

# Memorandum



CITY OF DALLAS

DATE December 15, 2017

TO Councilmember Scott Griggs

SUBJECT **Customer Refund Checks**

Thank you for alerting me to the message from your constituent, who was concerned about the origin of a refund check he received. Dallas Water Utilities (DWU) operates an SAP billing system, which not only bills customers for water, but also handles the billing for several special collections, including alarm permits, beer and liquor licenses and special permits. DWU processes almost 4 million payments per year and issues about 120 refund checks per day related to water bills, either by check or a credit to the water account. Special collections tend to be one-time payments; therefore, DWU does not normally issue any refunds related to special collections. However, in the past several weeks, DWU sent 760 refund checks associated with a change in security alarm billing.

On February 22, 2017, the City Council approved a resolution to contract with Public Safety Corporation (dba CryWolf) for security alarm permit processing and billing; previously, the City processed payments in-house using DWU's SAP billing system. The Dallas Police Department, which responds to security alarm calls, and the Office of Public Affairs and Outreach notified customers of the upcoming change via press releases and email blasts. Notices are still posted on the City website.

When the City completed the transition to CryWolf on October 1, some customers continued to send applications and payments directly to Dallas Water Utilities, and the City bundled those applications and payments and sent them to CryWolf daily for processing. Further, we discovered some customers were sending false alarm fee payments or permit applications directly to the City's lockbox (a banking service that simplifies collection and processing of accounts receivable by having customers' payments mailed directly to the bank). The bank systematically deposited those payments in the City of Dallas' bank account.

After we discovered this, we issued refunds to 760 individual customers. If any of these payments were related to applications, the vendor processed the application to ensure the customer still has an active permit. We are currently working with the vendor to notify these permit holders they will need to submit a new payment directly to the vendor for the permit to remain active. Customers who received a refund for false alarm fee payments will also be notified to remit payment to CryWolf. We have a process in place to identify any future payments sent to the lockbox and notify the customer of our transition to an outside vendor.

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Customers who have security alarms and believe they may have received a refund will see “BMS” in the payment request column of the check stub – they may call Special Collections’ customer service number at 214-670-3438 for more information. Customer refunds related to water accounts are identifiable by “DWU” in the payment request column of the check stub, and they may call DWU’s customer service number at 214-651-1441 for more information. I have also reminded all Accounts Payable staff in the City Controller’s office of procedures to follow when a check recipient calls with questions related to a Special Collections or DWU check.

CryWolf will notify all security alarm permit customers in the future when they have an outstanding balance or need to renew their permit.

Please let me know if you have any additional questions.



M. Elizabeth Reich  
Chief Financial Officer

- c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Billierae Johnson, City Secretary (Interim)  
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