

Washington State Collection Agency Board meeting transcript

March 20, 2025

Sydney Muhle (00:09):

And recording is going.

Fred Wade (00:11):

Thank you. Good morning. I am Fred Wade, chairman of the Washington State Collection Agency Board and it is now 10 o'clock on Thursday, March 20, 2025 and I am calling this board meeting to order. This meeting is open to the public. We will be providing an opportunity for public comment at the end of the meeting. As a courtesy, we encourage participants to mute themselves when they're not speaking to reduce the background noise. Of course that comes with one challenge and that is remembering to unmute yourself when you are speaking. Also for board members to help us capture information correctly, please state your name when making comments. Thank you. At this time I would like to ask program specialist, Alyssa Woods to call role to confirm the attendance of all board members. Once Alyssa has called your name, please respond by verbally stating here to confirm your attendance.

Alyssa Woods (01:14):

Thank you, Chair Wade. I'll start with you. Chair Wade.

Fred Wade (01:18):

Here.

Alyssa Woods (01:19):

Vice Chair Case.

Mark Case (01:22):

Here.

Alyssa Woods (01:24):

Board Member Smith.

Denice Smith (01:27):

Here.

Alyssa Woods (01:28):

Board Member Murphy

Justin Murphy (01:30):

Here.

Alyssa Woods (01:32):

All right, thank you. Back to you, Chair Wade.

Fred Wade (01:34):

Thank you. We'll now move on to approval of the agenda. Is there a motion to approve today's agenda?

Justin Murphy (01:43):

I'll make a motion to approve the agenda.

Fred Wade (01:48):

Okay, who was that speaking? Justin?

Justin Murphy (01:51):

Yes.

Fred Wade (01:52):

Okay, and is there a second?

Denice Smith (01:57):

This is Denise. I will second.

Fred Wade (01:59):

Okay. Any discussion? All in favor of the motion to approve today's agenda, please say aye. Aye.

Justin Murphy (02:07):

Aye.

Fred Wade (02:10):

Any opposed? Any abstentions? Motion carries. Next we'll move to the approval of the minutes of September 26th, 2024. There are motion to approve the September 26th, 2024 meeting minutes.

Mark Case (02:27):

This is Mark Case. I'll move to approve the September 26, 2024 meeting minutes.

Fred Wade (02:34):

All right, is there a second?

Denice Smith (02:35):

And this is Denise and I will second.

Fred Wade (02:41):

Any discussion? All in favor of the motion to approve the minutes, please say aye. Aye.

Denice Smith (02:46):

Aye.

Justin Murphy (02:47):

Aye.

Mark Case (02:47):

Aye.

Fred Wade (02:49):

All right. Any opposed? Any abstentions? The next two items on our agenda is new business. Sydney will present these items.

Sydney Muhle (03:00):

I apologize, that was a typo I didn't catch. This is actually going to be old business. We're going to start with item 5.1 and this'll be our WAC review committee update. At the September 24 meeting, the board had designated a WAC review committee specifically to review WAC 30829085 based on a number of requests for waivers and clarification that we've received regarding the SWAC. So the board designated a committee to take a look at that. One of the members of that committee was now former board member Sam Leonard, who has resigned their position on the board. And so because of that resignation, this committee was not able to meet over the past six months.

(03:55):

So what we will be looking for some board direction on is how to proceed. We do have other board members who could volunteer to join that committee and then we can move that committee work forward. Or we also have an open recruitment for Mr. Leonard's position as well as Mr. Case who is serving, until a replacement is appointed position right now due to his department expiring last year. So we can wait until those are appointed or we can take a volunteer from the board as it exists right now to move this committee work forward. So with that I'm happy to answer any questions but just looking for board direction on how you want to proceed on this.

Denice Smith (04:47):

This is Denise. I would be willing to volunteer if the board agrees.

Justin Murphy (04:57):

This is Justin and I'm agreeable to Denise doing that. And does it stay the same committee with Mark and Denise or is there a risk of Mark not being there from the September meeting?

