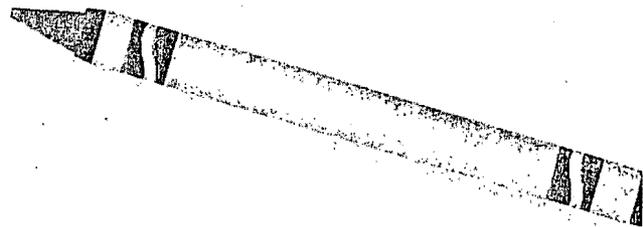


# New Hire Reporting

It's good for children



Giving Hope and Support to  
America's Children



Office of Child Support Enforcement

All of us in the Child Support Enforcement community thank you for helping to build the strong partnership that exists today between employers and child support programs across the country. The real beneficiaries are of course the millions of children whose lives are made more secure because their parents are paying their child support through wage withholding. The New Hire reporting program is essential to this effort and together with wage withholding, should result in millions of increased support dollars for children. Your cooperation makes a difference in children's lives, and we thank you again for your commitment.



# BACKGROUND ON CHILD SUPPORT

**T**oday America faces an unprecedented number of children growing up in single-parent households, whether from divorce or ended relationships. These children need and deserve financial and emotional support from *both* of their parents.

Given our increasingly mobile society, the growing number of child support cases involving parents residing in different States is not surprising. Keeping track of parents who move from State to State is one of the most difficult tasks in child support enforcement.

The Federal Child Support Enforcement Program has been at work since 1975, when it was established under Title IV-D of the Social Security Act, to collect child support payments for children in single-parent families. The program's goal is to ensure that children are financially supported by both parents. The program benefits children and families by locating noncustodial parents, establishing paternity when the parents are not married, and establishing and enforcing child support orders.

Welfare reform legislation enacted in 1996 provides strong measures for ensuring that children receive financial support. Your participation in the implementation of this legislation is vital to its success and can make the difference to millions of families who are in need of child support.

One key provision of welfare reform affecting employers is that all States must have a program that receives and processes information about the newly hired. The New Hire reporting program collects timely information about the newly hired so that child support orders can be more effectively enforced whether parents live in the same State or across State lines. Basic information already on the W-4 form will help child support agencies track the whereabouts of noncustodial parents. This information will be transmitted from State directories to a National Directory of New Hires, a component of the Federal Parent Locator Service (FPLS), operated by the Federal Office of Child Support Enforcement. The FPLS serves as a bridge between child support agencies and Federal and State agencies by conducting weekly, biweekly and monthly name/Social Security number matches.

On the local level, New Hire reporting gives State child support agencies the ability to issue wage withholding orders—the most effective means of collecting child support—much more quickly.

On the national level, the Federal Parent Locator Service currently matches information with a number of Federal agencies. Under the new welfare reform law, it will be expanded to gather information from each State's Directory of New Hires and from Federal agencies' New Hire records to become a powerful location tool for finding parents all over the country who do not pay their child support.

***Your cooperation in reporting newly hired employees will go a long way towards supporting our nation's children.***

*This is a program which will help children get the support they deserve from their parents and will help to get parents to meet their obligations.*

Carol Minami  
President  
Quality Connections

**N**ew Hire reporting is a process by which you, as an employer, report information on newly-hired employees to a designated State agency shortly after the date of hire.

States will match New Hire reports against their child support records to locate parents, establish an order, or enforce an existing order. Once these matches are done, the State will submit the New Hire reports to a National Directory of New Hires. (Federal agencies will report directly to the National Directory of New Hires.)

*A lot of people, when a new program is instituted, their first reaction is, "Oh, great. More government red tape." I have to admit, though, having been involved with the program for a while now, it's really just a part of our normal business and part of how we want to portray ourselves in the community — as helping in these types of situations.*

*Jim Owen  
Payroll Manager  
Meijer, Inc.*

Because over 30 percent of child support cases involve parents who do not live in the same State as their children, creating a National Directory of New Hires and matching data against it will enable the Federal Office of Child Support Enforcement to assist States in locating parents who are living in other States. Upon receipt of New Hire information from other States, State Child Support Enforcement agencies will take the steps necessary to establish paternity, establish a child support order or enforce existing orders.

State agencies operating Employment Security and Workers' Compensation Programs may also have access to their State New Hire information to detect and prevent erroneous benefit payments. State agencies can also conduct matches between the New Hire database and certain other State programs to prevent unlawful or erroneous receipt of public assistance payments.

