



DEPARTMENT OF HEALTH AND HUMAN SERVICES

DATE: 1/6/00
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TOTAL NUMBER OF PAGES SENT: 6
(including cover page)

COMMENTS:

Eric —
Please note that this is the
recent draft. All the Dept's
have not been included.

— Ellen —

DRAFT

"HOLD" per
MKharfen
12/29

FOR IMMEDIATE RELEASE

Contact: Michael Kharfen
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CHILD SUPPORT ENFORCEMENT BREAKS NEW RECORDS

More federal income tax refunds seized, new program to identify financial accounts shows early success and criminal task forces make more arrests

HHS Secretary Donna E. Shalala announced today that the federal and state child support enforcement program broke new records in nationwide collections in fiscal year 1999, reaching \$15.5 billion, nearly doubling the amount collected in 1992.

The federal government collected a new record amount of \$1.3 billion in overdue child support from federal income tax refunds for tax year 1998, an 18 percent increase over the previous year and a 99 percent increase since 1992. Nearly 1.4 million families benefited from these collections.

In addition, a new program to match delinquent parents with financial records found 662,000 accounts since August 1999 with a value of about \$1 billion.

"We are working harder than ever to ensure children get the support from both parents they deserve and need," said Secretary Shalala. "We make no apologies for using tough measures, but we also are striving to help those parents who can't meet their responsibilities find the means to do so. Every child deserves the financial and emotional support of both parents."

Secretary Shalala also reported that the Clinton Administration criminal child support enforcement initiative "Project Save Our Children" is succeeding in its pursuit of chronic delinquent parents who owe large sums of child support. Multiagency regional task forces have investigated 800 cases resulting in 275 arrests, 210 convictions and the payment of \$5.3 million in owed child support to date. These teams include representatives from the HHS Office of Inspector General and Office of Child Support Enforcement and from the Department of Justice, state child support agencies and local law enforcement organizations.

"Because of the increased scrutiny and cooperation of the federal, state and local agencies responsible for child support enforcement, it has become much more difficult for non-custodial parents to ignore their financial obligations to their children," said HHS Inspector General June Gibbs Brown. "As a result of the successes of these multiagency teams in identifying and catching those seriously delinquent in their payments, more children than ever before are getting the help they need."

- More -

Under the federal tax offset program, state child support agencies report names of parents who owe child support payments and the overdue amount to the HHS Administration for Children and Families (**who then notify? the IRS?**). These individuals are then notified (**by ACF? IRS? who?**) in writing of the amount to be deducted from their income tax refund to cover their child support debt. The delinquency may also be reported to credit reporting agencies.

The 1996 welfare reform law included President Clinton's proposed Financial Institution Data Match Program; which matches records of delinquent parents with financial institutions. The program requires states to identify accounts of delinquent parents and use existing state laws to "freeze and seize" the dollars. In 1998, Congress made it easier for multi-state institutions to match records by using the federal Office of Child Support Enforcement. Over the past year, with the cooperation of the financial industry and their associations, HHS negotiated agreements with more than 2,300 financial institutions. When successful matches are made, the information is sent to the states within 48 hours for placement of a lien on and seizure of all or part of the accounts identified. *one word*

The 1996 law also established grants to states and territories to support and facilitate non-custodial parents' access and visitation with their children. In 1997, HHS awarded \$10 million in grants to all states and territories. Based upon preliminary information from 28 states and 2 territories, the program served almost 20,000 individuals with the most individuals receiving parenting education, assistance in the development of parenting plans, and mediation services.

"The 1996 welfare reform law gave the child support enforcement program the toughest measures ever enacted. Our new enforcement tools are beginning to deliver on their promise," said Olivia A. Golden, HHS assistant secretary for children and families. "As we succeed in finding every available dollar from parents to support their children financially, we are also striving to help children grow healthy and strong with the emotional support of both parents."

Parents whose children receive Temporary Assistance for Needy Families (TANF) and whose unpaid child support totals \$150 or more may have their federal income tax refunds withheld. For tax year 1998, refunds were withheld on behalf of more than 919,000 families with children receiving TANF. Parents of children who do not receive TANF must owe at least \$500 to have their refunds withheld. More than 492,500 non-TANF families benefited from the program in Fiscal Year 1999. ✓

For tax year 1998, the total amount collected was \$1.3 billion, up from \$661 million in tax year 1992. For tax year 1998, the overall average collection per family was \$933. The average collection for non-TANF families was \$952, and the average collection for TANF families was \$923. Collections for tax year 1998 were made after tax returns for that year were filed in 1999 and refunds requested.

