



Jury News

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Using Debit Cards to Pay Jurors

Twenty years ago, one of the biggest challenges for jury managers was ensuring that jurors were paid in a timely manner. Juror compensation procedures often involved sending a detailed report of fees owed from the jury office to the court or county finance division, which then processed, printed, and mailed the checks to jurors as part of its regular fund disbursement process. In a reasonably well functioning court, jurors could generally expect to receive their juror fees within two weeks of completing jury service, but in some jurisdictions, the wait could be up to eight weeks. Any subsequent communications about juror compensation, such as reports of lost checks or checks returned as undeliverable by the U.S. Postal Service, also involved a lengthy back-and-forth between the jury office and the finance division.

Oh, how times have changed! Today court and local finance divisions are often at the forefront of efforts to streamline the juror compensation process to reduce costs, especially staffing costs related to check reconciliation. Many courts now have authorization for jury managers to calculate and distribute checks to jurors directly from the jury office using financial software packages that interfaced directly with the jury automation software. The jury office then sent reports to the finance division documenting the fees that were paid. Other courts were able to adapt ATM kiosks to permit direct cash payments to jurors. I have received sporadic questions over the past decade whether courts have used prepaid debit cards to compensate jurors, but only recently learned of a court that has successfully implemented this approach. The Gwinnett County Superior Courts in Georgia began using prepaid debit cards in 2014. I spoke with Abigail Carter, the jury manager for the Gwinnett County courts, in February to learn more about the program.

The Gwinnett County Juror Debit Card Program

The Financial Division for the Gwinnett County Courts, which historically managed the juror compensation process, initiated the change to prepaid debit cards. Under the previous process, the Jury Division forwarded a weekly report to the Finance Division specifying the amount owed to each juror with the juror's mailing address. The Finance Division printed and mailed checks to jurors, usually within one week of service. The Finance Division was also responsible for following up on checks returned by the U.S. Postal Service, reconciling the check-cashing process, and managing the state-mandated escheatment process for checks that remained uncashed after five years. The Finance Division estimated that the administrative costs for the juror compensation process at approximately \$5 per juror. The court initiated the transition to prepaid debit cards by issuing an RFP specifying conditions for awarding a contract with a financial institution, including a limitation on fees imposed on jurors using the debit card.

Chase Bank was awarded the initial contract with the court, but was replaced by Key Bank in 2014 after Chase announced its intention to leave the prepaid-debit-card market. Implementation of the prepaid-debit-card program involved a \$500 start-up fee plus a \$2 charge for each deposit credited to the prepaid card (a \$3 per juror savings over the previous process). As before, the Jury Division sends a weekly report to the Finance Division with amounts owed and the mailing address for each juror. The Finance Division then sends a report to Key Bank, which deposits the amounts on MasterCard-issued debit cards and mails them to the jurors with instructions for activating the debit card. Again, most jurors receive their debit cards within one week of completing jury service. Key Bank also manages the escheatment process on behalf of the Finance Division.

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After jurors activate their debit cards, they can use the cards like any debit or credit card with MasterCard-participating vendors or financial institutions. Once the debit cards are activated, jurors have up to one year to exhaust the funds; after one year, however, Key Bank charges a fee of \$1 per month until the funds are completely exhausted. Once the funds are exhausted, the debit cards are not converted to credit accounts, nor do they result in additional fees for jurors.

A Few Complications

For the most part, the Gwinnett County Courts have been very satisfied with the debit-card program, but like most program innovations, they have experienced a few bumps along the way. One complication involves the information provided to Key Bank about each juror. Normally, banks issuing debit cards have access to the recipient's Social Security Number, which is used for identification purposes if the recipient needs to contact the bank's customer-service office for any questions or problems involving the card. The Gwinnett County Jury Division does not collect jurors' Social Security Numbers as part of its summoning-and-qualification process and, thus, is not able to provide that information to Key Bank. Instead, it provides the seven-digit Juror ID number plus a two-digit appendix and the juror's date of birth as unique identifiers. Many jurors do not know or will not remember their Juror ID number after completing jury service, however. When jurors need to contact Key Bank regarding an inquiry about the debit card, the Key Bank customer-service representatives are supposed to ask for the juror's date-of-birth and Zip Code in lieu of the Social Security Number, but jurors often report that the Key Bank representatives do not appear to be aware of this alternate mechanism for verifying the juror's identification.

