




The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at ***wvOASIS.gov***. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at ***WVPurchasing.gov*** with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

## Header

 List View

### General Information

Contact

Default Values

Discount

Document Information

Procurement Folder: 30609

SO Doc Code: CRFQ

Procurement Type: Central Master Agreement

SO Dept: 0212

Vendor ID: 000000170820

SO Doc ID: SWC1500000006

Legal Name: PIONEER CREDIT RECOVERY INC

Published Date: 11/12/14

Alias/DBA:

Close Date: 11/20/14

Total Bid: \$0.00

Close Time: 13:30

Response Date: 11/19/2014

Status: Closed

Response Time: 16:40

Solicitation Description: Addendum #1 Statewide  
Contract for Debt Collection

Total of Header Attachments: 0

Total of All Attachments: 0



Purchasing Division  
2019 Washinton Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

State Of West Virginia  
Solicitation Response

Proc Folder : 30609

Solicitation Description : Addendum #1 Statewide Contract for Debt Collection

Proc Type : Central Master Agreement

Date issued	Solicitation Closes	Solicitation No	Version
	2014-11-20 13:30:00	SR        0212   ESR11191400000001059	1

VENDOR
000000170820  PIONEER CREDIT RECOVERY INC

FOR INFORMATION CONTACT THE BUYER

Debbie Watkins  
(304) 558-3568  
debbie.a.watkins@wv.gov

Signature X	FEIN #	DATE
-------------	--------	------

All offers subject to all terms and conditions contained in this solicitation

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Debt collection services - Colleges and Universities				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Per Debt % of Amount Collected -
------------------------	---

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
2	Debt collection services - Worker's Compensation				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Default Account % of Amount Collected -
------------------------	--

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
3	Debt collection services - WV Department of Tax and Revenue				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - New Accounts % of Amount Collected -
------------------------	---

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
4	Debt collection services - WV Department of Tax and Revenue				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Levy Account % of Amount Collected -
------------------------	---

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
5	Debt collection services - Div. of Environmental Protection				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Per Debt % of Amount Collected -
------------------------	---

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
6	Debt collection services - Other Spending Units				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Per Debt % of Amount Collected -
------------------------	---

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
7	Debt collection services - Rate of Second Placement				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Per Debt % of Amount Collected -
------------------------	---

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
8	Debt collection services - Rate of Second Placement-Colleges				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Colleges % of Amount Collected -
------------------------	---

# RESPONSE TO CRFQ 0212 SWC1500000005 FOR DEBT COLLECTION

STATE OF WEST VIRGINIA

Original

Due Date: November 20, 2014 – 1:30 p.m.

NAVIENT<sup>SM</sup>

**PIONEER**  
A Navient Company

*PERFORMING BEYOND.®*

November 16, 2014

State of West Virginia  
2019 Washington Street  
East Charleston, WV 25305

Attention: Tara Lyle

Re: CRFQ 0212 SWC1500000005 Debt Collection

Dear Members of the Evaluation Committee:

On behalf of Pioneer Credit Recovery, Inc. (Pioneer), I am pleased to provide our response to the State of West Virginia the State's CRFQ 0212 SWC1500000005 for Debt Collection. Pioneer has thoroughly reviewed the RFP, understands the services needed, and is committed to providing the State all services as outlined in our proposal response in a timely and efficient manner.

Pioneer has an impressive history of delivering exceptional results for our government partners, which includes:

- Over 60% of courts in Georgia and Florida and over 50% of the courts in Illinois
- Assisting our clients in the recovery of more than \$8 billion to clients at all levels of government in the past 10 years
- 7 years partnering with the New Jersey Division of Taxation
- 12 years as a top-ranked vendor with the U.S. Department of the Treasury – FMS<sup>1</sup>
- 16 years as a consistent top-ranked vendor for the U.S. Department of Education

As an added level of our exceptional government collection expertise, Pioneer's key management team partnered with the City of Philadelphia on their 2010 Tax Amnesty program. This program assisted the City in recovering over \$70 million in much needed revenue, and was 36% more than the City anticipated. Throughout our response, Pioneer has identified our unique qualifications and experience to satisfy the State's service needs. Given today's unprecedented fiscal conditions, Pioneer offers the State a wealth of expertise and resources from which to draw.

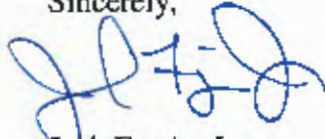
---

<sup>1</sup> "Pioneer Ranked Top Agency for Department of the Treasury Contract," October 24, 2013, <http://money.msn.com/business-news/article.aspx?feed=BW&date=20131024&id=17033690>



In closing, Pioneer welcomes the opportunity to meet personally with the State to review our response and to further demonstrate the outstanding collection services and capabilities that Pioneer offers to the State. As I am the person authorized to contractually obligate the organization, negotiate the contract on behalf of the organization, and serve as a point of contact for clarification purposes regarding our response, please contact me with any questions.

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



**State of West Virginia**  
**Response to CRFQ 0212 SWC150000005 for Debt Collection**

---

## *TABLE OF CONTENTS*

---

Executive Summary .....	1
1. QUALIFICATIONS: .....	6
1.2. Out-of-State Collection Agencies: .....	7
2. MANDATORY REQUIREMENTS: .....	7
4.1 Mandatory Contract Services Requirements and Deliverables. ....	7
4.1.1 Vendor must attempt to collect debts. ....	7
4.1.2 The Department of Administration reserves the right r. ....	8
4.1.3 In accordance with national direct student loan guidelines.....	8
4.1.4 Placements (Both Primary Placement and Secondary Placement).....	8
4.1.4.1 The vendor(s) must have the ability. ....	8
4.1.4.2 By West Virginia State law, a spending unit must attempt. ....	11
4.1.4.3 Upon Placement of an account with a collection agency .....	11
4.1.4.4 The collection agency will have a minimum of 180 calendar days.....	11
4.1.4.5 The vendor will implement collection procedures.....	11
4.1.5 Payments and Reporting .....	21
4.1.5.1 The collection agency will forward all payments. ....	21
4.1.5.2 The collection agency must send a completed report. ....	21
4.1.5.3 The following information must be included in each report: .....	21
4.1.6 Litigation.....	22
4.1.7 HIPPA. ....	25
Afterword.....	25

## *LIST OF FIGURES*

---

Figure 1: Performance Rankings.....	2
Figure 2: Netback Revenue Comparison.....	3
Figure 3: Debt Manager™ 9 Features and Benefits .....	8
Figure 4: Data Stored Concerning Each Debtor .....	10
Figure 5: Pioneer's Collection Methodology Flow Chart – Government .....	12
Figure 6: Collector Work Strategy .....	14
Figure 7: Sample Implementation Timeline .....	18

## *ATTACHMENTS*

---

### Reports

This document is a response to a State of West Virginia RFQ and it contains trade secrets, technical data, confidential, proprietary, commercial, and/or financial information of Pioneer Credit Recovery ("Pioneer"). The information indicated as confidential within this response shall not be disclosed outside the recipient of our response and shall not be duplicated, used or disclosed, in whole or in part, for any purpose other than for the recipient to evaluate the information in this response. Pioneer voluntarily submits this document and the Pioneer confidential, proprietary, commercial and financial information contained herein to the State. Such Pioneer information is of the type that Pioneer does not customarily release to the public, and it is information that Pioneer has not released to the public.

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

**State of West Virginia**  
**Response to CRFQ 0212 SWC1500000005 for Debt Collection**

---

Therefore, this information is not subject to release to third parties under the Freedom of Information Act, 5 U.S.C. § 552 and release of such information to a third party would constitute a violation of the Trade Secrets Act, 18 U.S.C. § 1905. Reproduction or use of this information without the prior written consent of Pioneer is strictly prohibited.

© 2014 Pioneer Credit Recovery, Inc. All rights reserved. Performing Beyond, Pioneer and Pioneer Credit Recovery are registered service marks of Pioneer Credit Recovery, Inc. Pioneer Credit Recovery, Inc. is a subsidiary of Navient. Navient and its subsidiaries, including Pioneer Credit Recovery, Inc., are not sponsored by or are agencies of the United States of America.

## Executive Summary

Pioneer Credit Recovery, Inc. (Pioneer) is pleased to respond to the State of West Virginia (the State)'s RFQ for Collection Services. Pioneer offers a customized partnership plan that will maximize collections for the State. We are an innovative partnership with the expertise, financial strength, and capacity to competitively outperform the required services and completely meet the diverse needs of the State.