## Highlights

- The New Hire report must contain, at a minimum, the following information which is contained on a W-4 form:
  - Employee Name*
  - Employee Address*
  - Employee Social Security Number*
  - Employer Name*
  - Employer Address*
  - Federal Employer Identification Number (FEIN)*
- Some States may require or request additional data.
- New hires must be reported to the State within 20 days of the date of hire. **NOTE: States may establish more stringent reporting requirements.** If an employer reports electronically or by magnetic media, the employer must report by two monthly transmissions (if necessary) not less than 12 nor more than 16 days apart.
- Nearly half of the States have already implemented a New Hire reporting system.
- If you have employees in a State without a previously existing New Hire program, that State must establish a program no later than October 1, 1997.
- States currently operating New Hire programs must change their programs to conform to the new Federal requirements no later than October 1, 1998.
- If you have employees in a State which currently has New Hire reporting, you will be notified about any changes in your procedures and when those changes will go into effect.

# BENEFITS OF NEW HIRE REPORTING

**W**hen you, as an employer submit information about your newly hired employees to the New Hire reporting system, you create benefits for your business, children in your community, and citizens across the country.

## New Hire Reporting Improves Each Step of the Child Support Enforcement Process

Because the process of child support enforcement involves a multitude of tasks, the road to collecting child support is

made more difficult by an uncooperative noncustodial parent. Child support workers need up-to-date information to help them locate

and collect funds from individuals who are avoiding their child support responsibilities. New Hire reporting provides another tool with which to locate noncustodial parents quickly, establish paternity and enforce support orders.

## New Hire Reporting Establishes More Paternities and More New Child Support Orders

New Hire reporting will enable States to locate alleged fathers of children in need of support. They will be notified and provided the opportunity to admit or deny paternity. If paternity is established, then an order of support and wage withholding can be made.

## New Hire Reporting Reduces Government Spending on Welfare

Unfortunately, some parents do not take financial responsibility for their children. Until now, they could escape State child support collection agencies by changing their State of residence, thereby avoiding Statewide tracking systems. They could also avoid their duty by quitting a job before their State and Federal paperwork would alert authorities to their new employment.

The resulting lack of child support often forces families to seek welfare, Medicaid, and Food Stamps. Timely reporting of New Hire information will enable State agencies to locate absent parents sooner and will decrease families' dependence on public assistance.

## New Hire Reporting Helps Prevent Unemployment Benefit Overpayments

Businesses can help reduce fraudulent unemployment payments when they take part in a more efficient New Hire reporting system. When businesses report New Hires, they provide timely information to help reduce the number of employed persons fraudulently receiving unemployment insurance and abusing the system. State Employment Security Agencies use new hire data to help reduce the incidence of illegal or erroneous claims by comparing the new hire information to their active files. This, in turn, can lead to a reduction in unemployment insurance costs for employers.

New Hire reporting also helps prevent fraudulent Workers' Compensation claims by matching claims against State New Hire data.

*We found that New Hire reporting was responsible for the collection of an additional \$8 million a year in child support. Any time child support begins to be collected ... it prevents people from having to go on public assistance, it gives children the support they deserve.*

*Connie White  
Virginia Child Support  
Enforcement*

***New Hire Reporting — it's good for children and it's good business.***

**S**ecurity and privacy of New Hire data are important issues for all those involved in the implementation of this nationwide program. Federal law requires all States to establish safeguards for confidential information handled by the State agency. All State data will be transmitted over secure and dedicated lines to the National Directory of New Hires.

At the Federal level, the Secretary of the Department of Health and Human Services has established and implemented safeguards with respect to the Federal Parent Locator Service that:

- Ensure the accuracy and completeness of information in the Federal Parent Locator Service.
- Restrict access to confidential information in the Federal Parent Locator Service to authorized persons and purposes.

#### Information To Be Collected For The National Directory of New Hires

New Hire information maintained in the National Directory is limited to the information currently provided on a W-4 form:

the individual's name, address, and Social Security number, and the employer's name, address, and Federal Employer Identification Number.

