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190981

Emergency Ordinance

*Authorize settlement in the matter of Capital Credit and Collection Services, Inc. claim for the sum of \$3,000 involving the Portland Water Bureau

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. In March 2020, the Portland Water Bureau notified Julie Ochse-Drachler that she had an outstanding balance of \$207.43 for water and sewer services. Having received no response from Ms. Osche-Drachler, the Portland Water Bureau ultimately tendered collection of the outstanding debt to a collection agency, which assigned the account to Capital Credit and Collection Services, Inc. ("Capital Credit").
2. In 2022, Ms. Osche-Drachle filed a lawsuit against Capital Credit, asserting that she had been the victim of identity theft and did not live, nor had not lived, in Oregon. *Julie Ochse-Drachler v. Capital Credit and Collection Services, Inc., Trans Union, LLC, Experian Information Solutions, Inc.*, (USDC Eastern District of Pennsylvania) Case No. 0:22-cv-00833-JDW.
3. Capital Credit subsequently notified the Portland Water Bureau that it was demanding contribution from the City towards a settlement in the pending litigation due to the Portland Water Bureau's role in seeking collection from Ms. Osche-Drachler.
4. To fully resolve this demand without further legal proceedings, and to avoid the legal and financial risks of litigation, the City Attorney's Office and the Portland Water Bureau recommend the payment of \$3,000 to Capital Credit in settlement of all potential claims against the City.

NOW, THEREFORE, the Council directs:

- A. The Portland Water Bureau is hereby authorized to enter into and execute a settlement agreement and release, in a form substantially similar to Exhibit A attached hereto, to resolve the potential claim by Capital Credit.
- B. The Mayor and Auditor are hereby authorized to draw and deliver a check from the Water Operating Fund in the amount of \$3,000.00 made payable to Capital Credit and Collection Services, Inc.

Introduced by

[Mayor Ted Wheeler;](#)

[Commissioner Mingus Mapps](#)

Bureau

[City Attorney](#); [Water](#)

Contact

Karen Moynahan

Chief Deputy City Attorney

✉ karen.moynahan@portlandoregon.gov

📞 [503-823-4538](tel:503-823-4538)

📠 503-823-3089

Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

August 31, 2022

Section 2. The Council declares that an emergency exists in order to avoid undue and costly delay in settling this matter; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) (25.34 Kb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
August 31, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

Purpose of Proposed Legislation and Background Information

This Ordinance settles a demand for contribution brought by Capital Credit and Collection Services, Inc. ("Capital Credit") for damages incurred by Capital Credit in collecting a tendered debt to the Portland Water Bureau by a victim of identity theft. Due to information provided by the Portland Water Bureau to Capital Credit, the debtor instituted litigation in the matter of *Julie Ochse-Drachler v. Capital Credit and Collection Services, Inc., Trans Union, LLC, Experian Information Solutions, Inc.*, (USDC Eastern District of Pennsylvania) Case No. 0:22-cv-00833-JDW. Capital Credit settled that matter with the understanding that the Portland Water Bureau would seek Council's authority to contribute \$3,000 for its role in providing debtor information to Capital Credit that resulted in the lawsuit.

Financial and Budgetary Impacts

This legislation will have no impact on City revenue.

Total cost to the City to settle the claim is \$3,000. The sources of funding are the Portland Water Bureau's Water Operating Fund. This Ordinance does not amend the budget.

Community Impacts and Community Involvement

This Ordinance settles a threatened contribution claim by Capital Credit in the matter of *Julie Ochse-Drachler v. Capital Credit and Collection Services, Inc., Trans Union, LLC, Experian Information Solutions, Inc.*, (USDC Eastern District of Pennsylvania) Case No. 0:22-cv-00833-JDW. The City Attorney's Office has concluded that it is not appropriate to have public involvement in settlement negotiations regarding tort claims or lawsuits against the City.

No future public involvement is anticipated or necessary. Approval by City Council of this Ordinance will fully settle the threatened contribution claim against the City of Portland.

100% Renewable Goal

This legislation will have no impact on City energy use.

Agenda Items

738 Consent Agenda in August 31, 2022 Council Agenda

Passed

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea