

Child Support Report



OFFICE OF CHILD SUPPORT ENFORCEMENT

Vol. 31 No. 8 August 2009

First Symposium for State Disbursement Units a Heartening Success

By David Johnson
OCSE Region X

Some may call State Disbursement Units (SDUs) the heart of the child support program. Dedicated staff in SDUs are responsible for processing millions of dollars of support in and out each day—the lifeblood of the program’s mission. SDUs are a critical operational element to an effective child support program and vital for its customers, who depend on the receipt of accurate, timely, and secure child support payments.

Last August, the four State child support directors in Region X (Alaska, Idaho, Oregon, and Washington) suggested to OCSE the need for enhanced learning and communication between State SDU leaders. In response, OCSE Region X sponsored a successful training symposium, May 27 and 28 in Portland.

Although created as a Region X event, it was opened to other States. In the end, nearly 40 people attended, representing 16 different State child support programs: Alaska, Arkansas, California, Colorado, Idaho, Illinois, Michigan, Montana, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Texas, Utah, and Washington.

Many topics intersect with the work of SDUs, and SDU managers face a wide array of complex issues rarely addressed in comprehensive training events. Furthermore, SDUs are often so busy with daily operational issues that it is difficult to step away for training and proactive learning. This unique symposium provided opportunities to learn from presenters, share information through Q&A dialogues, talk in “SDUese” that all attendees could understand, and discuss common issues, including:

- Payment options
- Payment processing technology
- Banking safeguards and fraud prevention
- Incoming EFT and online payment options



Participants at the first child support symposium for workers in State Disbursement Units pose for a photo on the stairway to mark the heartening occasion.



- Outgoing EFT and customer service issues
- Best practices to prevent undistributed collections
- International payments

Participants brought a wealth of diverse perspectives and experiences. Discussions included: how to build a stronger sense of “SDU community” across all child support programs; how to enhance communication and information among SDUs; and how programs have taken steps to address fraud and security breaches. The Region X team plans to assess the evaluations and ways to sustain the positive momentum coming out of this event.

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U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement

Commissioner's Voice

Veterans: Answering The Call



Throughout my career, I have referred to the *Child Support Report* as a source of news and information about OCSE and State, Tribal, and local child support programs. As I settle into my new job and read through recent issues, I am proud to see the work of State child support agencies to collaborate with the Department of Veterans Affairs—exemplary projects that coordinate services to parents who require attention from both programs.

This month, the New Mexico child support agency describes its partnership with the VA's Domiciliary Program, which addresses homelessness, disabilities, and substance and alcohol abuse (*page 4*). The State also tells about its new customer service function: When a veteran calls the agency, a specialized worker gets on the phone. And, the agency distributes a brochure through veteran's organizations to spread the message of its openness to help veterans with child support concerns.

I hope you'll read the articles in the recent *Child Support Reports* (April through August) to grasp the different needs of many military veterans—of all ages, backgrounds, and income levels. These veterans answered our nation's call; we should all try to answer theirs.

Vicki Turetsky

Picture This: Electronic Income Withholding Orders Increase Collections, Reduce Costs



By **Bill Stuart**
OCSE

If "a picture is worth a thousand words," the photo below says it all. Representatives from OCSE saw it with their own eyes—hundreds and, in some cases, thousands of Income Withholding Orders (IWOs) received by employers and payroll processors daily or weekly.

One employer told OCSE that when returning to the office after a 3-day holiday weekend, there were several large, USPS bins filled with thousands of paper IWOs; each waiting to be opened, reviewed, and forwarded to an individual to manually input the information contained in the IWO into their payroll system.

Needless to say, many employers are very excited about the prospect that more States will be implementing electronic Income Withholding Orders (e-IWO) using the OCSE Portal, thus reducing the number of paper IWOs.

As more States join the e-IWO project, the number of paper IWOs received by employers, as well as the costs to the States for printing, stuffing, and mailing these documents, will be significantly reduced. Perhaps even more significant, States will realize an increase in collections from implementing e-IWO because a State will receive the first payment anywhere from 2 to 4 weeks earlier than if it sent a paper IWO.