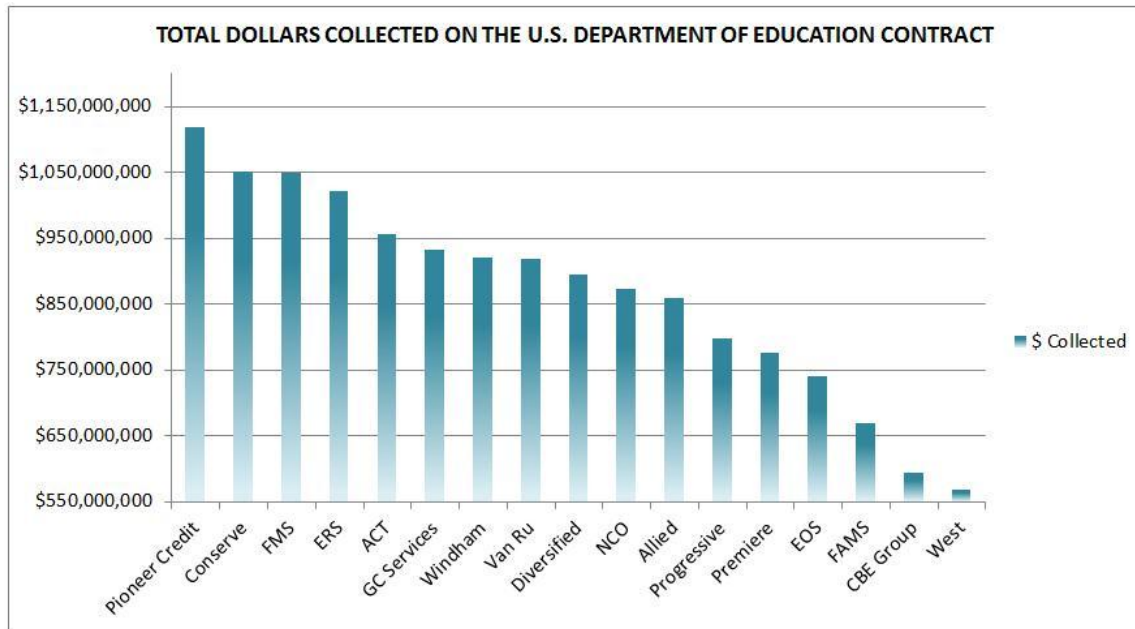
As an established leader in debt collection for state government clients, Pioneer brings to bear the expertise, financial strength and over 40 years of government collection experience of a *Fortune* 500 company. Founded in 1980 and backed by Navient, the new name in asset recovery with 40 years' experience, Pioneer brings together the scale and technology of a corporate leader with the focus of a local management team. This unique combination has proven successful time and again for sophisticated clients at all levels of government, including the U.S. Department of Education, the U.S. Department of the Treasury – Financial Management Services, the New York State Department of Taxation and Finance, the New Jersey Department of Treasury – Division of Taxation, the Utah State Cooperative Contract, the Delaware Division of Revenue, the Maricopa County Department of Finance, and the City of Philadelphia Department of Revenue. We have repeatedly proven ourselves as successful competitors, placing first on many competitive contracts.

As proof of our expertise and proven collection results for our government clients, we have met and consistently exceeded the debt recovery expectations of our many federal, state, and local government clients. We have provided specific examples of our collection successes within this proposal, including the fact that *we are currently ranked first out of 17 vendors in contract-to-date collections on one of the largest government collection contracts in the United States*. As will be detailed in our project plan, we offer the same kind of proven, successful collection services to the taxpayers of West Virginia.

Pioneer is an innovative company with the expertise, financial strength, and capacity to competitively perform the requested services and successfully meet the diverse needs of the State. Critical to the success of West Virginia's government collection program is our ability to work with debtors in all 50 states. Pioneer adds the ability to contact and work with debtors even if the individual or corporate debtor has moved permanently to another locality. Additionally, should the State desire to employ legal action as a collection tool, we will partner with our nationwide litigation subcontractor, TRAK America, to assist us in recovering the maximum dollars for the West Virginia taxpayers.

## Why Pioneer Credit Recovery?

- 1. More Debt Dollars Recovered.** On a head to head basis, we are the number one of 17 collectors on perhaps the largest government collection contract in the United States (DOE).



**Figure 1: Performance Rankings.** Through June 2014, Pioneer has collected \$1.12 billion on the current ED contract – \$252 million more than the average of \$867 million.

What does this mean for the State of West Virginia? It means that in the best interest of the State of West Virginia, Pioneer Credit Recovery will recover more government debt dollars than other government debt collectors.

- 2. Higher Recovery Than Anticipated.** In virtually every one of our government debt recovery engagements, we not only met, but greatly exceeded, the clients' initial debt recovery expectations. For example, Pioneer first contracted with the Department of Education (ED) in December 1997. On our third consecutive ED task order, Pioneer ranked 1st out of 12 competitors at the close of the contract on 3/31/10. During that contract period, Pioneer returned over \$934.2 million to ED, an impressive \$213.5 million (30%) more than the second-place agency and \$277.5 million more than the bottom two vendors combined. ED has advised us that no vendor has collected as many dollars as quickly on any ED task order as Pioneer. We are now on our fourth consecutive contract with ED. Active collections for this contract began November 2009. Pioneer has a contract-to-date average score of 96.00 points, and is the only agency with a score in the "Outstanding Performer" range of 95 or higher as defined by ED. What does this mean for the State of West

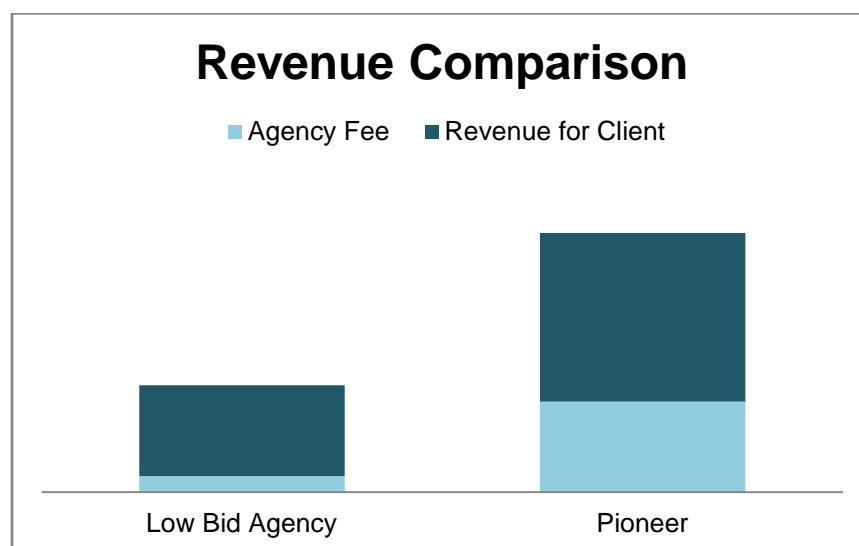
**State of West Virginia**  
**Response to CRFQ 0212 SWC150000005 for Debt Collection**

---

Virginia? It means that we will greatly exceed your recovery expectations and, in the best interest of West Virginia, we will return more revenue dollars to your taxpayers.

- 3. Higher Return on Investment.** Evaluating collection agencies can be an involved and complicated process. The State needs to choose the vendor that will ensure the highest return on investment. To do this, the State should look at the value an agency will provide, rather than relying on price alone. Pioneer provides outstanding value to the State 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 State’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 comparison below illustrates how Pioneer’s strategy and superior recovery rates provide greater results for our clients than those offered by low-bid agencies.

“Low Bid Agency”		Pioneer	
Referral	\$4,665,758	Referral	\$4,665,758
Add-on Fee	\$699,864	Add-on Fee	\$1,633,015
Total Placement	\$5,365,621	Total Placement	\$6,298,773
Total Recoveries	\$207,650	Total Recoveries	\$503,902
Revenue for the State	<b>\$176,502</b>	Revenue for the State	<b>\$327,536</b>



**Figure 2: Netback Revenue Comparison**

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 State'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."

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 State's collection portfolio. We argue that our proven government debt collection methodologies, described more fully in the RFQ response below, will result in far higher collections for the proposed collection fees. We argue that in the best financial interest of the State of West Virginia, our higher proposed collection fees will result in far higher collections, thereby more than justifying our proposed fees.

Pioneer additionally provides the following operational benefits to the clients who choose to contract with us:

### **Successful Customized Collection Methodology**

Pioneer performs an in-depth analysis on each client's portfolio, customizing our collection methodology to achieve superior results and tailoring a collection strategy specific to the State's needs. Our consultative approach has resulted in our clients recovering millions of dollars above their own goals. Throughout the duration of our partnership, Pioneer will meet and collaborate with the State to identify ways to further enhance and improve the superior level of service we provide the State and its constituents.

### **Dedicated Account Team**

Pioneer provides the State with a dedicated and experienced team who adapts quickly to new collection contracts and will coordinate a strategy specifically for the State's contract. The Account Team selected for the State's contract has returned more than \$300 million above and beyond the goals of our clients. It is the experience of these

individuals and the management team that has driven Pioneer to match and surpass the performance of competitors. Our teams have the reputation of upholding our clients' standards and requirements during implementation and throughout the term of the contract.

### **Higher Standards of Quality and Conduct**

Pioneer adheres to the highest ethical standards and we demand principled conduct from all employees. In order to achieve and uphold these high standards, we use multiple layers of accountability and risk management across the departments of our organization. Pioneer's commitment to quality control begins with our new hire training procedures to educate and instill proper awareness from day one and continues throughout the entire collection process. These standards ensure our clients' business is handled with the highest degree of accuracy and integrity with the utmost respect for debtors and their relationship with our clients.

### **Leading Technology and Security**

The State's collection contract will benefit from the same industry-leading information technology and standards of data security that the United States Department of the Treasury – FMS and the United States Department of Education have come to expect from their contracts with Pioneer. As part of the Navient family, Pioneer's technology and security support is delivered by a team of employees and professionals with expertise in infrastructure, telecom, data and voice networks, storage, application development and support, information security, data processing, project management, and computer operations. This level of support is unmatched by the competition.