Since taking office, the Clinton Administration made child support enforcement a critical priority. The National Directory of New Hires, which matches child support orders to employment records, found more than 2.8 million delinquent parents in its two years of operation. Paternity establishment rose to 1.45 million in 1998, a more than three-fold increase from 516,000 in 1992. The Passport Denial Program has collected more than \$2.25 million in lump sum child support payments and is currently denying 30 to 40 passports to delinquent parents per day.

"No administration in the 25 years of the program has done more for child support enforcement than the Clinton administration," said David Gray Ross, commissioner of the Office of Child Support Enforcement. "Every day the hard working federal, state, local and private employees in the child support enforcement program commit to their goal of putting children first."

Attached is a state by state list of the tax-offset collections and families served.

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Note: For other HHS Press Releases and Fact Sheets pertaining to the subject of this announcement, please visit our Press Release and Fact Sheet search engine at: <http://www.os.dhhs.gov/news/press/>.

State	Tax Offset Collection	Families
Alabama	\$23,953,288	24,518
Alaska	3,777,117	4,078
Arizona	20,702,654	18,485
Arkansas	14,959,732	16,213
California	198,627,117	178,443
Colorado	17,983,199	20,031
Connecticut	17,749,479	19,945
District of Columbia	3,954,017	4,315
Delaware	4,083,231	5,066
Florida	61,337,604	62,919
Georgia	36,109,845	37,862
Guam		
Hawaii	5,458,020	6,182
Idaho	6,607,241	7,351
Illinois	39,049,178	42,667
Indiana	33,626,734	36,888
Iowa	18,760,630	22,397
Kansas	15,990,212	18,219
Kentucky	21,242,012	25,975
Louisiana	17,759,083	18,271
Maine	9,151,698	10,908
Maryland	19,663,636	21,876
Massachusetts	19,062,292	21,976
Michigan	66,858,360	77,323
Minnesota	15,721,735	19,746
Mississippi	15,826,112	17,373
Missouri	28,420,642	32,816
Montana	3,618,321	4,398
Nebraska	6,766,120	9,033
Nevada	7,248,325	7,341
New Hampshire	4,832,035	5,927
New Jersey	31,737,614	32,712
New Mexico	5,444,853	5,547
New York	59,063,612	64,875
North Carolina	28,137,214	32,493
North Dakota	3,793,687	4,724
Ohio	76,428,911	87,217
Oklahoma	15,675,355	16,589
Oregon	17,690,227	20,870
Pennsylvania	50,437,795	62,146
Puerto Rico	2,907,494	2,571
Rhode Island	2,787,937	3,680
South Carolina	11,301,144	12,857
South Dakota	3,677,617	4,766
Tennessee	27,072,574	26,524
Texas	119,318,771	112,594
Utah	8,374,017	9,082
Vermont	2,958,799	4,006
Virgin Islands	306,079	245
Virginia	22,472,068	27,294
Washington	32,437,647	36,788
West Virginia	10,818,674	13,646
Wisconsin	32,338,429	40,091

Wyoming	3,993,758	4,533
U.S.	\$1,328,073,944	1,424,392



Paul Legler <plegler@acf.dhhs.gov>
12/21/99 02:34:39 PM

Please respond to plegler@acf.dhhs.gov

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc: J. Eric Gould/OPD/EOP

Subject: information requested

The newest information on the passport denial program is that \$3 million in lump sum payments has been received. This is based only on what States voluntarily report.

We could not get a firm figure of the number of passports denied but, based upon the average per day, we estimate that since the program's inception in June 1998 through December 17, 1999, approximately 13,755 passports have been denied.

I am faxing you additional information on your most recent requests at our Treasury meeting.

12/9 | HHS Child Support |

① New collections - about 15.5 bi

"nearly doubled" from 8 bi

② "Nearly 3 million" matches
from A.D.M.H. during FY 1999
→ f.a. to states

⇒ ~34 states automated

(Some level → not all wholly)

** what was FY 1998 #s

③ \$1.3 bi collections tax refund

→ state by state this

up 18% since last year

(\$1.1 bi)

** what was it in 1992?

④ Financial matches July - Sept 1999

662,619 amounts found

485,252 people + due prior rules

→ manual process → diff state rules on first cases

(5) Access Visitation

- Expansion proposals?

R. Haskins?

NCSC?

→ whom Admin 194 bill

* * when will we have new data
(have FY 1977)

(6) Fragile Families waivers

→ Keon to call OMB

(7) Research priorities

→ being developed

→ will see as best / open to ideas

→

(8) Re-entry

→ Colorado Jano doing this

→ use chairs, lic, parent

visitation as works

→ Next yr will be grants re: re-entry
order while in prison

(9) Preliminary 198 rpt on web
Working on final rpt

(10) What are state long term Sec 406?