Sydney Muhle (05:12):

There is that risk, but I think we can also begin that committee work and then just carry over any notes if an appointment were to happen prior to the September meeting and Mr. Case were no

longer on the board, we would share any work that's been done by the committee at that point with any new members and then just provide... We would be providing a report to the entire board in September anyway, so that'll get everybody up to speed and then we will proceed with moving whoever would take Mark's place on the committee into that role.

Justin Murphy (05:47):

I guess my one concern is I would hope to have something to vote on in September since we've been postponing this seemingly for a couple of meetings now. So I would happily let Mark stay on the committee, but I would ask if something happens that, is there a way to do a replacement member on the committee when if that should happen? So we could keep the committee work going and have an actual presentation to vote on in September?

Sydney Muhle (06:16):

Absolutely. To formalize it, what we can do is that Chair Wade can appoint, it would be you who would be taking that place. So as long as you're okay with being in that alternate position. Then if Mark were to be termed off the board, then we would just ask Chair Wade to appoint you to the committee and just keep that committee work rolling forward.

Justin Murphy (06:46):

I'd be willing to do that.

Mark Case (06:48):

This is Mark. Do we just get in front of this now and have Justin replace me right now?

Sydney Muhle (06:59):

That's entirely up to you guys.

Justin Murphy (07:02):

I mean I'm already on the other work group committee. I'm happy to be on both, but I'll leave that up to you, Mark, if you want to stay on this one and start it, go ahead. If you want to go ahead and bow out, I can do both. It's fine.

Mark Case (07:16):

I have no problem staying on. I forgot about...

Sydney Muhle (07:24):

All right then we'll be reaching out to both of you here in the next week or so to get that committee meeting scheduled and we'll get that work rolling forward. So we apologize for the delay. Unfortunately unforeseen circumstances, we really just can't have a committee of one and with this being a five member board, that just kind of limits us on committee work when we have resignations, so. All right. And then Chair Wade, if you're okay, I'll just roll right on into 5.2.

Fred Wade (07:55):

Sure.

Sydney Muhle (07:57):

All right. And unfortunately very similar update on this one. Again with the resignation of the former board member Leonard, the committee that was established to take a look at the legal financial obligations, again, we can't have a committee of one person. So that committee work did not move forward these past six months. However, we have submitted the request for the attorney general opinion. So that is what the AG's office and is moving forward through that process. We really won't get any indication on timeline or anything that that's looking like at this point. But the letter has been submitted and if and when we hear something we will certainly let the board know, especially if it's going to be in between meetings, if there's an update, even if it's just a [inaudible 00:08:50] we proceed to this, here's the timeline. If there's any communication like that, we'll keep the board apprised what's going on.

(08:58):

The board again did also appoint a committee to review this. I know that this is a much more hot button topic. There's a lot of energy and emotion around this topic on both the industry side as well as consumer protection side. So I would just advise some caution as we move forward with this committee and any potential replacement that if the board does want to... Because this has a little bit more time that's outside of the board's control with the attorney general opinion, I think there's a little bit more space on this one. If you guys wanted to wait to appoint another member to this committee until the next meeting when hopefully we have a full board. But I am also here to hear what you guys want to do if you would like to go ahead and move forward. So Justin is already on this one. I know at the last meeting Denise had volunteered to represent the public side on this one. So however you guys would like to move forward with that.

Justin Murphy (10:09):

If Denise is still willing to be on both, I'd prefer to move forward. I don't like continually kicking these things down the road and I know there's some feelings on this one, but I've got some ideas that aren't super complicated and I don't personally think they're all that objectionable. So I would like to get the committee moving so we can have another one, something to vote on in September or at least present.

Denice Smith (10:37):

Yeah, I don't have a problem with that. I agree with Justin. I don't think this needs to be a hot button topic. I think that we're all professionals here and we have a good perspective on both causes.

Sydney Muhle (10:53):

Okay.

Mark Case (10:54):

This is Mark. I agree. And just as Justin pointed out before, on the other issue, I think this would be the third or fourth meeting. We've been trying to advance this, so I'd like to proceed as well if we can.