### **Training and Performance Development**

The first objective of Pioneer's proven training program is to stress customer service, confidentiality, and compliance with all federal, state, and contractual regulations. We utilize cutting-edge learning programs that exceed collection industry standards, effectively increasing the ramp-up productive capacity of new hires, the collection capability of our staff, and adherence to compliance standards and revenue recoveries for our clients. We go beyond the standard training and development practices because we recognize our employees are often the first point of contact for debtors, and therefore represent you, the client, as much as they do us, their employer. Other agencies talk about compliance and training, but our award-winning training and monitoring systems actually deliver on that promise.



## Accountability and Customer Service

While some agencies in the collection industry will choose not to seek accreditation from the Better Business Bureau (BBB), maintaining ethical standards and transparency for our clients and debtors is a cornerstone of the Pioneer brand. This commitment is evidenced by our A+ Rating with the BBB. The BBB also recognized Pioneer with a Torch Award for our integrity and commitment to building trust in the marketplace. You should want to partner with a collection agency that is always striving for perfection.



## Strength, Stability and Scale

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 affords Pioneer the support of Navient's information technology and security systems, internal controls, disaster recovery resources, training and performance development, compliance, and risk management and quality control measures.

## An Open Invitation

Pioneer represents something different in debt recovery operations. Our services are not the least expensive option available to the State, nor should the State necessarily seek to work with the lowest bidder. Conducting business to achieve optimal performance involves investment in compliance process control, front-line staff training, and the constant monitoring and focus of a veteran management team. We believe in a transparent process, and we welcome representatives of the State to tour and evaluate our facilities and capacity firsthand.

### 1. **QUALIFICATIONS:** *VENDOR SHALL HAVE THE FOLLOWING MINIMUM QUALIFICATIONS:*

*1.1. The collection agency must be a full service agency and have the ability to handle several classifications of accounts, including educational, medical, and any other account assigned to it. A minimum of 22 state spending units have indicated to the Purchasing Division that they anticipate the utilization of collection services. Other State Agencies may elect to use the collection services provided by the successful bidders.*

As a wholly owned subsidiary of our parent company Navient, we also draw on a network of resources unavailable to our competitors. For example, Navient also has an agency dedicated specifically to the collection of higher education receivables under its umbrella, and we are able to leverage our unique relationship with them to efficiently and effectively collect on diverse asset classes.

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

*Pioneer is a full-service collection agency with particular expertise in collecting on behalf of government and court clients.*

Throughout our history, we have consistently demonstrated that our ability to deploy an experienced management team is what delivers long-term value and exceptional results for government clients. Pioneer has an established track record of delivering best-in-class results for public sector clients, and responding to new or add-on debt collection needs with innovative and proven solutions.

Pioneer is offering the State an aggressively tailored collection approach that is well designed, appropriately funded, and geared to maximize the recovery of debt on behalf of the State. With our experience, expertise, and positioning, Pioneer is uniquely qualified to deliver the best possible results for the State.

*1.2. Out-of-State Collection Agencies: Out-of-state collection agencies without an office in the State of West Virginia are restricted to contacting residents of this State for the collection of debts by letters and telephone calls. Prior to award the successful bidder is required to designate to the Tax Commissioner a resident agent (name, address and phone number) upon whom notices, orders or other communications may be served and upon whom process may be served. West Virginia Secretary of State may be designated as the resident agent for service process pursuant to West Virginia State Code §56-3-33, attached as Exhibit B.*

Pioneer understands that as an out-of-state collection agency, we are restricted to contacting residents of the State for the collection of debts by letters and telephone calls. Prior to award, Pioneer will designate to the Tax Commissioner a resident agent upon whom notices, orders, or other communications may be served and upon whom process may be served.

## **2. MANDATORY REQUIREMENTS:**

*4.1 Mandatory Contract Services Requirements and Deliverables: Contract Services must meet or exceed the mandatory requirements listed below.*

Pioneer has answered the following questions to the best of our ability, and we are confident that our responses meet or exceed the State's needs.

*4.1.1 Vendor must attempt to collect debts on behalf of the State of West Virginia and/or its spending units.*

Pioneer is a full-service collection agency dedicated to the collection of debt referred by government and court clients. Upon receipt of accounts referred from the State or its spending units, we will promptly employ our customized collection work plan (as outlined beginning on page 11) to collect these debts.

*4.1.2 The Department of Administration reserves the right to request an examination or audit of any or all records relating to matters covered by this contract. All records must be kept a minimum of six (6) years by the vendor.*

Pioneer understands and agrees that the Department of Administration reserves the right to request an examination or audit of any or all records relating to matters covered by this contract, and we will facilitate any such requests that we receive. Pioneer will retain records relating to this contract for a minimum of six (6) years.

*4.1.3 In accordance with national direct student loan guidelines, all fees charged against student loan accounts will apply only to the original principal and interest owed by the debtor, excluding any added collection costs.*

Pioneer understands and agrees that in accordance with national direct student loan guidelines, all fees charged against student loan accounts will apply only to the original principal and interest owed by the debtor, excluding any added collection costs.

*4.1.4 Placements (Both Primary Placement and Secondary Placement)*

*4.1.4.1 The vendor(s) must have the ability to handle several account classifications of accounts separately, in order to provide the spending unit with information on the collection performance for each class of accounts.*

Pioneer has the ability to handle several classifications of accounts separately, and we are able to provide the State and its spending units with information on the collection performance for each class of accounts. We use FICO® Debt Manager™ 9, a leading-edge collection tool that includes this functionality.

Our FICO® Debt Manager™ 9 package is flexible, configurable, and integrates leading-edge technology with a user-friendly design. It is designed to provide maximum flexibility so that Pioneer can configure our system to fit our clients' projected business volume and contract specifications.

In addition, Debt Manager™ 9 is built on proven functionality and a user-friendly interface. Its features and benefits streamline collection processes with unmatched scalability, simplicity and speed. Our system allows our collectors to work smarter, faster, and more efficiently than the competition – and remain compliant with all federal, state and local laws and regulations.

**Figure 3: Debt Manager™ 9 Features and Benefits**

Features	Benefits
<ul style="list-style-type: none"><li>• Easy integration of predictive dialers, imaging systems, voice recording systems, and data services (skip-</li></ul>	<ul style="list-style-type: none"><li>• Cost savings for the State</li><li>• Flexibility</li></ul>

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

**State of West Virginia**  
**Response to CRFQ 0212 SWC150000005 for Debt Collection**

Features	Benefits
tracing, credit bureau reporting, scoring, letter outsourcing)	<ul style="list-style-type: none"> <li>Control</li> <li>Collectors manage one integrated system rather than many; increases borrower contact</li> </ul>
<ul style="list-style-type: none"> <li>Windows-based, flexible, user-friendly graphical interface</li> </ul>	<ul style="list-style-type: none"> <li>Commonly used operating system minimizes new hire confusion; training is streamlined</li> </ul>
<ul style="list-style-type: none"> <li>Import, export, and segmentation of data</li> </ul>	<ul style="list-style-type: none"> <li>Creation of unique reports in real time</li> </ul>
<ul style="list-style-type: none"> <li>Real time executive dashboard is customizable and includes graphical tools such as pie charts, bar charts, and other graphs</li> </ul>	<ul style="list-style-type: none"> <li>Users can choose any parameter and have instant, complete, easy to analyze information that is viewable by portfolio, client, placement, collection group, or office</li> </ul>
<ul style="list-style-type: none"> <li>A pop-up message specific to each state's laws appears at the beginning of each call, which the collector must acknowledge before working an account</li> </ul>	<ul style="list-style-type: none"> <li>Streamlined regulatory compliance</li> <li>Collector managed by account</li> </ul>
<ul style="list-style-type: none"> <li>Business processes, workflow, and strategies can be defined and configured by incorporating a wide range of information and analytics</li> </ul>	<ul style="list-style-type: none"> <li>Control over procedures and operations</li> <li>Balanced risk and reward</li> <li>Improve and automate the decisions that push performance</li> <li>Faster client on-boarding</li> </ul>
<ul style="list-style-type: none"> <li>Ability to modify workflow parameters</li> </ul>	<ul style="list-style-type: none"> <li>Better managed portfolios</li> <li>Segment data for optimal contact and follow up</li> </ul>
<ul style="list-style-type: none"> <li>Expansive data storage capacity and security capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Facilitates disaster recovery and data redundancy</li> <li>Scans, indexes, archives, and retrieves documents</li> </ul>
<ul style="list-style-type: none"> <li>Operating System Agnostic J2EE Development</li> </ul>	<ul style="list-style-type: none"> <li>Compatibility with any operating system</li> </ul>
<ul style="list-style-type: none"> <li>Flexible infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Freedom to configure system to specific requirements without added cost to the client</li> </ul>
<ul style="list-style-type: none"> <li>Open architecture</li> </ul>	<ul style="list-style-type: none"> <li>Easy integration</li> <li>Full access to all data components for unlimited data mining and reporting</li> </ul>
<ul style="list-style-type: none"> <li>Accounts are tagged with status of account</li> </ul>	<ul style="list-style-type: none"> <li>Automated shuffling to a desired collection team for follow up</li> </ul>

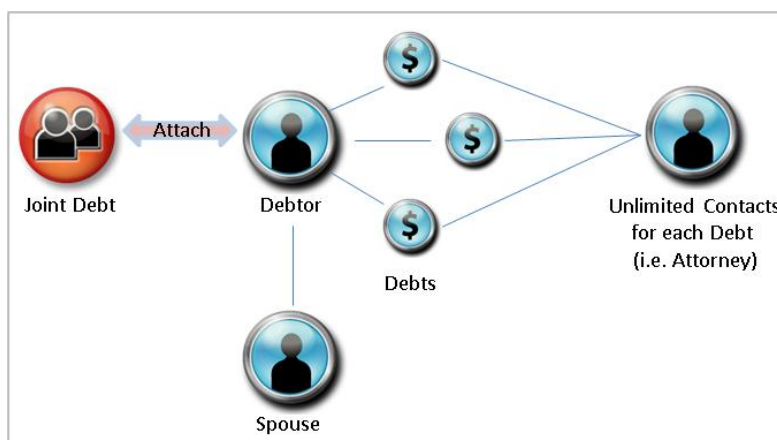
**State of West Virginia**  
**Response to CRFQ 0212 SWC150000005 for Debt Collection**

---

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Database stability</li></ul>                        | <ul style="list-style-type: none"><li>• Record maintenance, information assurance, and superior uptime</li></ul> |
| <ul style="list-style-type: none"><li>• Distributed Service Oriented Architecture</li></ul> | <ul style="list-style-type: none"><li>• Modern architecture to maximize flexibility</li></ul>                    |

Pioneer uses a modular system, allowing Pioneer collectors additional functionality including state regulations for compliance letters, SMS/Email for alerting auditable events, and National Change of Address (NCOA) and BANKO – Bankruptcy and Deceased database modules. The benefit of our modular system architecture is that we can upgrade and expand quickly with little need for downtime.

