

## Case Study:

### Value Recovery Holding:

*Delivering Value to the State of Ohio through debt collection enhancement*

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The Ohio Attorney General



Debt Collection, Operational Design  
and Program Management

“The system that Value Recovery Holding developed for the Ohio Attorney General has permitted the collection of over \$20 million owed to the state on claims deemed uncollectible. This has been made possible through our experience in identifying debtors, and in restructuring and refinancing debts to meet their needs.”

#### Agency

The Ohio Attorney General is the chief law enforcement officer of the State. The Attorney General's Office is responsible for collecting outstanding debt owed to the State of Ohio--everything from past due book fines at state libraries to unpaid corporate income taxes.

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#### Challenge

In 2004, during the administration of Attorney General Betty Montgomery, VRH approached the Ohio Attorney General's Office with the concept and proposal to perform "archive debt" collections. The State of Ohio historically and where necessary would engage 5 different contractors and law firms to collect on outstanding debts. At a time of great fiscal challenge, the State had accumulated over \$7 billion in receivables deemed uncollectible. VRH analyzed the situation and determined that further value could be collected from those debts.

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#### Solution

VRH analyzed the State's collection procedure, and proposed a partnership to collect on those uncollectible accounts. The Ohio Attorney General would incur no direct costs for VRH's activities, and all of the fees would be paid on a contingency basis. VRH bears the risk and reward of additional collections, allowing the State to extract value from these previously uncollectible accounts at no further cost, and allowing the State to gather data on such accounts demonstrated heretofore as uncollectible.

VRH has been able to collect on these debts by utilizing unique forensic, legal and negotiating techniques that have been honed over the past 18 years performing asset recovery work of the FDIC/RTC, and serving as the exclusive international collection agent to the Export-Import Bank of the U.S, and drawing on over 246 years of combined collection experience, VRH designed an end-to-end debt research and collection system capable of maximizing recovery for archived debt. This permitted VRH to identify debtors, as well as collect, restructure and refinance debt that had been previously deemed uncollectible.

This system was designed and implemented by VRH to interface directly with the existing Ohio Attorney General system, "CUBS", directly via a remote terminal interface on a secure connection, guaranteeing data integrity, security and real-time monitoring and reporting.

#### Benefits

This pilot program was instituted under Attorney General Jim Petro with VRH as the exclusive "archive debt collector" and the contract has continued through to this day.

On behalf of the State of Ohio, VRH has successfully collected \$20.5 Million from September 2004 through March 31, 2011 on accounts previously deemed uncollectable by the Ohio Attorney General. VRH has also resolved and closed over \$436 million worth of truly uncollectable accounts, easing the administrative burden on the State's system.