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SKIPTRACING 101

By Robert Scott, P.I.

Let’s discuss the basic steps of skiptracing—the process of locating a delinquent customer or debtor who doesn’t wish to be found. These basic steps are for the collector or in-house skiptracer seeking to locate a skip by himself without the aid of an outside skiptracing or private investigation agency. Ultimately, these may be turned to if the debt owed is sufficient to justify the added expense.

Outside skiptrace firms typically conduct lower priced, high volume investigations and may routinely bill their customers \$50-\$250 for their service.

Generally speaking, private investigation agencies will conduct a more intensive investigation to locate the skip and therefore are more expensive, with fees ranging from several hundred dollars to several thousand. Now, to state the obvious, these fees must be financially justified by the size of the debt and other considerations. For example, there is no way that a utility company is going to hire a P.I. agency to locate a customer who skipped out on a \$35 gas bill.

But what about the case of a bank that has financed a luxury automobile or large commercial truck that is worth \$50,000 or more? To them, it would be a welcomed bargain to pay a private investigator \$2,000 to locate their collateral for the purpose of repossession.

It goes unspoken that the additional expense of a private investigation as opposed to a skiptracing agency will result in a more serious, complete and ultimately effective investigation.

As a general rule, both the skiptracing firm and private investigation agency will be highly motivated to find the delinquent customer because their customers expect frequent success to justify continued use of their services. However, because low-priced skiptracing agencies have a smaller budget to work with, they may have to throw in the

towel far sooner than a private investigation agency whose clients expect a bill of several hundred dollars and up.

Another important advantage that private investigators offer is that their investigators will go out in the field in search of the skip. Addresses will be checked for the skip's car early in the morning or late at night; the doors of neighbors will be knocked on as well. With a lower priced skiptracing service, nearly all efforts will be confined to what can be done from the office—phone, mail and online investigation.

In fact, on a high dollar debt, such as an automobile, efforts to locate the skip may be made by several different parties. The first is usually the collector who may try some or all of the methods discussed later in this chapter.

When the skip still isn't found, the file may go to an in-house skiptracer or to an outside skiptracing agency. In the example of a delinquent automobile loan, where repossession of the vehicle is the ultimate goal, the file will also go to a repo company whose own skiptracer may make further efforts.

Finally, if all of the above have failed, the bank or finance company may turn to a trusted private investigation agency that specializes in finding extreme skips. This company should have many sources of information, methods and techniques that the aforementioned typically do not.

As a brief example of this, I'll speak about my own P.I. agency that often is called to located missing cars and trucks in Southern California by banks.

From past experience, we know that most of the same people who don't pay their bills also don't pay their parking tickets. A special source that we often use tells us when and where unpaid parking tickets have been issued to a car. We search DMV records for the license plate of the skip, and then using this special source, we find out where parking tickets have been issued to the car. Often, these lead us right to the skip's doorstep—especially when he's been ticketed for parking in the street in front of his house or apartment on street sweeping day!

This is just one of dozens of examples of tricks of the trade that a good private investigator brings to the table that collectors, in-house skiptracers, and outside, high volume skiptracing firms simply don't have the time, budget or knowledge to pursue.

Now, let's get back to the basics. Here is the curriculum for Skiptracing 101:

Call 411

Don't laugh; it sounds so easy it is often overlooked. I learned my lesson the hard way on this one and now never overlook directory assistance. On the case I'm thinking of, we were looking for a skip who had a horrible track record of petty crime, insurance fraud, false identities and of course, unpaid bills. After racking up hundreds of dollars in

expenses for my client and using every trick in the book, I finally did locate the skip. Later that day, I learned she was also listed with directory assistance! Ouch—what a humbling experience for a so-called hotshot investigator! I learned my lesson there—never overlook the basics; and the most basic of basics is to call directory assistance.

By the way, did you notice I said call directory assistance, not use one of the many electronic 411 services on the Internet? The reason for this is these services are often slow to be updated. By calling the phone company directly, you'll have the most current information available.

Check the Reverse Directory

Check the reverse directory for other phone numbers at the last known address.

One of the most important goals of this type of investigation is to simply determine whether or not the skip has actually moved from his last known address, as opposed to simply disconnecting his phone and hunkering down. Of course, if new information can be developed about where the skip has moved on to, then that is a special, added bonus.