FICO® Debt Manager™ 9 allows us ample room to store all data provided by our clients. Information is stored at all of the levels shown in the graphic below:



**Figure 4: Data Stored Concerning Each Debtor**

For each level, either debt or debtor, we have the ability to send a letter, place a hold, limit or cease telephone calls, and document collection activity in general. For each debt, we can provide our collectors with a quick glance that includes:

- Principal
- Interest Fees
- Collection Cost
- Total Balance Due
- Total Projected Balance
- Total Projected Interest & Fees
- Client-Specified Fields

All collector notes and documentation become permanent records, available for viewing by the State.

*4.1.4.2 By West Virginia State law, a spending unit must attempt to collect a claim for three (3) months before a claim can be placed with a collection agency.*

Pioneer understands that the State or its spending units will have attempted to collect a claim for three months before referring that account to us.

*4.1.4.3 Upon Placement of an account with a collection agency, the spending unit will forward a letter of transmittal to the collection agency in its designated area. These transmittals will contain the following –*

- 4.1.4.3.1 Type of Account and description of service*
- 4.1.4.3.2 Name of whom the claim is made against*
- 4.1.4.3.3 Address, including zip code*
- 4.1.4.3.4 Balance Due*
- 4.1.4.3.5 Date of Service or age of account*
- 4.1.4.3.6 Telephone number (Optional)*
- 4.1.4.3.7 Previous collection reports received on individual accounts when available*
- 4.1.4.3.8 Any other information deemed important by the spending unit.*

Pioneer understands and agrees that the State or its spending units will forward a letter of transmittal to us along with its placed accounts and that the letter of transmittal will contain the information as outlined in items 4.1.4.3.1 through 4.1.4.3.8 of this RFQ

*4.1.4.4 The collection agency will have a minimum of 180 calendar days to attempt to collect debts. Upon expiration of 180 calendar days, the collection agency will transfer all uncollected debts back to the originating spending unit. Collection agencies are not required to transfers accounts back to the spending unit on which payments are still being received at the end of the 180 day period or that are in dispute or nearing settlement, however all accounts not paid in full at the end of two (2) years, inclusive of the 180 day period, will be referred back to the originating spending unit unless exempted by the Secretary of Administration. When returning a claim, the collection agency must submit a completed litigation referral form.*

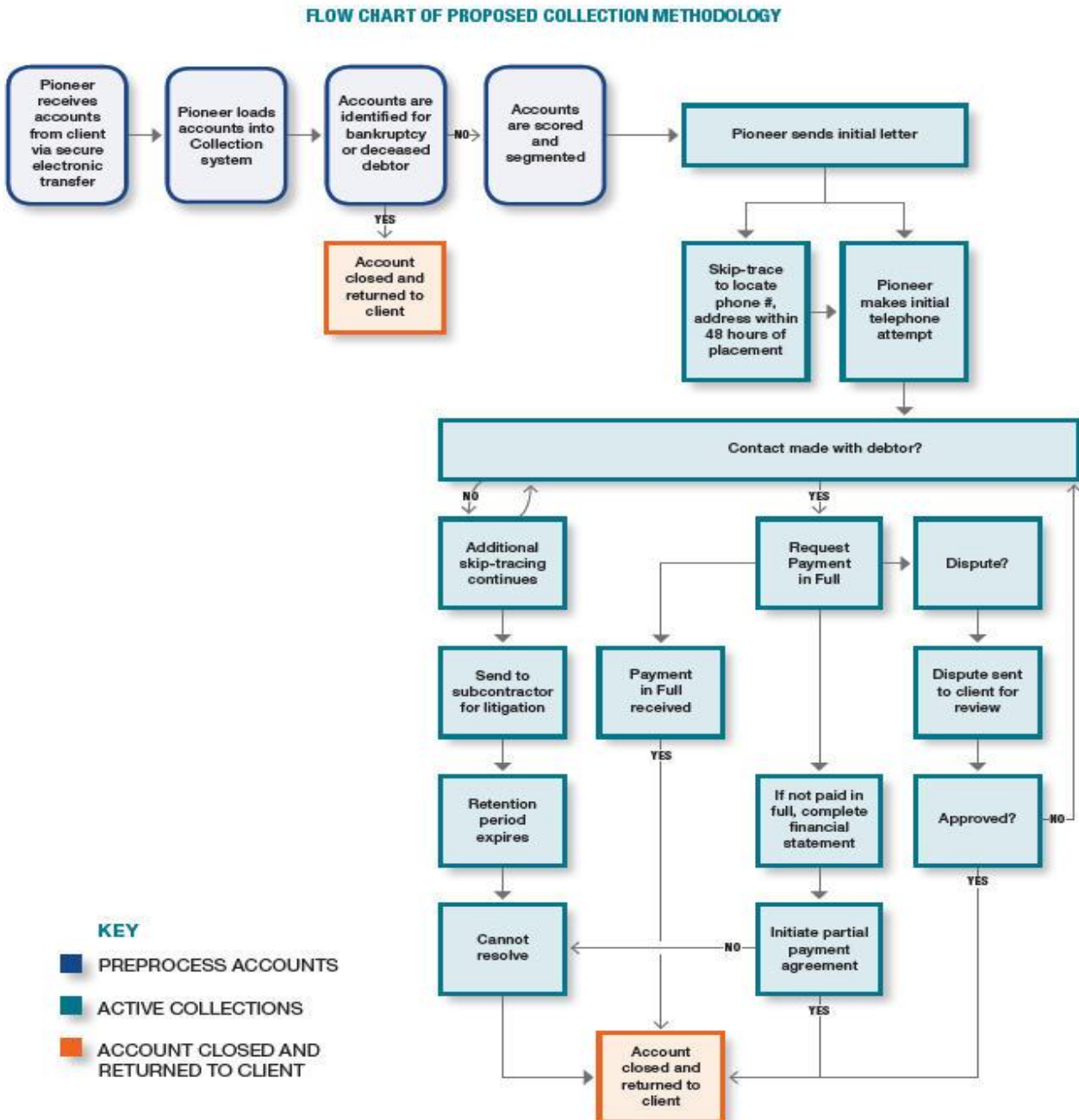
Pioneer understands and agrees that we will have a minimum of 180 calendar days to attempt to collect debts. Upon expiration of 180 calendar days, Pioneer will transfer all uncollected debts back to the originating spending unit. When returning a claim, Pioneer will submit a completed litigation referral form.

*4.1.4.5 The vendor will implement collection procedures and attempt to achieve maximum recovery from debtors. These procedures will include at least 2 monthly telephone calls and 1 monthly letter. Procedures will also include direct mailing efforts and skip tracing procedures when the address is identified as undeliverable by the post office.*



**State of West Virginia**  
**Response to CRFQ 0212 SWC150000005 for Debt Collection**

Pioneer is committed to performing intense collection activity on the State's accounts. **Figure 5** on the following page indicates the various steps involved in our work plan for state clients. The following is a description of Pioneer's approach and methods of collection – strategies that have been tested and proven successful during 34 years of servicing diverse government and court collection contracts.