Participation in e-IWO continues to grow with 18 States and 2 large payroll processors (Defense Finance Accounting Service and ADP), along with Ruby Tuesday, JC Penny, Burger King, USPS, and Verizon currently up and running. Including the companies represented by the payroll processors, more than 20 large employers participate in e-IWO. Many more large employers are developing the e-IWO application and will be implementing it this year.

Information and documentation for the e-IWO project may be found in the Software Interface Specification document at http://www.acf.hhs.gov/programs/cse/newhire/employer/publication/eiwo/sis/eiwo_sis_qc.htm.

Please contact Bill Stuart at william.k.stuart@lmco.com about how your State can join the e-IWO project.

Elena Fantroy from Express Professionals opens five buckets of mail that arrived in one day. Oklahoma hopes to reduce the volume of paper that needs to be handled as the company went live on e-IWO this June.



'Employer Participation Project' Assists States with New Hire Reporting Compliance

By Lynnetta Thompson and John Clark
OCSE

Over the past 20 years, income withholding has become the major source of child support collections in the United States. In 1988, child support income withholding collections were \$1.7 billion; 37 percent of total collections. By 2008, the amount increased to \$21.9 billion; 68 percent of the total collected.

The tremendous increase in collections by income withholding is partially due to employers complying with the mandatory new hire reporting requirements. When employers submit new hire reports, State child support agencies can issue an income withholding order to attach his/her wages. Unfortunately, some employers are not reporting all newly hired employees, while others are not submitting any new hires, which creates an obstacle for the child support community.

With 6.6 million employers throughout the nation, how can States identify those not reporting new hires?

The FPLS Employer Participation Project (EPP) assists States in identifying potential nonreporting employers. OCSE creates reports quarterly and identifies employers who may be out of compliance with new hire reporting requirements. Using SSNs and Federal Employer Identification Numbers (FEIN), OCSE compares Quarterly Wage records from two consecutive quarters.

Employees listed in one quarter, but not found in the previous quarter under the same employer's FEIN, are considered possible new hires. These possible new hires are then compared to W-4 data (new hires reported by States agencies to the NDNH) for the previous 24 months of the date the report was run.

OCSE sends the EPP report to State agencies electronically or in an encrypted file. Note that reports may not be sent directly by OCSE to State vendors due to the presence of personally identifiable information (PII).

Each State may choose to receive a variety of customized EPP reports including:

- A list of all possible nonreporting employers—the most popular but most cumbersome choice
- Employers with a (State-selected) number of new hire reporting violations
- Employers with more than a (State-selected) number of employees
- Employers with less than a (State-selected) percent (estimated) participation rate

In addition to the four options above, a State may request a report that compares their estimated employer participation rate to other States.

States are using the EPP reports to improve new hire reporting; one State used the reports in 2008 to work with employers and increased the number of new hire reports by more than 90,000 in a 10-month period.

Partnering with States to improve employer compliance through EPP is beneficial to the child support enforcement program. To receive the EPP reports, or to obtain additional information on the reports, please contact the Multistate Employer Registry (MSER) Help Desk at 410-277-9470 or MSERdb@acf.hhs.gov.

Maine Enhances New Hire Reporting

A new law in Maine is enhancing its new hire reporting program by requiring businesses that hire independent contractors for \$2,500 or more to report these individuals to the State in the same way that they report all other new hires. This way, the child support enforcement unit can check to see whether that person owes child support.

Previously, it was hard to get child support payments from self-employed individuals because their incomes

are hard to track. Some people preferred to be hired as independent contractors rather than regular employees of companies so that they could avoid having their income withheld automatically.

The new law, which takes effect in September, will make it more difficult for such people to evade their child support responsibilities. The business community supported the measure and worked with the child support program to ensure that the reporting would not cause a lot of extra work for businesses, while ensuring that children would get the support they deserve.

—Wendy Gray, OCSE



From One 'Seed,' New Mexico Veterans Outreach Program Springs to Life

By Debra Taylor
NM Child Support Enforcement Division

A few years ago, the New Mexico Human Services Department's Child Support Enforcement Division (CSED) recognized the need for specialized services for veterans with special circumstances, but did not have a starting point for an outreach program. The office had been getting about one call a month from veterans.