*Virginia policy is very strict in defining New Hire reporting as confidential information. It's not shared with anyone other than those people directly working in child support or public assistance programs. We also plan to share it with our Virginia Employment Commission to assist them in catching fraudulent claims for unemployment insurance.*

*Connie White  
Virginia Child Support  
Enforcement*

In addition, quarterly wage data and unemployment compensation information will be part of the directory.

#### How Collected Information Will Be Used

Authorized information comparisons and disclosures of data in the National Directory of New Hires are strictly monitored. Federal law limits disclosures or access to the following:

*State agencies* administering the Child Support Program and the Temporary Assistance for Needy Families (TANF) Program.

*The Secretary of the Treasury* for purposes of administering advance payments of the Earned Income Tax Credit.

*The Commissioner of Social Security* for purposes of administering Social Security programs.

#### Who Has Access

The welfare reform law also includes provisions for making information in the Federal Parent Locator Service available to certain authorized persons for the purposes of establishing parentage and establishing, setting the amount of, modifying, or enforcing child support orders. All requests for information from the Federal Parent Locator Service must go through a State's Child Support Enforcement agency.

To make sure your business is in compliance, call your local child enforcement agency at the number listed below

State	Contact Number	Data Elements Effective on 10/1/97	Reporting Time Frames Effective 10/1/97	Data Elements Effective 10/1/98	Reporting Time Frames Effective 10/1/98
North Carolina	919/571-4114 ext. 304	W-4 elements (legislation pending)	20 days	No change anticipated	No change anticipated
North Dakota	701/328-3582	W-4 elements	20 days	No change anticipated	No change anticipated
Ohio	800/208-8887	W-4 elements	30 Days	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> <li>Date of birth (Legislation pending)</li> </ul>	20 days (Legislation pending)
Oklahoma	405/522-2550	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>State of hire</li> <li>Date of hire</li> </ul>	20 days	No change anticipated	No change anticipated
Oregon	503/373-7300 option #2	<ul style="list-style-type: none"> <li>Employee's Name</li> <li>Employee's SSN</li> <li>Employer's address</li> <li>Employer's tax I.D.</li> </ul>	14 Days	W-4 elements	20 days
Pennsylvania— check with state for effective dates	1-888-PAHIRES	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>State of hire (for multi-state employers only)</li> <li>Date of hire</li> <li>Date of birth</li> <li>Employer contact and phone number (proposed)</li> </ul>	20 days	No change anticipated	No change anticipated
Puerto Rico	787/767-1500	W-4 elements	20 days	No change anticipated	
Rhode Island	401/277-2302	W-4 elements (Legislation pending)	14 days	No change anticipated	No change anticipated
South Carolina	800/768-5858	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> </ul>	30 days	W-4 elements	20 days
South Dakota	888/827-6078	W-4 elements	20 days	No change anticipated	No change anticipated
Tennessee	615/313-4880	W-4 elements	20 days	No change anticipated	No change anticipated
Texas	800/252-8014 option #5	<ul style="list-style-type: none"> <li>Employee's name and address</li> <li>Date of birth</li> <li>Salary and medical insurance availability</li> <li>Employer's name, address and FEIN</li> </ul>	35 days	W-4 elements	20 days
Utah	801/536-7739	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>date of hire</li> </ul>	20 days	No change anticipated	No change anticipated
Vermont	802/241-2194	<ul style="list-style-type: none"> <li>Employee's SSN</li> <li>VT Employer ID</li> </ul>	14 days	W-4 elements	20 days
Virgin Islands	809/775-3070	W-4 elements	20 days	No change anticipated	
Virginia	800/979-9014	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> <li>Statement of refusal to work</li> </ul>	35 days	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>State UI number</li> </ul>	20 days
Washington	800/562-0479	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Employer's UI number and State EIN</li> </ul>	35 days*	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> <li>Employer's UI and State EIN (Legislation pending)</li> </ul>	20 days (Legislation pending)
West Virginia	800/835-4683	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> <li>Date of hire</li> <li>Payroll address</li> </ul>	35days	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> <li>Date of hire</li> <li>Payroll address</li> </ul>	14 days
Wisconsin	888/300-4473	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> </ul>	20 days	No change anticipated	No change anticipated
Wyoming	307/777-6448	W-4 elements	20 days	No change anticipated	No change anticipated

## MULTISTATE EMPLOYER REPORTING

**M**ultistate employers can range in size from large corporations employing thousands of people across the country, to small businesses with a handful of workers in different States.

