served on the American National Bank at 3033 E. First Avenue, Denver, Colorado 80206, titled “Colorado Division of Child Support Enforcement Notice of Lien and Levy.” The total amount due was \$14,485.20 as of March 11, 2010. The letter was from the Colorado Division of Child Support Enforcement, State Enforcement Unit. It provided as before: “Once you have returned the remittance notice and/or surrendered any funds, the lien and levy automatically inactivates.” “Please do not surrender funds under \$25.” However, when compared to the Ent Credit Union levy notice, it does not appear to be computer-generated. The first sentence reads: “The total amount of past-due child support is \$14,485.20 as of 3/11/2010.” The bottom portion of the letter states: “Date order entered: **1/13/2010**.” The last line was a form number. It reads: “CSE532 (8/09). Unlike the Ent Credit Union letter of January 19, 2009, it has a bar code along the right margin. The bar code may have been applied by the Bank for image-indexing purposes.

117. On March 12, 2010, a letter was prepared and mailed to me at my home address from American National Bank. The Bank sent a copy of the levy notice and debited a total of \$50 from my account. It said, “The amount of \$0.00 will be held for thirty days (30), after (30) days the funds will be sent to Colorado Division of Child Support Enforcement. The remaining amount of \$50 will be applied towards our processing fee. If the funds in your account(s) were not sufficient

to satisfy the levy, all of your funds have been removed.” “If funds are unavailable at the time of a presentment, checks may be returned ‘Refer to Maker’ for two weeks. The normal Non-Sufficient Funds processing fee will still apply.”

The final order was not entered until March 26, 2010. And the order is unenforceable because the installed Magistrate did not personally sign the order. She stamped it with a name facsimile stamp. The Western District Office of the Comptroller of the Currency, the Colorado Division of Banking, and American National Bank were contacted thereafter. Although the Collection Manager indicated I would receive notice of the lien seven days after its issuance, it was never mailed.

12-14-107. False or misleading representations. (1) A debt collector or collection agency shall not use any false, deceptive, or misleading representation or means in connection with the collection of any debt, including, but not limited to, the following conduct:

- (I) The character, amount, or legal status of any debt;
- (j) The use or distribution of any written communication which simulates or is falsely represented to be a document authorized, issued, or approved by any court, official, or agency of the United States or any state or which creates a false or misleading impression as to its source, authorization, or approval;

12-14-109. Validation of debts. (1) Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector or collection agency shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice with the disclosures specified in paragraphs (a) to (e) of this subsection (1). If such disclosures are placed on the back of the notice, the front of the notice shall contain a statement notifying consumers of that fact. Such disclosures shall state:

- (a) The amount of the debt;
 - (b) The name of the creditor to whom the debt is owed;
 - (c) That, unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector or collection agency;
 - (d) That, if the consumer notifies the debt collector or collection agency in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector or collection agency will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector or collection agency;
 - (e) That upon the consumer's written
- (3) The failure of a consumer to dispute the validity of a debt under this section shall not be construed by any court as an admission of liability by the consumer.

Right to Close Child Support Enforcement Case, i.e. Collection Case

The application complies with the Colorado Child Support Enforcement Program as required by 9 CCR 2504-1 by stipulating that no attorney-client relationship exists between the CSE Unit and

the applicant. It also stipulates the client must yield to the CSE Unit's course of action in collecting back child support. It also stipulates that if an attorney is retained or the case goes to court for judicial review that the CSE Unit must be notified. As the excerpt from my affidavit indicates, Ms. Dolbow did not "initially" involve herself in PSI's handling of my case.

24. The events related to October 10, 2008 resulted in the primary dispute with CSE. I believed CSE had a responsibility to verify facts with Ms. Dolbow since she opened the case and I had immediately denied owing child support for the three year period at issue.

25. After October 10, 2008, I contacted Ms. Dolbow. She said she was not trying to collect child support for the three years our son lived with me. I thought CSE would correct the mistake I brought to its attention. With Ms. Dolbow's verification of this private change in custody, I thought the dispute would be resolved quickly.

26. After October 10, 2008, Ms. Dolbow told me "they took the ball and ran with it." To me, her comment meant the CSE Unit was in control and its employees were acting on their own.

27. After October 10, 2008 and commencing October 6, I tried to take the course of action explained by CSE Unit employees to resolve the dispute between us and follow their rules. I made numerous phone calls and visits but seldom spoke with the same employee. I attempted to maintain continuity in the handling of my case, but it was impossible. Despite letters from Jonica Brunner, I was only able to talk with her once during the CSE Unit's handling of my case. I had three administrative reviews, two were at the El Paso County office and one was by phone to Mary Ann Hicks with the Colorado Division of Child Support Enforcement in Denver. I made numerous phone calls to the CSE Unit that were never returned.

And yes, as the Collection Manager indicated, the application states that Ms. Dolbow can close the case at anytime. However, that does not mean that PSI will withdraw from the legal dispute. It cannot because it has a private interest in the outcome of the case and, at the same time, represents the People of Colorado as the State's prosecuting attorney.