**Figure 5: Pioneer's Collection Methodology Flow Chart – Government**



## **Collector Work Strategy**

Our collection managers use information from FICO® Debt Manager™ 9 to analyze the portions of the portfolio assigned to them. These analytics are the basis for each collector's daily agenda, which includes:

- Broken promise or promise-to-pay accounts not called
- Out-to-borrow accounts not called
- Nonpaying work phones or high recovery scores with good telephone numbers not called
- Skip accounts with good scores or mail return accounts not worked

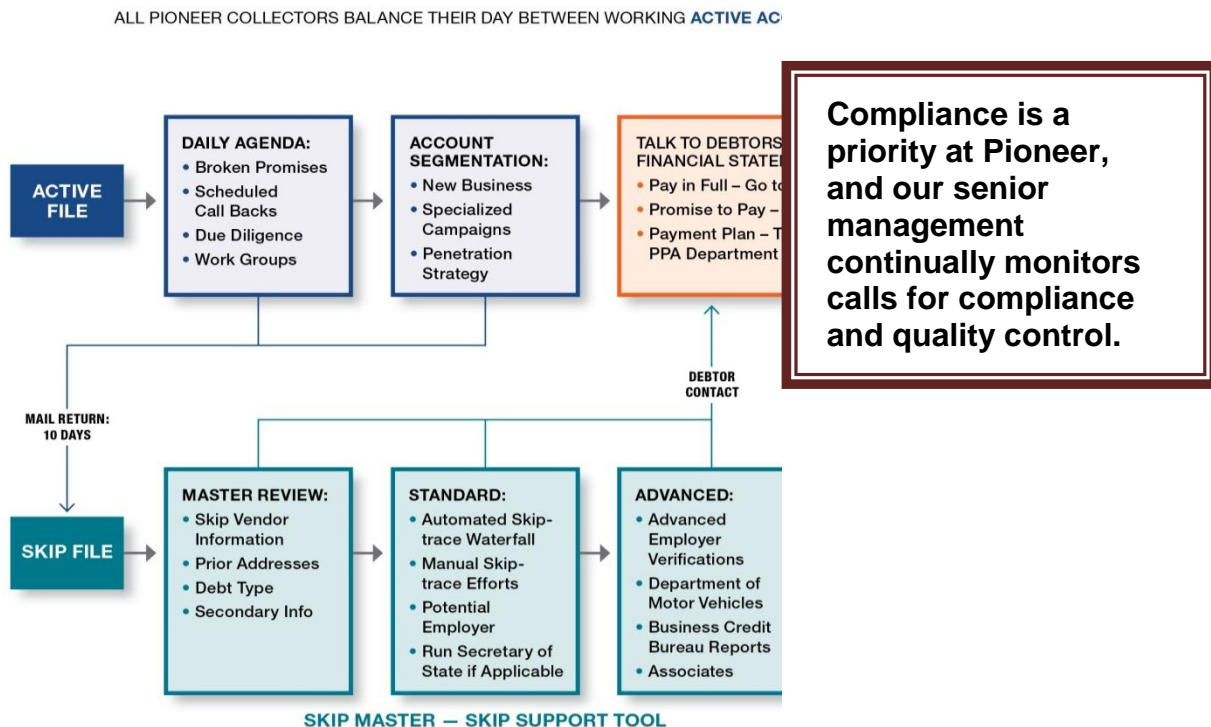
Pioneer uses a contact management solution to maximize debtor contact and contact time per hour. This solution integrates with FICO® Debt Manager™ 9 and creates efficiencies for collectors. "Click to dial", for example, allows the collector to click a button on their computer screen to dial the telephone number, dramatically increasing the number of calls and contacts and preventing potential errors caused by misdialing.

The contact management system includes an automated dialer, which routes inbound calls to the correct collector. The system also features Interactive Voice Response (IVR), integrated digital messaging, remote agent monitoring, and real-time reporting – tools that ensure the highest level of collector productivity and accountability.

FICO® Debt Manager™ 9 is programmed to prohibit calls to restricted time zones; the system automatically opens and blocks at appropriate times in each zone. Interest and/or penalties on unpaid debt (if applicable) are likewise updated and maintained in FICO® Debt Manager™ 9 until the debt is collected or the account is returned.

**State of West Virginia**  
**Response to CRFQ 0212 SWC150000005 for Debt Collection**

---



**Figure 6: Collector Work Strategy**

To ensure our collectors remain compliant with state and federal laws and regulations, Pioneer's first line of defense begins with a partnership between operations and the call monitoring team. Calls are monitored for compliance and integrity by the senior director of operations, senior collection manager, unit collection managers, and call monitoring specialists. Our collection management team and call monitoring team partner regularly to discuss recent trends in quality and to address any needed changes in monitoring strategies. All call monitoring performed by the collection management staff is documented and historical data is used to gauge what next steps should be taken to mitigate any potential weaknesses.

Collectors spend four hours a day diligently working good telephone accounts. Busy signals are re-attempted within 30 minutes. If no contact is obtained by day five, collectors will work the active skip-trace waterfall through the dialer to ensure the most recent information provided by our skip-trace vendors is worked to its greatest potential. Our dialer is utilized daily to optimize contact time. Management carefully coordinates the mailing of collection notices with telephone efforts.

**Pioneer's hours of operation are:**

<b>Pioneer's hours of operation</b> – All collection employees, including Collection Managers, are required to work two evening shifts each week.	Days	Eastern Time*
	Monday–Thursday	8:00 A.M. to 9:00 P.M.
	Friday	8:00 A.M. to 5:00 P.M.
	Saturday (optional)**	8:00 A.M. to 12:00 P.M.

\*All calls are made to debtors per FDCPA guidelines and/or as outlined by state and local laws.

\*\*The use of Saturdays and night hours will depend on the collection strategy and performance/contact during those times.

## Contacting the Debtor by Mail

Pioneer has extensive experience using the direct mail channel to reach out to delinquent debtors and encourage them to make payment-in-full or set up installment payment agreements. Our letters are designed to capture debtors' attention and curiosity, and educate them on various opportunities available to pay their debt. Pioneer realizes that most debtors would not choose to be in this situation, so our correspondence relays our willingness to have a mutually respectful conversation to resolve their situation.

FICO™ Debt Manager™ 9 allows us the flexibility to automatically send letters as defined by operational strategies. The Initial Demand Letter is sent within 48 hours of account placement. The Second Demand is requested on day 35 of placement on all accounts over \$200 so as not to overshadow the debtor's right to dispute, as outlined in Section 809 of the FDCPA. The Final Demand Letter is sent out on all account balances over \$500 on day 60. Our experience has shown that this approach increases the likelihood of debtor contact within the first 65 days of collection.

**↓ This Section Contains Confidential Trade Secret Information ↓**

To gauge the effectiveness of our letter campaigns, Pioneer continually reviews resolution rates, which are measured by capturing systemic call tracking and payments that come in attached to a payment coupon or via a specific payment address. In addition, we provide a clear, concise communication strategy for payment support correspondence that complies with all necessary regulations. The correspondence provides debtors with information on their outstanding balance, if applicable, and continues the communication so the State has a better chance of receiving consistent payment.

**↑ This Section Contains Confidential Trade Secret Information ↑**

All collection letters are reviewed by our legal department in accordance with the standards of the American Collectors Association (ACA) International, and are subject to approval by the State before being used.

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

## **Call Schedule and Initial Contact**

Once an account is placed, Pioneer makes calls to the debtor at home and at work as specified by FDCPA regulations. When the debtor is reached, the collector provides personalized debt management solutions that produce results and respect the debtor's needs. During the initial contact with the debtor, the collector verifies the debtor's name, address, and home telephone number as well as their employer's name, address, and telephone number. The collector enters any new demographic information into FICO™ Debt Manager™ 9. Collectors are trained to ask for balance-in-full prior to discussing payment options. If the debtor indicates they are unable to pay the balance-in-full, the collector obtains a Financial Statement from the debtor that identifies all resources available to the debtor for resolving the balance in full. If the debtor requires more time to secure full payment, the collector may secure a down payment as a good faith commitment until the full balance can be obtained. Payment plan options will only be discussed when all of the debtor's available resources have been exhausted. The collector will negotiate payment with the intent to resolve the entire balance in the least amount of time.

In the first contact with the debtor, the collector follows the talk-off strategy outlined below. The collector contacts the debtor a second time either the day after the debtor does not adhere to the payment agreement or within 30 days of the last contact. In this second contact the collector will establish a new installment payment agreement, review the debtor's financial situation, discuss the benefits of payment-in-full, and discuss ramifications of not staying current. Subsequent contacts with the debtor occur within 30 days of the most recent telephone contact and continue until the account is resolved. The collector may use skip-tracing tools to investigate the debtor's financial condition and locate place of employment information.

## **Talk-Off Strategy**

Pioneer fully understands that the State's debtors are also taxpayers and voting citizens. Therefore, our talk-off strategy is designed to create a relationship with the debtor. This strategy, outlined below, guides collectors in their negotiations with debtors:

- Upon telephone contact, the collector properly identifies the debtor in accordance with federal, state, and the State guidelines.
- The collector properly identifies him- or herself as a representative from Pioneer calling on behalf of the State.
- The collector requests payment-in-full from the debtor.
- The collector pauses, anticipating the debtor's response to this initial demand.
- If the debt is not paid in full, the collector asks the debtor a series of questions regarding the debtor's financial status. If the debtor's financial profile indicates the possibility for payment-in-full, the debtor is required to attempt to borrow the balance from a financial institution or other source. If unsuccessful, the collector reviews the ramifications of non-compliance with the debtor.

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

- If the debtor is unable to pay the balance-in-full immediately, the collector may offer the State-approved monthly payment plans. The collector provides the debtor with a comprehensive outlook on the repayment plan and its fundamentals. If the debtor does not remain current, payment-in-full will be demanded.
- To ensure the debtor understands the payment arrangement, a collection manager performs a second talk-off with the debtor and asks them to repeat the terms of the repayment plan.

If future contacts with the debtor are required, the collector continues to use the above talk-off strategy.