Another complication arises when jurors opt to withdraw cash from the debit cards. In Gwinnett County, which employs a one-day/one-trial term of service, jurors are paid \$30 per day for juror fees. Consequently, most jurors receive debit cards that are credited with only \$30. As most ATMs disburse cash in \$20 increments, jurors can only withdraw \$20 from the ATM and are left with a \$10 credit on the debit card. No fees are imposed if the juror withdraws cash from the debit card at a Key Bank-affiliated ATM, but a \$2 fee is imposed on withdrawals from ATMs that are not affiliated with Key Bank. To avoid the \$2 fee, jurors may forgo use of an ATM and instead ask for cash directly from a teller at the bank. Financial institutions participating under a MasterCard agreement are prohibited from charging a fee for converting a MasterCard prepaid debit card to cash, but some Gwinnett County jurors have reported that banks are nevertheless charging those fees unless the juror is already a bank customer.

Finally, because debit cards are mailed by Key Bank rather than the court, many jurors mistakenly assume that the mailing contains a "junk mail" solicitation, rather than their juror fee, and discard it. Key Bank assumes responsibility for replacing lost debit cards. No fees are incurred for replacing the first card, but a \$5 fee may be charged for replacing subsequent debit cards.

Best Practices for Courts Contemplating Prepaid Debit Cards to Compensate Jurors

It appears that Gwinnett County was able to avoid some of the most common complaints about using prepaid debit cards to compensate jurors through a thoughtful RFP solicitation that specifically articulated restrictions on the fees that could be imposed on debit-card recipients, thus avoiding some of

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the most common complaints about the use of prepaid debit cards.¹ In addition, the federal Consumer Financial Protection Bureau has recently finalized federal protections for prepaid-account consumers that limit fees and other practices that harm consumers,² which would govern such arrangements in the future. In the meantime, Ms. Carter offered the following suggestions for courts investigating the option of prepaid debit cards for jurors:

- Take the time to document the costs associated with the existing juror-compensation program, including staff time to print, mail, and reconcile checks and to manage the escheatment process.
- Understand the customer-service practices offered by the financial institution managing the debit-card program, including alternative procedures in place to verify the debit-card holder's identity in the absence of a Social Security Number.
- Understand contractual limits on the use of debit cards and ensure that jurors receive timely and accurate information about those limitations during juror orientation and in the information provided with the debit card.

Postscript

Recently, Gwinnett County has learned of other vendors offering prepaid debit cards for courts, including one that sends blank debit cards to the court and allows the Jury Division to load funds and distribute prepaid debit cards directly to jurors before they leave the courthouse, thus saving postage costs and reducing the potential for cards being lost in the mail or mistakenly confused with junk mail.³

ABOUT THE AUTHOR

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NOTES

1. See, e.g., Christian Berthelson, *JPMorgan Accused of Nickel-and-Diming Jurors on Debit Cards*, BLOOMBERG NEWS (Feb. 8, 2017), available at <https://www.bloomberg.com/news/articles/2017-02-08/jpmorgan-accused-of-nickle-and-diming-jurors-on-debit-card-pay?ncid=newsltushpnews>.
2. See http://files.consumerfinance.gov/f/documents/201610105_cfpb_Final_Rule_Prepaid_Accounts.pdf.
3. The vendor is CourtFunds (see its website at www.courtfunds.com), which reportedly has an existing contract with the Cherokee County courts to compensate jurors using prepaid debit cards. The NCSC Center for Jury Studies does not endorse commercial vendors offering technology or other services for jury operations.