Fate intervened 2 years ago when CSED was contacted by John Kehoe, a social worker with the Domiciliary Program housed in the Albuquerque Veterans' Affairs Hospital. Kehoe was interested in how CSED might be able to help a veteran enrolled in his Domiciliary Program who wanted to reintegrate into society and get a job. The veteran had severe angst about how his delinquent child support case might affect his life and the new start he was attempting to make.

The veteran—Mr. Jones in this article—became the first veteran CSED was able to help through the VA Domiciliary Program. This one veteran meant one seed planted for CSED.

How the Domiciliary Program Works

The VA describes its "Domiciliary Residential Rehabilitation Treatment Program" (DOM) as providing "an opportunity for motivated, at-risk veterans to participate in a residential, rehabilitative, therapeutic community in order to assist the veteran in achieving his/her optimal level of functioning and to return to independent community living."

The Albuquerque DOM is one of 52 such programs across the United States. Since its inception 3 years ago, 297 veterans have completed the program in Albuquerque. The program includes three tracks: homelessness prevention, Compensated Work Therapy (CWT), and Intensive Substance Abuse Residential Rehabilitation (IWT).

The first track is designed to prevent homelessness among veterans and to help those who were once homeless to regain psychosocial stability and prevent



Above are New Mexico CSED Director Charissa Saavedra (left) and Debra Taylor, Constituent Services Supervisor. The Constituent Services office receives calls referred by the CSED Customer Service Center when callers identify themselves as a veteran.

a return to homelessness. This track is 30 to 90 days. The CWT and IWT tracks are geared mostly toward veterans who are disabled or have substance or alcohol abuse problems. The time spent in these two tracks varies widely. (See statistics for homeless and disabled veterans in New Mexico and the United States in the sidebar on next page.)

Helping CSED's First Veteran

CSED started helping its first veteran customer, Mr. Jones, when Kehoe met with CSED to explain the work and mission of the DOM. Kehoe also explained that Mr. Jones was preparing to get a job and was worried he would be arrested for delinquent child support. Mr. Jones wondered how he could get a job without his driver's license, which was suspended for nonpayment of child support. CSED assured him it could help.

Staff discussed all the facts of Mr. Jones' case and the Domiciliary Program with CSED Director Charissa Saavedra, who is eager to do everything possible to help veterans get back on track. Director Saavedra said, "The best thing about developing this program is that it will

help to rekindle family relationships and help ensure that children receive the support that they deserve.”

CSED decided it would evaluate each request from a participant in the DOM program on a case-by-case basis to determine the best possible approach to provide individualized services. Mr. Jones’ case was reviewed for possible ways to help him, including a review for CSED’s arrears management initiative, called the “Fresh Start” program.

For Mr. Jones, CSED first wanted to help reinstate his driver’s license for 90 days to allow him the opportunity to find a job. Then, conduct a modification review of his support order and possibly reach an agreement regarding a reasonable payment plan toward his arrears balance.

Happy Beginnings for Mr. Jones and CSED

Driver’s license in hand, Mr. Jones secured employment, signed a new stipulated agreement, is paying consistently, and is in compliance—a happy, new beginning.

CSED has had several happy new beginnings as well. It has facilitated assistance by various methods, which include: the waiver of arrears owed to the State; employment opportunities due to the reinstatement of driving privileges; and modifications of support orders. Best of all, many of these veterans were able to reestablish relationships with their families, which is the ultimate reward for CSED and the children it serves.

The CSED Customer Service Center refers callers to its Constituent Services office when they identify themselves as veterans. And CSED distributes brochures offering assistance to veterans throughout the State.

Kehoe and his first phone call led the way for CSED to help many other veterans. When asked what he finds most rewarding about his job with the DOM, Kehoe said, “The obvious; assisting people to get the appropriate services to better their circumstances.”

The little tree that sprouted from a single seed has branched out and is growing! CSED now works with other veterans’ organizations such as the New Mexico Workforce Solutions Department, Disabled Veteran Outreach Program, and the New Mexico Department of Military Affairs. The word is spreading that CSED is here to help veterans, and they do not need to be afraid to step forward and request assistance.