(11) Medical support work group
(Suzanne Weinstein)

→ finalized rec early Jan

→ then report

→ will be significant

(12) Passports

** get cumulative #s denied

Status of Access and Visitation Program

Grants to States for Access and Visitation is a Federal program to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children. The grants program was established as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Allowable activities include: mediation, counseling, education, development of parenting plans, visitation enforcement, monitored visitation, supervised visitation, neutral drop off and pickup, and development of guidelines for visitation and alternative custody arrangements.

State Participation and Funding. Beginning in FY'97, the program has provided nearly \$10 million annually to all states, Puerto Rico, Virgin Islands and the District of Columbia. The funding level is set by statute; the allocation of funds among States is determined by a statutory formula and ranges from almost \$1 million for California to a statutory \$100,000 minimum. Thirty-four State Child Support Agencies operate their programs; other States administer the program through the Social Service umbrella agency, the State Court, or other units.

Regulations and Reporting Requirements. Regulations, provided for in the Act, were promulgated on March 30, 1999 covering reporting, evaluation and monitoring requirements. A key requirement is that states are asked to monitor their programs to prevent domestic violence to either spouse and/or child(ren). Reporting requirements were also set forth, and OMB cleared a survey form. States are allowed to use program funds for evaluation; there are no Federal plans to evaluate the program currently.

Report on FY '97 Activities. OCSE has issued a preliminary report on State activities conducted in the first year. Highlights of the report are as follows: 28 States report that they served almost 20,000 individuals; this will increase as more States report. The most commonly provided services included:

- parental education (10,000 individuals),
- development of parenting plans (4,700 individuals),
- mediation (3,700 individuals), and
- supervised visitation (3,400 individuals).

Most states however, provided a range of services. Services were provided for the most part by non-profit agencies and courts; services in almost half the States were combined with other programs.

Referral was mostly through courts, self-referral, and child support or service agencies. There is an appropriate balance of services by rural/urban, majority/minority and divorced/separated and unmarried populations.

12/99

Project Save Our Children (PSOC)

Project Save Our Children is targeted at the group of parents who over long periods of time willfully fail to take responsibility for their children. By prosecuting parents who will not provide support, we are sending a pointed message of responsibility to them and helping to give their children a better chance in life.

Project Save Our Children is a coalition of five task forces, which covers 18 states and the District of Columbia. (California, Delaware, District of Columbia, Illinois, Indiana, Louisiana, Maryland, Michigan, Minnesota, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Virginia, Washington, West Virginia.) These States account for 65% of the nation's child support cases. This initiative addresses interstate cases by: (1) creating a formal partnership between CSE and the criminal justice system; (2) devising new ways to analyze and interpret information; and (3) making child support enforcement a priority with the criminal justice community.

The new teams are based on a model project in Columbus, Ohio, launched in 1998. The Midwest law enforcement task force, formed by the HHS Office of Child Support Enforcement and HHS Inspector General's Office, joined with Justice Department prosecutors and investigators, state child support agencies, and local law enforcement officials to coordinate efforts in a new investigative team, with promising results so far. At the heart of the task force is the newly created case screening unit and its information platform through which public and private databases are queried in an attempt to gather information concerning the whereabouts and assets of the non-custodial parents. Since the initiation of this first task force, four other information platforms serving the other 13 States and the District of Columbia have been established in Baltimore, Maryland, Dallas, Texas, New York, New York and Sacramento, California. These sites were set up within the OCSE Division of Audit Area Audit Offices and were all operational prior to October 1, 1999. To date, over 1200 cases have been received in the screening units and over 800 of them have been referred to the investigative units, with over 275 arrests being made. More than \$5.3 million in restitution has been ordered.

*not nec paid
but also additional pay out before restitution*

Project Save Our Children's goal is to increase child support collections through the identification, investigation, and, when warranted, prosecution of flagrant, delinquent child support offenders. Project Save Our Children makes this possible by creating a nationwide, comprehensive, coordinated Health and Human Services/Justice Department response to unresolved interstate and intrastate child support enforcement cases alike.

State child support offices will refer their most serious child support cases to these sites, where trained investigative staff will locate the violator, document information needed for prosecution, and then provide the investigated case to the appropriate prosecutor.