Sydney Muhle (11:10):

Okay. Sounds like the board is good with that. So again, we'll reach out to the two of you to schedule something. You'll hear from us within the next week and I anticipate the meeting will

be in April. And just as a reminder for the board members of the public who are listening, the last board meeting, the board did give direction that this would also include members from the Attorney General's Office, Consumer Protection Division, and other interested areas of the public. So we'll be working with Chair Wade to identify those additional members as well. If there are no other questions and I'll hand it back over to Chair Wade.

Fred Wade (11:56):

Okay. And now we'll go into new business and the first item of new business is election of officers. The board will elect the vice chair for the upcoming year and at this time I would open up the floor for nominations. Nomination for vice chair.

Denice Smith (12:18):

I nominate Justin Murphy.

Justin Murphy (12:20):

I was going to nominate Denise. If you want me to do it, Denise, I'll happily do it.

Denice Smith (12:28):

Yeah, if you could do it this year. I have some other obligations coming down with a new position I hold. So I want to make sure that with the new two task force that I'm on, I give all my full attention that I need to in each area.

Justin Murphy (12:41):

This is Board Member Murphy, I will accept Denise's nomination.

Mark Case (12:49):

This is Mark Case. I'll move to second.

Fred Wade (12:51):

Okay. Okay, is there a motion to approve the elected vice chair?

Denice Smith (13:01):

I motion to approve the vice chair, Justin Murphy. This is Denise.

Fred Wade (13:05):

I know Mark you second, but is there a second?

Mark Case (13:10):

This is Mark Case. I'll second.

Fred Wade (13:12):

Okay, any discussion? All in favor of the motion to approve Justin Murphy as the vice chair please say aye. Aye.

Denice Smith (13:20):

Aye.

Mark Case (13:20):

Aye.

Justin Murphy (13:23):

I will refrain from nominating myself.

Fred Wade (13:26):

Okay. And Justin [inaudible 00:13:28]. Motion carries.

Sydney Muhle (13:29):

I was going to say Justin, you can vote on this. There's no financial benefit to you on it, so there's no conflict. You can vote for yourself on this one.

Fred Wade (13:40):

Okay. All right. Okay. Next is an update on travel for the 2025 North American Collection Agency Regulatory Association annual meeting.

Sydney Muhle (13:57):

It's a mouthful. So this is going to be a little bit of a different update from the one we normally provide at this meeting every year. And I just realized we did not have a report out from Board Member Murphy on his attendance at NACARA last year. So I think we'd be fine to go ahead and do that under this or under announcements later in the agenda, whichever you're more comfortable with. But currently the state has a budget freeze that is ongoing, that was put in place by Governor Inslee is being continued under Governor Ferguson. With that has come a travel freeze as well that's been considered basically non-essential. So for any non-essential travel, we're not getting it. I don't anticipate that that will still carry over to September of this year, but I am not the governor and so I don't know what that's going to look like.

(15:01):

And at this point we have no indications as the budget process moves forward through the legislature, we just don't know what that's going to look like for the rest of this year. So what I would like to propose for the 2025 NACARA annual meeting is if we could ask the board to designate an attendee on behalf of the board the same way that we normally would, but with the asterisks that we may not be able to get that travel approved. So I just wanted to make the board fully aware of that, that it's something that's completely outside of our control. I think if any of you are planning to attend just personally through your personal business, that's a different topic and we can work out how that works. But in terms of traveling on behalf of the state, we're just kind of in a frozen situation at the moment.

Justin Murphy (16:01):

Well first off, I would be happy to give an update of the last one under this while we're here if we want to go that route. And secondly, I believe Denise had had a conflict last year and that's how I got to go. And we had said that Denise would be next on the list. So I would nominate Denise Smith to go to NACARA if we're able to this year. I move to nominate Denise Smith as the

representative for the Collection Agency Board for Washington to go to NACARA should we be able to travel.

Mark Case (16:37):

And this is Mark, I'll second that.

Fred Wade (16:41):

Okay. And all in favor, please say aye. Aye.

Justin Murphy (16:45):

Aye.

Denice Smith (16:45):

Aye.

Mark Case (16:47):

Aye.

Fred Wade (16:50):

No opposed, no Abstentions. Motion carries. Justin, you can proceed with your report if you like.