### **Resolution Strategy**

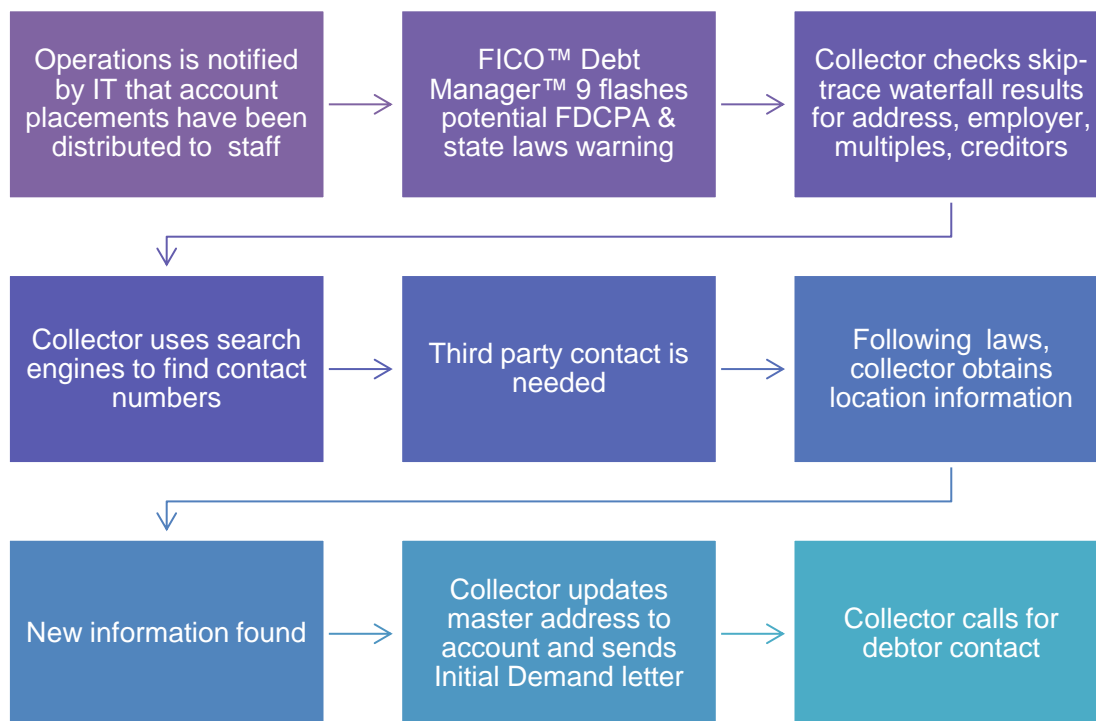
Pioneer will not under any circumstances use threats, intimidation, harassment, or any unfair collection practices in the collection of accounts, or violate any guidelines established by federal, state, and local laws, regulations, and rules affecting the work, and will maintain all required protection for property, employees, and public as defined by the FDCPA. This standard is supported using exception reports, collector promise sheets, and the manager-defined review list feature within FICO™ Debt Manager™ 9.

### **Skip-Tracing Methodology**

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, successful skip-tracing is a product of our staff's expertise and ability to utilize available resources.

Skip-tracing attempts begin within 48 hours after account turnover. Collectors are assigned a skip-tracing goal based on the State's portfolio mix. When new address and/or telephone information is obtained, the collector updates the debtor profile information in FICO™ Debt Manager™ 9 and requests the Initial Demand letter. Administrative resolutions identified through skip-tracing are immediately placed in a suspense disposition and referred to the State for review.

**State of West Virginia**  
**Response to CRFQ 0212 SWC150000005 for Debt Collection**



Pioneer will continue to skip-trace all accounts with no telephone numbers and bad addresses as well as accounts where the existing telephone number or address has yielded no debtor contact. Once updated information is received, we will provide it to the State. If third party contact is not achieved, we will complete our minimum account resolution standards. If new information is still not found, we will close the account and return it to the State.

## Sample Implementation Timeline

For each new contract Pioneer creates an implementation timeline (shown below), based on the contract schedule, which lists all contract requirements and the individual/department responsible for each requirement. The timeline allows us to manage the implementation process in detail and puts controls in place that ensure all requirements are monitored, met, and double-checked throughout the contract term. Our clients have told us they appreciate the open communication this process provides between them and Pioneer.

**Figure 7: Sample Implementation Timeline**

TASK NAME	Owner	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6
Bid Award and Contract Finalization	The State, Jack Frazier – President						

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

**State of West Virginia**  
**Response to CRFQ 0212 SWC150000005 for Debt Collection**

TASK NAME	Owner	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6
Kick-Off Meeting	The State, Operations Department, Pioneer Department Heads						
Implementation Team Assignments	Operations Department						
Operations Team	Operations Department						
Systems Process Integration Team	Information Technology Department						
Data Exchange-SFTP Setup	Information Technology Department						
File Review and Mapping	Information Technology Department						
File Programming	Information Technology Department						
Collection Application Setup	Information Technology Department						
File Testing	Information Technology Department						
Reporting	Information Technology Department						
Borrower Web Access for Payments	Information Technology Department						
Letters Review & Approval	The State, Operations Department						
Scripting Review & Approval	The State, Operations Department						
Training Manual Review	The State, Training Department						

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



**State of West Virginia**  
**Response to CRFQ 0212 SWC1500000005 for Debt Collection**

TASK NAME	Owner	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6
Confidentiality & Background Check Procedures	The State, Human Resources Department						
Dialing Criteria	Operations Department, Candy Hawley						
Special Billing Rules	Payment Processing Department, Accounting Department						
Toll-Free Number Set Up	Operations Department						
Training Material Development	Training Department						
Hiring	Human Resources Department						
Training	Training Department						
Final Pre-Launch File Transfer (The State to Pioneer) & Start of Ongoing Update File Transfers (The State to Pioneer)	Information Technology Department						
Billing & Statement Walk-Thru	Payment Processing Department, Accounting Department						
<b>Call Campaigns Begin/Go Live</b>	Operations Department, Information Technology Department						

#### 4.1.5 Payments and Reporting

*4.1.5.1 The collection agency will forward all payments collected during any month by the 15th day of the following month to the originating spending unit accompanied by the report specified below. The collection effort will continue until an account is paid in full, except as otherwise restricted, until the spending unit desires collection efforts to be terminated, or until the 180 period has lapsed.*

Pioneer will forward all payments collected during any month by the 15th day of the following month to the originating spending unit accompanied by the report specified below. Our collection effort will continue until an account is paid in full, except as otherwise restricted, until the spending unit desires collection efforts to be terminated, or until the 180 period has lapsed.

*4.1.5.2 The collection agency must send a completed report to the spending unit on or before the 15th of every month for the preceding month, whether or not any payments were received.*

Pioneer will send a completed report to the spending unit on or before the 15th of every month for the preceding month, whether or not any payments were received. As we detail in our **Reports** attachment to this proposal, we are able to submit reports at any frequency desired by the State.

*4.1.5.3 The following information must be included in each report by debtor in alphabetical order, by debtor's surname:*

*4.1.5.3.1 Debtor's name(s) and social security number(s) or other identification number(s) as agreed upon by the spending unit and collection agency.*

*4.1.5.3.2 Placement date of accounts*

*4.1.5.3.3 Beginning amount to collect, additional amount authorized for collection, amounts previously collected, amounts collected for current month, total collections to date, and balance owed.*

*4.1.5.3.4 Amount(s) forwarded to spending unit and balance due to spending unit.*

*4.1.5.3.5 Fees assessed, amount collected and balance due*

*4.1.5.3.6 Reason for returned or closed accounts (if applicable)*

*4.1.5.3.7 Remarks*

*4.1.5.3.8 Percent of dollar amounts collected to date*

*4.1.5.3.9 All collection agencies shall have the capacity to add accrued interest to applicable accounts on a monthly basis, this shall be included in the report*

Pioneer is able to provide reports including all information listed in RFQ items 4.1.5.3.1 through 4.1.5.3.9, and we are able to provide ad hoc reporting in addition to our standard reports. Pioneer has provided samples of our custom reporting package as an attachment to this proposal titled **Reports**.

*4.1.6 Litigation – Accounts that have not been collected by the collection agencies may be referred to the Attorney General’s Office for litigation. When returning a claim to the referring state spending unit, the collection agency must submit a completed litigation referral form which must contain all information requested.*

Pioneer understands that accounts that have not been collected by the collection agencies may be referred to the Attorney General’s Office for litigation. When returning a claim to the referring state spending unit, Pioneer will submit a completed litigation referral form which must contain all information requested. Pioneer partners TRAKAmerica, a litigation firm, to address those accounts that the State has identified as requiring litigation.

### **TRAKAmerica**

Pioneer can provide complete legal services from pre-legal collections to dormant judgment services through our litigation partner, TRAKAmerica, the largest national legal recovery network offering dynamic legal and primary collection strategies. TRAKAmerica currently manages a tightly integrated nationwide litigation network of 65 law firms whose focus is the litigation of delinquent accounts and their subsequent enforcement and liquidation.

TRAKAmerica has been in business for more than 12 years exclusively providing legal and agency outsource management services to top-tier banks, financing companies, and national debt buyers. Since its inception, TRAKAmerica has grown to become the largest legal recovery network in volume of legal placements in the United States.

- Clients include 7 of the top 10 credit card issuers and 3 of the top 5 debt buyers in the nation
- Places approximately 80,000 accounts per month into the network
- One of the top 15 ARM service providers in the country
- Achieved collections of more than \$198 million in 2012
- Currently has \$16 billion in receivables under management

TRAKAmerica maintains contracts with all of its litigation network suppliers. Suppliers must pass a background check, be members of established industry organizations, and complete physical and data security assessment. In addition, suppliers must agree to TRAKAmerica’s contracting terms, which include numerous protections for clients as well as TRAKAmerica’s insurance requirements. Every TRAKAmerica supplier must have a proven track record of success collecting on accounts at all levels of the recovery lifecycle.