For more information, please contact CSED’s Constituent Services Supervisor Debra Taylor at 505-476-7037 or Debra.Taylor@state.nm.us.



U.S. VETERANS!

Do you have questions or concerns about child support? We want to hear from you!!



Here’s how to contact us:

Contacting our Customer Service Information Center is a simple and confidential method of gaining basic information on meeting and managing your obligation.
1-800-288-7207

Our 24/7 New Mexico KIDSLINE lets you call for basic information and leave voice mail anytime, day or night!
1-800-759-5437

Here are some options we may be able to help with!

Non-custodial parents are always entitled to a confidential, no obligation review of child support cases.

If you owe arrears, you may qualify for our Arrears Management Program. If your application is approved, we will work with you to manage principal, interest and payment schedules. Call today to find out more!

If your driver’s license is suspended for non payment of child support, we may be able to help you get back on track. Call us!

If you are the custodial parent and need assistance, please call us!

New Mexico CSED distributes a brochure like this to veteran’s organizations statewide, which distribute them to veterans to let them know about CSED services.



Homeless Veterans

Of the 23.6 million veterans nationwide, between 195,000 and 200,000 are homeless. The US Department of Veterans’ Affairs estimates that twice this number of veterans is homeless at some point during the course of a year. Of the 176,447 veterans living in New Mexico, an estimated 7,000 are homeless at some point during the year.

Nationally, an estimated 45 percent of disabled veterans are dealing with a mental illness, and over 70 percent of disabled veterans are dealing with alcohol and substance abuse. There are 2.9 million veterans with a disability throughout the country. New Mexico records reflect that almost 35,000 veterans and their families received VA compensation in 2008. There were over 18,000 new claims for benefits and services last year in New Mexico.

—Debra Taylor, NM CSED

Father's Full Payment Sails In To New York City

By Linda LaGreca and Frances Pardus-Abbadessa
New York City Office of Child Support Enforcement

OCSE Region II, comprised of New York, New Jersey, Puerto Rico, and the Virgin Islands, has a reputation for catching up with child support evaders even when those evaders take to the high seas. (See "A Cruise to Justice" on page 6 of the April 2008 Child Support Report.) New York City recently contributed to this reputation after learning that a noncustodial parent had set sail from New York Harbor on a 1,000-day sea voyage in 2007, leaving behind nearly \$10,000 in child support arrears.

The newspaper reported on the trip in the spring of 2008, revealing that the sailor-dad sought and obtained many corporate sponsors of food and equipment, as well as donations from private citizens, to facilitate his voyage on a 72-foot schooner he allegedly built himself. The New York City Office of Child Support Enforcement (OCSE) took due notice!



Frances Pardus-Abbadessa (left) and Linda LaGreca

Mid-point into his voyage, the sailor-dad started running out of funds and supplies. He appealed to his sponsors and benefactors advertising on his Web sites to hold another fundraiser. In the meantime, and undeterred by the fact that there is no New York State-Pacific Ocean reciprocal enforcement arrangement, New York City's OCSE Special Investigations Unit sent information subpoenas to his post office box where one of his friends had access to and retrieved his mail.

The unit sent restraining notices to seize the sailor's PayPal accounts and a bank account, which was discovered when Linda LaGreca, New York City's OCSE Executive Director for Enforcement, sent her personal check for \$20 to attend his fundraiser. The check was subsequently cashed by the sailor. This was a logical way "to follow the money trail," said LaGreca.

On the day of his fundraiser, held in late 2008, LaGreca and two New York State Department of Taxation and Finance Agents, with the assistance of four uniformed officers of the New York Police Department, converged on his fundraising party on a Hudson River pier.

New York City's OCSE recovered nearly \$1,000 in cash through that intervention, most of which had been hidden under a "false bottom" of their metal cash box. "When one of his benefactors questioned whether we intended to seize the box itself, it raised my suspicions," said LaGreca, "so I began to jiggle the box and discovered the money at the bottom."

When the sailor-dad subsequently received the subpoenas and notices of property execution upon the newly discovered bank account, among other things, one of his cohorts sent in a payment of \$2,000. The sailor's arrears were now reduced to a little over \$6,000.