Project Save Our Children deals with the most serious and flagrant child support cases. We will be working with our state and local partners to take vigorous action and to let everyone know that no one is above the law when it comes to supporting their children. We are currently working very hard in New York, Dallas and Sacramento to fully implement all of the elements of this partnership and increase the numbers of cases flowing through the PSOC system.

12/99

CSE: Status of EFPLS, Federal Offset & Multistate Financial Institution Data Match

Presented To:
Domestic Policy Council
December 9, 1999

Office of Child Support Enforcement
The Administration For Children and Families

Department of Health and Human Services



Status of EFPLS (NDNH-FCR) and the Federal Offset Program



- *Matching between NDNH & FCR during FY 1999 resulted in obtaining address or employment information for nearly 3 million non-custodial parents (NCPs) and putative fathers (PFs)*
- *Over \$1.3 billion collected by Federal Tax Refund and Administrative Offsets since January 1999*

*Status of Multistate Financial
Institution Data Match
(as of December 6, 1999)*



- *Number of Multistate Financial Institutions (MSFIs) Participating*
2,837
- *Number of delinquent obligors on Inquiry File*
3.7 million
- *Number of States receiving matches*
48*

**Colorado, Michigan, Mississippi, Wisconsin, Guam, and Puerto Rico did not list delinquent obligors in the first quarter.*

*Status of Multistate Financial
Institution Data Match
(as of December 6, 1999)*



- *Number of matches distributed to States
from July, August & September processing*

662,619 *accounts*

- *Number of unique social security numbers
with matches distributed to States*

485,252 *people*

Success using the Multistate Financial Institution Data Match



■ **West Virginia** Family had not received a payment in more than 2 years from tax offset, wage withholding, nor benefit payments. State received 2 matched accounts from MSFIDM; a savings account with a balance of over \$25,000 and a checking account valued at \$4,000 both of which listed the NCP's girlfriend as the primary account holder. State recovered **\$16,000** from the non-custodial parent. The collection was distributed to the family.

■ **Ohio** The obligor resides in State and has two cases with combined arrears totaling over \$20,000. State received a MSFIDM match on a savings account, froze and seized \$14,793. The collection was prorated between the two cases and distributed to the two custodial parents.

not certified system

■ **Florida** To date, State has levied 232 accounts and collected \$191,706.04 as a result of MSFIDM matches.

*Pennsylvania - low 500 averages over bank
(still getting info)*

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Thursday, Dec. 31, 1998

Contact: Michael Kharfen
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CHILD SUPPORT COLLECTIONS REACH NEW RECORDS **President Clinton Announces New Efforts to Increase Criminal Child Support Enforcement**

The Department of Health and Human Services today announced two new records for the child support enforcement program, and President Clinton took further steps to increase criminal enforcement efforts to collect seriously delinquent child support payments.

HHS reported that the federal/state program collected an estimated \$14.4 billion for fiscal year 1998, an increase of 7 percent from 1997's \$13.4 billion, and an increase of 80 percent since 1992 when \$8 billion was collected. In addition, HHS reported, the federal government collected over \$1.1 billion in delinquent child support from federal income tax refunds for tax year 1997. This amount was 3 percent higher than the previous year and a 70 percent increase since 1992. Collections were made on behalf of nearly 1.3 million families.

"Each year that we break child support records, more children get the help they need and deserve," said HHS Secretary Donna E. Shalala. "The Clinton administration is determined that every parent in America will understand and honor their obligations to their children. And we will use every means at our disposal to ensure that those parents who refuse to meet their responsibilities, but who have the resources, will provide emotional and financial support to their children."

President Clinton also announced today the establishment of new task forces covering 17 states and the District of Columbia across the country, which will help pursue chronic delinquent parents who owe large sums of child support. The new teams will be based on a model project in Columbus, Ohio, launched earlier this year. The Midwest law enforcement task force, formed by HHS' Office of Child Support Enforcement and its Inspector General's Office, joined with Justice Department prosecutors and investigators, state child support agencies and local law officials to coordinate efforts in a new investigative team, with promising results so far. The task force covered 5 states: Illinois, Indiana, Michigan, Minnesota, and Ohio. Of 358 cases received from states, 306 were investigated resulting in 181 arrests with 170 convictions or settlements and over \$3.6 million was ordered to be paid. The new task forces will be established in Baltimore, Dallas, New York, and Sacramento.

"Children denied financial assistance are among our most vulnerable citizens. They are more likely to have health concerns, develop problems with teenage pregnancy, drop out of high school, and engage in violence," said Attorney General Janet Reno. "By prosecuting parents who do not provide support, we will help give these children a better chance in life."