### **Legal Collection Services**

In order to support and augment legal collection performance, TRAKAmerica has developed a robust quality control program focused on security, compliance with all

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

local, state and federal laws, and the enforcement of judgments throughout the life of the account.

Through our subcontracting relationship with TRAKAmerica, Pioneer can offer the State the following legal collection services to increase revenues, reduce backlogs, and reduce future non-compliance on the State's legal eligible accounts.

### **Dormant Judgment Servicing**

TRAKAmerica recognizes that placing a judgment on a debtor does not guarantee recovery of the delinquent debt. Very often, recoveries on these accounts can take years until the debtor needs to resolve the outstanding debt in order to sell or purchase a new home. TRAKAmerica has a sophisticated approach to stimulate payment on dormant judgment accounts by executing multiple, proven collection strategies to boost liquidation.

### **Highlights of Program**

- TRAKAmerica allocates accounts to law firms that specialize in Dormant Judgment collections.
- Rigorous asset search waterfalls and selection models are utilized to select accounts most likely to liquidate.
- Law firm completes substitution of counsel process and begins post judgment executions.
- TRAKAmerica's dormant judgment process yielded cumulative liquidation rates of over 10% on selected accounts 22 months after selection. This is compared to an average liquidation rate of 3% for accounts not selected for the program over the same period.

### **Domestication Services**

TRAKAmerica understands that in states across the nation, many judgments never get paid as delinquent debtors move out of state, leaving their debt behind. Delinquent debtors who move out of state have no impetus to resolve their West Virginia debts. They can buy or sell their home, purchase a new car, refinance or apply for a loan without the State appearing as a creditor. This becomes increasingly important as the housing market begins to turn around and people see the opportunity to buy a new home for the first time in years.

### **Highlights of Program**

- TRAKAmerica will provide an initial scrub to identify hardship and protected income cases, bankruptcy, deceased, and military active cases.

- All accounts will be processed through TRAKAmerica's FASTRAK proprietary scoring model and asset searches to identify accounts with the highest liquidation potential.
- TRAKAmerica will provide guidance on individual state requirements and court costs to ensure the most cost effective program.
- Utilizing its network of over 65 law firms across the U.S., TRAKAmerica will domesticate the State's judgments to the current state of residence.
- TRAKAmerica will work with the State to establish post-judgment treatment protocols.

### **FASTRAK Scoring Model**

Pioneer and TRAKAmerica consider statute and balance as factors in a legal treatment decision, but these factors alone are not strong predictors of whether an account will liquidate. Over the past decade performing legal collections, TRAKAmerica has developed a highly accurate scoring model to determine which accounts have the highest liquidation potential through legal collections. The proprietary FASTRAK scoring model combines a decade of litigation outcomes that have been tested on a variety of different business types. It does not merely offer a score that captures the current financial standing of the debtor; it accurately forecasts the probability of liquidation on an individual account basis, effectively maximizing short- and long-term performance and ensuring that court costs are spent in the most effective manner.

TRAKAmerica's model is periodically adjusted to take into account dynamic shifts in the economy, housing market and employment statistics. Considering the prevailing housing market downturn, the FASTRAK model has gravitated toward an enforcement strategy based largely on the garnishment of wages and bank accounts. It has been further refined to incorporate fluctuations in regional unemployment statistics, combined with shifting housing market values.

TRAKAmerica's legal model is based on:

- Historical liquidation on similar debt from over a decade of legal collection results
- Deep dive account level asset scoring
- State statute and costs determined at account level by jurisdiction and balance
- Account level predictive modeling
- Collaboration with the client to determine cost considerations
- Disqualified accounts excluded (bankruptcy, deceased, out of statute, military active)

TRAKAmerica will work with the State to evaluate all accounts that have proven resilient to standard collections to determine which accounts would benefit from a legal collection strategy.

If the State of West Virginia decides to pursue litigation employing TRAK's legal services, especially for out of state debtors, we will be glad to meet with the State and develop a customized service and fee plan that meet's the state's needs.

*4.1.7 HIPAA Any Collection Agency doing business with any State Agency that is bound by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must sign the attached agreement and return prior to award of bid.*

In the event that Pioneer does business with any State Agency that is bound by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Pioneer will sign the attached agreement and return it prior to the award of bid.

## **Afterword**

Given the exceptionally competitive nature of the collection industry, the State will be confronted with numerous choices in its search for qualified contractors. Here are select reasons to choose Pioneer as your debt recovery partner:

**Experience** – Pioneer has an impressive history of delivering exceptional results for our government partners and we are fully prepared to provide the State with a results-oriented and highly efficient collection program. Throughout our response, Pioneer has identified our unique qualifications and experience needed to satisfy the State's service needs. With over 80% of our revenue generated from the direct collection of government accounts, Pioneer has a strong understanding of the unique challenges that federal, state and local governments are facing. Given today's unprecedented fiscal conditions, Pioneer offers the State a wealth of experience from which to draw. We will leverage that to maximize our collection returns to the State.

**Success** – Pioneer is an experienced leading collection partner on federal, state and local government-based contracts, which provides us the competitive advantage we have worked hard to achieve. Pioneer's expertise is most evident in our top-ranking performance for the U.S. Department of Education (ED). Pioneer has contracted with ED since 1997. Throughout this time, we have consistently ranked 1<sup>st</sup> or 2<sup>nd</sup> at the close of each contract. We are now on our fourth consecutive contract with ED. Active collections for this contract began November 2009. Pioneer is currently ranked 1st out of 17 vendors in contract-to-date collections, finishing 1st place in eight of the completed 18 ranking periods. Pioneer's average rank throughout those 18 ranking periods was 2.50, while the rank of the next closest agency was 3.83. Through June 2014, Pioneer has collected \$1.12 billion – \$252 million more than the average of \$867 million.

**Leadership** – Pioneer's management team is made up of the most qualified and experienced professionals in the collection industry. This skilled team is prepared to implement a customized, full-service collection strategy that will result in exceptional

**State of West Virginia**  
**Response to CRFQ 0212 SWC1500000005 for Debt Collection**

---

customer service and recovery results for the State. Upon contract award, our team will work with the State to customize a collection plan to meet its unique recovery needs.

Pioneer will work hard to deliver outstanding recovery results. We will implement a focused collection strategy to recover the most debt for the State in the shortest timeframe, and we will continually work to add value. With an emphasis on ethics and respect, Pioneer will instill debtors' confidence in the State through competence, fairness, and integrity.



# Sample Collection Reports



NAVIENT<sup>SM</sup>

**PIONEER**

A Navient Company

*PERFORMING BEYOND.<sup>®</sup>*

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

## FICO® DEBT MANAGER™ 9 COLLECTION REPORTS

Pioneer's FICO® Debt Manager™ 9 collection system utilizes Microsoft SQL Server Reporting Services, which gives us the ability to customize reports to accommodate the State's needs. We can download reports and send this information to the State via SFTP or data-encrypted email. We have included samples of reports that we currently provide for our clients, matching up the State's requirements as closely as possible. Pioneer will customize a specific set of reports in the order and format desired by the State. The following standard reports are available on a daily, weekly, monthly, or annual basis as needed by the State:

- **Account Master List** includes the original balance, the current balance, placement date, and total amount collected for each of the State's accounts.
- **Account Status Report** lists the debtor ID, the State's reference ID, debtor's first name and last name, original balance, and amount collected.
- **Acknowledgement Letter** serves as a receipt to the State, verifying that all accounts placed have been received by Pioneer and confirming the information on the account.
- **Invoice** summarizes all payments made to the State on its accounts for a specified timeframe. It also totals all payments and commissions and calculates the amount due to Pioneer from State.

# Account Master List

POWERED BY **CR Software**  
A Higher Return On Intelligence.