According to LaGreca, "that was when I sent him a letter thanking him for his recent payment, informed him of his new balance, and advised him to pay in full to avoid further enforcement action, including the satisfaction of his lien."

LaGreca's strategy paid off because the sailor-dad did exactly that. He PAID his obligation in full!



For more information about this unique example to reduce arrears—a goal of the national Project to Avoid Increasing Delinquencies (PAID), please contact Linda LaGreca at

Linda.LaGreca@dfa.state.ny.us. For more information about other PAID-related activities in Region II States, please contact Jens Feck at jens.feck@acf.hhs.gov.

I'm planning to attend the workshop on Tribal and Government relations.

Me, too. I heard it's great. I also read the article at the bottom of this page.



Register Today:

<http://www.ocseregistration.vovici.net/se.ashx?s=705E3EF37C07B727>

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***“Dollars and Sense:
Child Support in a
Changing Economy”***

OCSE National Conference to Offer New Tribal Workshop on Government-to-Government Relations

The OCSE 19th National Training Conference in November will offer a new workshop on “Government-to-Government Relations Between Governments and Native American Tribes.”

The presenter, Randy A. Doucet, plans to focus his workshop on:

- A historical overview of major Indian policies that have led to current government-to-government relations;
- Modern Tribal governments; and
- Methods for creating and maintaining effective government-to-government relations with Native American Tribes.

Doucet is General Manager for Governmental Operations for the Upper Skagit Tribe in Washington State and previously served as Chief Judge for the Lummi Nation Tribal Court.

To adequately cover Doucet’s material, the conference will offer two workshop time-slots for the complete presentation.

This May, Doucet presented this workshop on Federal and Tribal Government relations at a 1-day training for OCSE staff.

OCSE Commissioner Vicki Turetsky says she looks forward to this workshop as part of this annual conference. “The relationship we have developed among Federal, State, and Tribal child support programs represents the best of government,” says Turetsky. “As the number of Tribal child support programs grow, so, too, will their relationships with all child support agencies, and the national child support program’s ability to serve Tribal families.”



Randy A. Doucet

Financial Management Service Receives OCSE Outstanding Partnership Award

In recognition of the Department of Treasury's Financial Management Service's (FMS) ongoing efforts to help improve the lives of children and families needing financial support, OCSE's Division of Federal Systems presented the agency with the 2009 Outstanding Partnership Award during its semi-annual, all-hands meeting in April.

The partnership between OCSE and FMS has aided State child support agencies in the collection of tens of billions of dollars for families and children through the Federal Tax Refund and Administrative Offset programs. Since FMS took over financial operations from IRS in 1998, the offset programs have collected \$19.7 billion on more than 7 million cases. Last year alone, offset

collections exceeded \$2.8 billion, and every State child support agency collected its highest total since the inception of the tax refund offset program in 1982.

Long before IRS cut the checks that resulted from the Economic Stimulus Payments in 2008, FMS worked with OCSE to establish procedures for offsetting those special payments. That hard work and preparation paid off as actual numbers from last year's stimulus payments exceeded expectations, with those offsets attributing \$863 million of the total \$2.8 billion collected in 2008.

FMS and OCSE are again working closely this year to ensure maximum benefit for children and families through the Administrative Offset of the one-time, \$250 Economic Recovery Payments (ERP) to recipients of Social Security, Supplemental Security Income, Railroad Retirement Board, and Veterans' Compensation and Pension benefits. As of mid-July, more than 424,000 ERP offsets have occurred totaling \$104 million in collections.



President's Fatherhood PSA

President Obama has recorded a public service advertisement (PSA) for the National Responsible Fatherhood Clearinghouse, an entity the National Fatherhood Initiative runs with the US Department of Health and Human Services. See the PSA at:

www.fatherhood.gov



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Child Support Report is published monthly by the Office of Child Support Enforcement, Division of Consumer Services. We welcome articles and high-quality digital photos. We reserve the right to edit for style, content, and length. Contents are for informational purposes only; no official endorsement of any practice, publication, or individual by the Department of Health and Human Services or the Office of Child Support Enforcement is intended. Use of this material is welcomed; please identify *Child Support Report* as the source.

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