Justin Murphy (16:59):

All right. I didn't prepare anything for this so I'll do it a little bit off the cuff, but that is okay. One of the major topics and focuses was on conducting audits and specifically cybersecurity audits. I think 70% or so of the first day, which was the regulators only not the industry, not the day with the industry could attend, I'd say about 70% of that first date was covered on someone from the banking world who's done some financial audits, sort of walking through the regulators, what they should look for in a cybersecurity audit. And then there was a lot of discussion about the various states. Not necessarily being prepared for cybersecurity audits, like who could do it, should someone with a really technical background do it? And if you don't have a technical background, how can you do it? And so there was a lot of discussion there. They sort of had a playbook I guess if you will, or a manual of what to do for a cybersecurity audit, what to look for. That was shared with everyone there.

(18:13):

And so I think that's going to be on the radar from some of the states that do their annual licensing exams, that they're going to start bringing in cybersecurity components to those exams. That was most of the first day. I think the second day where the industry could attend, we had some updates from the FTC on what they had been doing in some of their enforcements. I was part of a panel that gave a data privacy and AI law update and I think there was... I'm trying to remember here, what else did we do on the second day? I think there was just a large discussion on first party versus third party, how some companies do both lines of business and how that process should work when you're looking at a licensing exam since the first party line isn't always covered under the collection agency laws.

(19:19):

There was also a discussion on... I'm drawing a blank here, I'm sorry. I had it in my head there for a minute and then it left. I think that was the bulk of it. If something else comes to me, I can update in the announcements or whatever the catch-all thing we have at the end. But I think that was the bulk of it. If anyone has any questions or anything about that, I can try to answer it. And if there's anything I left out that's generally in one of these updates, let me know and I will try to recall what was done there.

Fred Wade (20:06):

Okay, thanks Justin. Any questions for Justin?

Denice Smith (20:10):

This is Denise. No question for Justin, that was a good recap. But can I get the dates of the 2025 conference, Sydney so that I can kind of prep for that temporarily?

Sydney Muhle (20:24):

I don't believe that I have those dates yet, but I will reach out to the people who are more likely to know and I'll get those to you as soon as I have them.

Denice Smith (20:34):

Okay. I tried to Google it and they don't have anything on their website yet, so.

Sydney Muhle (20:39):

Yeah, unfortunately our spring meeting is usually just a little too early for the days to be published and our fall meeting this past year fell a little before the conference actually happened. So our timing is just a little bit off right now, but I'll get you those dates as soon as I can and I'll also keep you posted what happens with the freeze and the budget and all of that as that moves forward. We don't know situation and as we know we'll keep you apprised.

Denice Smith (21:08):

Thank you.

Fred Wade (21:14):

The next item on our agenda is reports. Sydney, will you present those items?

Sydney Muhle (21:20):

I would be happy to. So we are going to start with our central investigations and audit unit reports. We had seven cases that were closed for no jurisdiction, 58 that were closed for no violation and eight cases that were recommended closed by the case manager. And our investigation supervisor, Grace Hamilton is on the call if anyone has any questions for her.

(21:55):

Okay. Hearing none, we'll go to our complaint investigation status report. So we currently have six that are in investigations, eight that are in legal review, 38 that are in a management review and 24 that have been closed. Looks like that encompasses 2024 and so far in 2025 for a grand total of 76 cases. Any questions on that one? Okay, then we will move on to our licensee count

report. And I do want to preface this by saying that this report is going to be a little bit different moving forward. We've been given some direction by our division leadership that because these numbers don't really change on the licensee count report from meeting to meeting that we're just going to move to reporting these verbally during the meeting on an annual basis. So it'll be the first meeting of the year that we'll do a big annual report and share that out with you.

(23:03):

The data will still be provided to the board in the board meeting packets. Those are available to the public upon request. So all of the information will still be available. It's just because there's not a whole lot of fluctuation from one meeting to the next, it helps to take the year in review snapshot rather than one meeting to another. So with that, we currently have 233 collection agency licensees, 234 collection agency branches, 306 out of state collection agencies and 470 out-of-state collection agency branches were a grand total of 1243. If we can put on next one? And this is just a look at our five-year history on our licensee count. As the board can see there has been a slight dip or slight decline over the last five years. So it is something to keep an eye on as we continue to move forward with... A lot of our professions, there can be additional outreach and things that are done for licensees. This profession, as you all know, is just a little bit different.