"My office is committed to this new child support law enforcement initiative," said Inspector General June Gibbs Brown. "This office sees the task force approach as an effective way of getting funds to deserving children while at the same time bringing criminals to justice."

In addition, HHS, with the support of the Justice Department, will work to enter into memorandums of understanding with state child support agencies to utilize the full federal criminal enforcement authority by insuring timely referrals of appropriate cases.

- More -

"For every child support dollar we collect, children have more hope they can rely on their parents instead of welfare for their well-being," said Olivia A. Golden, HHS assistant secretary for children and families. "We won't rest on our laurels, but spur ourselves to do more for the millions of children who don't receive child support."

Under the federal tax offset program, state child support agencies report names of parents who owe child support payments and the overdue amount to the HHS Administration for Children and Families. These individuals are then notified in writing of the amount that will be withheld to cover their child support debt. That amount is then deducted from their income tax refund. The delinquency may also be reported to credit reporting agencies.

Parents whose children receive Temporary Assistance to Needy Families (TANF) and whose unpaid child support totals \$150 or more may have their federal income tax refunds withheld. For tax year 1997, refunds were withheld on behalf of over 869,000 families with children receiving TANF. Parents of children who do not receive TANF must owe at least \$500 to have their refunds withheld. Nearly 428,000 non-TANF families benefited from the program this year.

For tax year 1997, the total amount collected was \$1.124 billion, up from \$661,771,371 in tax year 1992. For tax year 1997, the average collection was \$866.56; \$873.06 for non-TANF families and \$863.36 for TANF families. Collections for tax year 1997 were made after tax returns for that year were filed in 1997 and refunds requested.

"This has been another exciting year for the child support enforcement program. Today's records add to our success finding more than 1.2 million delinquent parents by matching our new national directories of people employed with those who owe child support," said David Gray Ross, commissioner, HHS office of child support enforcement. "I congratulate all those dedicated workers in the nation's child support partnership that every day help put more food on the table and hope in the hearts of children."

Since taking office, the Clinton administration made child support enforcement a high priority, resulting in unprecedented financial collections for children who are owed support. In addition to the collection accomplishments, paternity establishment rose to nearly 1.3 million in 1997, an increase of over 250 percent, from 516,000 in 1992. The new child support enforcement measures included in the new welfare reform law are projected to increase collections by billions over the next 10 years.

Attached is a state by state list of the tax-offset collections and families served.

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Note: HHS press releases are available on the World Wide Web at: <http://www.dhhs.gov>.

State	Tax Offset Collection	Families
Alabama	\$25,751,891	27,391
Alaska	3,988,757	4,622
Arizona	11,404,946	11,953
Arkansas	13,537,260	15,700
California	151,286,394	150,052
Colorado	14,648,018	17,198
Connecticut	14,722,764	17,337
District of Columbia	2,936,434	3,368
Delaware	3,666,838	4,573
Florida	52,891,685	57,807
Georgia	30,919,451	34,949
Guam	274,383	275
Hawaii	5,411,774	6,506
Idaho	4,791,269	5,831
Illinois	39,218,600	45,563
Indiana	23,496,469	27,785
Iowa	17,851,601	21,837
Kansas	13,215,839	15,881
Kentucky	17,827,360	22,810
Louisiana	19,417,892	20,994
Maine	7,890,171	9,653
Maryland	22,458,245	25,487
Massachusetts	14,930,373	20,511
Michigan	60,701,723	73,422
Minnesota	9,471,659	13,278
Mississippi	16,786,885	18,730
Missouri	27,046,691	33,355
Montana	2,814,767	3,659
Nebraska	5,121,280	7,384
Nevada	5,168,632	5,909
New Hampshire	4,060,058	5,319
New Jersey	26,758,814	30,194
New Mexico	5,252,025	5,913
New York	48,758,599	56,134
North Carolina	27,267,247	32,418
North Dakota	2,843,006	3,835
Ohio	63,498,797	77,465
Oklahoma	12,553,545	14,069
Oregon	11,313,065	14,820
Pennsylvania	47,054,008	59,438
Puerto Rico	3,155,251	2,869
Rhode Island	2,618,691	3,529
South Carolina	10,203,403	11,648
South Dakota	3,075,695	4,248
Tennessee	24,840,377	25,445
Texas	94,726,951	104,203
Utah	6,174,805	7,304
Vermont	2,195,685	3,303
Virgin Islands	276,436	226
Virginia	21,806,163	26,988
Washington	27,410,054	33,523
West Virginia	8,588,782	10,979
Wisconsin	27,074,922	35,968
Wyoming	2,861,903	3,440
U.S.	\$1,124,018,361	1,297,104