Consumer ID	Creditor Ref ID	Account Organization ID	Creditor	Consumer Name	Workgroup	Primary Tag	Original Balance	Current Balance	Total Paid	Placement Date
1078052	✓ 43745450036277	1077852	CRD005	DOE, JOHN	BSmth	✓	\$1,860.09	✓ \$1,861.09		4/1/2011
1078078	✓ 4301745450036277	1077878	CRD007	SMITH, BOB	Medical	✓	\$795.09	✓ \$796.09		4/1/2011
1078079	✓ 4307687000599	1077879	CRD007	JONES, SARAH	Medical	✓	\$486.69	✓ \$332.79	\$154.90	4/1/2011
1078080	✓ 43017312223788	1077880	CRD007	BROWN, SALLY	Medical	✓	\$1,074.44	✓ \$753.43	\$817.25	4/1/2011
1078053	✓ 4300005499	1077853	CRD005	BLACK, SCOTT	BSmth	✓	\$3,936.69	✓ \$3,937.69		4/1/2011
1078081	✓ 4301111110199	1077881	CRD007	WHITE, TERRI	Medical	✓	\$595.23	✓ \$489.98	\$106.25	4/1/2011
1078083	✓ 430173134344688	1077882	CRD007	BLUE, KATIE	Medical	✓	\$1,168.34	✓ \$1,169.34		4/1/2011
1078065	✓ 437454500A36277	1077865	CRD006	GREEN, KELLY	BSmth	✓	\$509.09	✓ \$510.09		4/1/2011
1078054	✓ 430173224788	1077854	CRD005	ORANGE, JAMIE	BSmth	✓	\$3,080.45	✓ \$2,974.60	\$1,500.00	4/1/2011
1078082	✓ 54187098937599	1077883	CRD007	YELLOW, JANE	Medical	✓	\$467.73	✓ \$468.73		4/1/2011
1078055	✓ 43014110199	1077855	CRD005	PURPLE, FRANK	BSmth	✓	\$4,721.23	✓ \$4,722.23		4/1/2011
1078084	✓ 430174567800388	1077884	CRD007	GRAY, MARY	Medical	✓	\$1,033.62	✓ \$1,034.62		4/1/2011
1078066	✓ 4300005C499	1077866	CRD006	TAN, LAURA	BSmth	✓	\$1,492.69	✓ \$1,493.69		4/1/2011
1078068	✓ 43014A110199	1077868	CRD006	GOLD, VICOTRIA	BSmth	✓	\$4,321.23	✓ \$4,322.23		4/1/2011
1078085	✓ 430173090985588	1077885	CRD007	SILVER, ANNE	Medical	✓	\$804.91	✓ \$805.91		4/1/2011
1078057	✓ 541870437599	1077856	CRD005	PLUM, JULIE	BSmth	✓	\$3,578.73	✓ \$3,579.73		4/1/2011
1078067	✓ 4301A73224788	1077867	CRD006	PINK, ANGIE	BSmth	✓	\$1,605.44	✓ \$1,606.44		4/1/2011
1078070	✓ 43017344344C688	1077870	CRD006	TEAL, DOUG	BSmth	✓	\$1,789.34	✓ \$1,790.34		4/1/2011
1078086	✓ 403567003000088	1077886	CRD007	PEWTER, PHIL	Medical	✓	\$774.25	✓ \$560.25	\$215.00	4/1/2011
1078087	✓ 475621349870588	1077887	CRD007	BEIGE, VINCE	Medical	✓	\$518.96	✓ \$519.96		4/1/2011
1078091	✓ 430174545010312777	1077891	CRD008	CLEAR, KEVIN	AClrk	✓	\$29,395.09	✓ \$33,785.00		4/1/2011

# Account Status Report

POWERED BY **CR Software**  
A Higher Return On Intelligence

Consumer ID	Consumer First Name	Consumer Last Name	Consumer Tag	Original Balance	Current Account Balance Tag	Creditor Ref ID	Collected to Date
1000116	JOHN	DOE	ScoreA	\$0.00	\$38.70	Internal137	-\$47.30
1000239	BOB	SMITH	Champion	\$0.00	\$0.00	Internal10	-\$7.50
1000602	SARAH	JONES	Champion	\$0.00	\$0.00	Internal276	-\$7.50
1000644	SALLY	BROWN	Champion	\$0.00	\$0.00	Internal290	-\$7.50
1000238	SCOTT	BLACK	Champion	\$0.00	\$0.00	Internal9	-\$7.50
1000241	TERRI	WHITE	Champion	\$0.00	\$0.00	Internal12	-\$7.50
1000200	KATIE	BLUE	Champion	\$0.00	\$0.00	Internal39	-\$7.50
1000164	KELLY	GREEN	Champion	\$0.00	\$0.00	Internal65	-\$7.50
1000500	JAMIE	ORANGE	Champion	\$0.00	\$0.00	Internal213	-\$7.50
1000405	JANE	YELLOW	Champion	\$0.00	\$0.00	Internal175	-\$7.50
1000406	FRANK	PURPLE	Champion	\$0.00	\$0.00	Internal176	-\$7.50
1000119	MARY	GRAY	Champion	\$0.00	\$0.00	Internal139	-\$7.50
1078000	LAURA	TAN	Chllngr1	\$1,865.09	\$1,866.09	✓4301745450036277	\$0.00
1078001	VICTORIA	GOLD	Chllngr1	\$3,922.69	\$3,923.69	✓4307687000599	\$0.00
1078003	ANNE	SILVER	Chllngr1	\$4,521.23	\$4,522.23	✓4301111110199	\$0.00
1078002	JULIE	PLUM	Chllngr1	\$3,080.14	\$3,081.14	✓43017312223788	\$0.00
1078004	ANGIE	PINK	Chllngr1	\$3,574.73	\$3,575.73	✓54187098937599	\$0.00
1078005	DOUG	TEAL	Chllngr1	\$2,236.34	\$2,237.34	✓430173134344688	\$0.00
1020496	PHIL	PEWTER	ScoreA	\$0.00	\$0.00 PIF	Internal42998	-\$7.00
1010672	VINCE	BEIGE		\$0.00	\$0.00 PIF	Internal193844	-\$7.00
1019516	KEVIN	CLEAR		\$0.00	\$0.00 PIF	Internal228347	-\$7.00

## Acknowledgements

POWERED BY **CR Software**  
A Higher Return On Intelligence

Blue Ocean Collection Inc  
12345 Beach Streett  
Miami Beach, FL 22030

Creditor 1

We are pleased to acknowledge the receipt of the Acct you placed with us for collection.

Demand for payment is being made immediately. You can be assured that we are going to utilize all of our resources to collect these for you.

Creditor 1

Consumer ID	Consumer First Name	Consumer Last Name	Creditor Reference ID Number	Account Original Amount	Principal Amt	Interest Rate	Collection Fee	Placment Date
Count: 1				\$19,098.00	\$0.00		\$0.00	

# INVOICE

Client Reference #	Consumer Name	Payment Date	External Account #	Paid Org.	Paid Client	Other Trans	Comm. Amount	Net Due Client	Current Balance	Remarks	Pending Payment
CY20000030001	DOE, JOHN	5/10/2013	6543210	0.00	31.50		0.00	0.00	464.82		
CY20000030002	DOE, JOHN	5/1/2013	6543211	0.00	87.00		0.00	0.00	34.00		
CY20000030003	DOE, JOHN	4/19/2013	6543212	0.00	64.00		0.00	0.00	1474.93		
CY20000030004	DOE, JOHN	5/9/2013	6543213	0.00	91.80		0.00	0.00	206.12		
CY20000030005	DOE, JOHN	5/10/2013	6543214	0.00	138.11		0.00	0.00	51.89		
CY20000030006	DOE, JOHN	4/23/2013	6543215	0.00	190.00		0.00	0.00	0.00		
CY20000030007	DOE, JOHN	5/1/2013	6543216	0.00	39.80		0.00	0.00	150.20		



**ADDENDUM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: CRFQ 0212 SWC1500000006**

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

<input checked="checked" type="checkbox"/> Addendum No. 1	<input type="checkbox"/> Addendum No. 6	
<input type="checkbox"/> Addendum No. 2	<input type="checkbox"/> Addendum No. 7	×
<input type="checkbox"/> Addendum No. 3	<input type="checkbox"/> Addendum No. 8	
<input type="checkbox"/> Addendum No. 4	<input type="checkbox"/> Addendum No. 9	
<input type="checkbox"/> Addendum No. 5	<input type="checkbox"/> Addendum No. 10	

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Pioneer Credit Recovery, Inc.  
Company

 Jack Frazier, Jr., President  
Authorized Signature

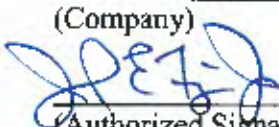
November 16, 2014  
Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.

### **CERTIFICATION AND SIGNATURE PAGE**

By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

Pioneer Credit Recovery, Inc.  
(Company)

 Jack Frazier, Jr., President  
(Authorized Signature) (Representative Name, Title)

585-492-3414 585-492-3484 11/16/2014  
(Phone Number) (Fax Number) (Date)

## NET BACK – THE DIFFERENCE BETWEEN VALUE AND COST

---

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

Pioneer provides outstanding value to the State 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 State’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 comparison below illustrates how Pioneer’s strategy and superior recovery rates provide greater results for our clients than those offered by low-bid agencies.

	Pioneer	Low-Bid Vendor
Placement Dollars	\$100,000	\$100,000
Recovery Rate	33%	25%
Dollars Recovered	\$33,000	\$25,000
Fee Rate	18%	14%
Fees to Vendor	\$5,940	\$3,500
Net Returned to Client	\$27,060	\$21,500
Net Back %	27%	22%

The implied savings offered by low-bid agencies often comes at the price of 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. Our focus on quality service and maximum recoveries, by contrast, results in enduring partnerships with clients and a commitment to long-term success.

As we note earlier in our proposal, 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>1</sup>

---

<sup>1</sup> Lunsford, Patrick, Ed. “Government Collections Panel Discussion”. [CollectionIndustry.com](#), 2005.

We're 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 State's collection portfolio.

### Exhibit C - Pricing Page

Vendor must complete this schedule, for items being bid. The fee structure submitted to the State of West Virginia is as follows:

Agency	Type of Account	% of Amount Collected
1. Colleges and Universities	Per Debt	
2. Worker's Compensation	Default Account	
3. WV Department of Tax and Revenue	New Accounts	10.50%
	Levy Account - Where our employee is instrumental in the preparation of the levies.	10.50%
4. Division of Environmental Protection	Per Debt	
5. Other Spending Units	Per Debt	
6. Rate of Second Placement	Per Debt	18.00%
	Colleges	

### Bidder Contact Info

Vendor: **Pioneer Credit Recovery, Inc.**

Bidder Name (Print): **Jack Frazier, Jr.**

Contact Name (Print): **Jack Frazier, Jr.**

Phone: **585-492-2414**

Fax: **585-492-3484**

E-mail: **Jack.Frazier@navient.com**

Bidder Signature: 