In addition to disconnecting his phone, another ploy the skip may try is to shut off his old phone and re-establish a new number. By doing so, he's no longer pestered by those annoying calls from bill collectors. Unfortunately, in the scenario, it's highly unlikely that the new number will be listed. Therefore, a check of the reverse directory will be of no help as it is limited to published phone numbers.

In the case of a last known address that is an apartment building, the manager or neighbors may be called for any knowledge they may have on where to find the skip. Collectors and others subject to the Fair Debt Collection Practices Act should familiarize themselves with the law before making these calls. The law places tight restrictions on what can and cannot be said during them.

In the case of the last known address being a single family residence, calls may be made to neighbors. In small town America, these calls seem to have a much greater result than in the big cities. Again, if simple confirmation can be obtained that the skip has moved out, an important piece of information has been obtained. On a good day, even more information can be obtained, such as a new address, new part of town that he has moved to or employer information.

Send Address Service Requested Letter

Send a letter to the skip with the words ADDRESS SERVICE REQUESTED in large type on the front of it. If the skip has moved and is forwarding his mail to a new address, the letter will not be forwarded to him. Rather, the post office will return the letter to you with a yellow sticker on front notifying you of the skip's new address. The

cost of this service? Just the postage for sending your letter. This is without a doubt the single greatest deal in the world of skiptracing!

Pull Fresh Credit Report

If you're lucky, the skip will have already opened a new credit account somewhere else and in the process, used his new address which will appear at the top of his credit report. If this is the case, you're dealing with a novice-level skip, not a seasoned super-skip.

In reality, skips get wise real quick to the fact that if they use their new address for anything credit or bill related, it will create fresh footprints leading right to their doorstep. This is where skips start to employ more advanced tactics like using mail drops and P.O. boxes to receive their mail. Or, they may simply drop out of the credit system—forget about their credit cards, or getting any new ones, and use cash. In either case, getting a fresh new address off of a credit report is unlikely.

By the way — don't forget that there are three credit bureaus covering the United States. It's not uncommon for one of the bureaus to have a new address when the other two don't.

Network with Other Creditors

This is where the Directory of Skiptrace Departments chapter of this book comes in. By reviewing the skip's credit report, you'll learn where he has other credit accounts and what the status of those accounts are.

Chances are they're looking for him, too. You'll call the other creditors, identify yourself, and ask if you can help each other. Some will eagerly help you, others will decline due to one of a number of reasons, including a company policy against information sharing.

You might want to start by calling on newer accounts. As they may have more fresh information in their files. For example, if another creditor opened its account with the skip one year ago, it may have current employment information than your four year old credit application has.

Call Family/Personal References

Most credit applications require the customer to provide the name of a nearest family member as well as personal references. These should be called for location information on the skip.

However, be forewarned that in the case of extreme skips/deadbeats, this information is routinely as worthwhile as last week's newspaper. Expect disconnected numbers, wrong numbers and other dead ends.

Online Data Searching

An entire book could easily be written on this subject. In short, “online data searching” is a very general term that refers to scouring through databases of public and other records for leads on the skip.

These could include such basic searches as real estate ownership, motor vehicle records, and corporation filings. There are hundreds of others.

Access to these databases is sold by any one of a number on online data vendors. (See chapter, Skiptracing Resources for a list of them.) Typically, they restrict who can open and maintain an account with their firm. The general public is excluded. Generally speaking, permitted users are collectors, skiptracers, private investigators, bail agents, repossessioners, law firms, government agencies and first-party creditors.

In addition to the pay services, there are a number of free public record searches available on the Internet. In a number of places, real estate ownership records can be searched online. If an address is found to be owned by the skip, there’s a strong chance he will be found there. A good starting point for free Internet searches of public records is my site, Black Book Online which can be found at www.crimetime.com/online.htm.

Another example of free Internet searches that are useful to skiptracers are state prison inmate lookups. Essentially, these will tell you if a given person is in state prison. Twice recently at my own company we located skips — serving hard time!

For the collector or other person who has no training in online searching, the process can be fraught with missteps and mistakes, big and small.

The most common mistake made is misidentification of the skip with another person who has the same or similar name. The inexperienced searcher will assume the two are the same person. Considerable resources and time are then squandered by locating the person who has the same name as the skip, but is in fact a different person.

Because of this and other pitfalls, hiring an expert is recommended over the do-it-yourself method when it comes to online data. The learning process is slow and in the meantime little will be accomplished in terms of locating your skips.

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