(24:20):

And so that could just be kind of the natural course of where we're at with our licensees in the state. I think we are seeing a slight uptick so far in those 2025 numbers. They don't look crazy different from 2024, but it does look like there's a little higher. So we could just be in a little bit of a down cycle at the moment. It could just be kind of changes in the industry. So it's not something that I'm super concerned about right now in terms of program health, but it's just something that we will keep an eye on from a program health perspective on our side. Are there any questions on the licensee account report? Okay, then we will move right on to our action items, which will be a very quick one since we've already reviewed most of it. Actually, we've already reviewed all of it. So we've given the update regarding legal financial obligations as well as the last review. So are there any additional questions on [inaudible 00:25:26]? Okay.

Mark Case (25:26):

This is Mark. I believe we had talked about if any other members added or any other changes occurred or with new board members being appointed. Do we need to wait until the next meeting or can chair wait, add people as needed if necessary to any of these committees?

Sydney Muhle (25:47):

So because we're a five member board, we are capped at two people, so it would have to be asking somebody to step aside or Mr. Case's case, if somebody were appointed to his position, then Chair Wade can make that change.

Mark Case (26:07):

Okay, so we don't have to formally do that at a meeting. It can be done by the Chair.

Sydney Muhle (26:13):

Correct.

Mark Case (26:14):

Okay, thank you.

Sydney Muhle (26:20):

Okay. With that, I think you guys are done hearing from me for the day.

Fred Wade (26:27):

And that means we are now in the public comments period. The public may address the board on matters within the board's jurisdiction, either verbally during the meeting or by submitting written comments in advance. Verbal comments are limited to one three-minute comment. Written comments are limited to no more than 500 words and must be emailed to board staff no less than two business days prior to the meeting. In response to all public comments, the board is limited to requesting that the matter be added to a future agenda for discussion or directing staff to study the matter further. Inflammatory comments and language will not be permitted. Board staff, do we have any written public comments to be read by the staff?

Sydney Muhle (27:18):

No sir, we do not.

Fred Wade (27:20):

All right then let's open it up for public comment. Is there anyone who'd like to make a verbal comment?

Kevin Underwood (27:32):

Yeah, I would. Chairman Wade, is it okay just to speak up? I don't see a hand raising function on the website.

Fred Wade (27:39):

Yes, please go ahead.

Kevin Underwood (27:41):

Okay. Yeah, this is Kevin Underwood. How are you doing, Chair?

Fred Wade (27:44):

Good.

Kevin Underwood (27:45):

Just one comment, actually a question. You approved the minutes from the prior meeting. I didn't see any minutes posted to the website. I do see a transcript of the prior meeting, but if there are minutes that were considered and approved, I wonder if those could get up on the website so we can see those.

Sydney Muhle (28:04):

We can't really answer questions, but those will be posted within the next week. It takes about four business days for those to get posted, so we'll submit those today.

Kevin Underwood (28:15):

Okay, thank you. That's all.

Fred Wade (28:21):

Does anyone else have verbal comments? From the public? Okay, hearing none, we will now enter the conclusion portion of our agenda. Do any board members have announcements they would like to share? Hearing no announcements. Do any board members have items they would like to request for the next agenda? Hearing none. Alyssa, please review the action items and items for the next agenda.

Alyssa Woods (29:38):

Okay. For the action items I will schedule the committee meetings. So the first one being with Denise and Mark, and then the other one being with Justin and Denise. And then also I'll keep Denise in the loop about the 2025 travel for NACARA. And as soon as we know the dates we'll share that with her as well. And I believe that's all I've captured so far, but again about the meeting minutes, we'll get those posted as well.

Fred Wade (30:14):

Okay, thank you everyone. The time is now 10:30 and this meeting is adjourned. Thank you.

Mark Case (30:22):

Thank you. Have a nice day.

Alyssa Woods (30:25):

Thank you.

Sydney Muhle (30:25):

Thank you everyone.