Well, the program is really quite an easy one. When we look at what we're doing currently with the W-4 information, all we're adding is an extra step of passing along to the agency a copy of it. Multistate employers have a luxury in most cases of being able to do things electronically.

Jim Owen  
Payroll Manager  
Meijer, Inc.

The only requirement to be considered a multi-state employer for New Hire reporting purposes is

that you have personnel who are employed in at least two States.

## Reporting Options

If you are a multistate employer, you have two reporting options:

- Report newly-hired employees to the State in which they are working, following the New Hire regulations, requirements and timeframes of each State to which you will report, or
- Select one State where you have employees working and report all New Hires to that State electronically or magnetically.

**You may not report using both multi-state and single-state methods**

If you choose to report New Hire data on all employees to only one of the States in which you have a presence, you will be able to do so beginning October 1, 1997. You must also comply with the following:

1. Notify the Secretary of Health and Human Services, in writing, *which State* you have designated as recipient of all your New Hire information for your entire business.

Mail the notification to:

Department of Health and Human Services  
Office of Child Support Enforcement  
Multistate Employer Registration  
Box 509  
Randallstown, MD 21133

Please include the following information:

- Federal Employer Identification Number (FEIN)
- Employer's name, address, telephone number related to the FEIN
- State selected for reporting purposes
- Other States in which your company has employees
- Corporate point of contact

If your company will be reporting new hires on behalf of your subsidiaries who operate under different names and FEINs, please also list the names, FEINs and states where they have employees working.

2. Transmit all New Hire information either magnetically or electronically in accordance with your designated State's requirements. You do not need to report the required elements from every State in which you have employees — only report what is required by the State you have selected for reporting purposes.
3. Report your New Hire information twice a month, not less than 12 nor more than 16 days apart.

## Additional Information

The National Directory of New Hires will maintain a list of those multistate employers who have elected to use single-state notification. The designated reporting locations of those employers will be made available to all States so they can be aware of where their State's New Hires are being reported.

If you have questions about reporting information, call your State child support enforcement agency (*numbers are listed in the Frequently Asked Questions section*).

In an effort to assist you in making the decision about which State to choose for reporting purposes, the following chart will give you an idea of the information that will be required by each State. You are encouraged to call your State child support enforcement agency to verify its requirements.

State	Contact Number	Data Elements Effective on 10/1/97	Reporting Time Frames Effective 10/1/97	Data Elements Effective 10/1/98	Reporting Time Frames Effective 10/1/98
Alabama	334/353-8491	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of Hire, rehire and/or recall</li> </ul>	7 days	No change anticipated	No change anticipated
Alaska	907/269-6832	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> </ul>	Monthly	W-4 elements	20 days
Arizona	602/252-4045	<ul style="list-style-type: none"> <li>Employee's name</li> <li>Employee's SSN</li> <li>Date of hire</li> </ul>	15 days	W-4 elements	20 days
Arkansas	501/682-3087	W-4 elements	20 days	No change anticipated	No change anticipated
California	916/657-0529	<ul style="list-style-type: none"> <li>Employee's 1st initial and last name</li> <li>Employee's SSN</li> <li>Employer's name and address</li> <li>Employer's account #</li> </ul>	30 days	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>State EIN</li> <li>Date of hire</li> </ul>	20 days
Colorado	303/297-2849	<ul style="list-style-type: none"> <li>Employee's name</li> <li>Employee's SSN</li> <li>Date of hire</li> <li>Employer's name and address</li> </ul>	20 days	W-4 elements	20 days
Connecticut	860/424-5044	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> <li>CT tax registration #</li> </ul>	35 days	No change anticipated	20 days
Delaware	302/369-2160	W-4 elements	20 days	No change anticipated	No change anticipated
District of Columbia	202/645-7500	_____	Not known at this time	_____	_____
Florida	904/922-9590	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> <li>Employer's Unemployment Compensation I.D.#</li> </ul>	14 days	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> <li>Date of birth if available</li> </ul>	20 days
Georgia	404/657-2498	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> <li>Date of hire</li> <li>Employer's phone #</li> </ul>	10 days	No change anticipated	No change anticipated
Guam	9-011-671-475-0101	_____	Not known at this time	_____	_____
Hawaii	808/587-3695	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> <li>Type of work</li> <li>Hours per week</li> <li>Employer contact name, title and phone #</li> </ul>	5 days	W-4 elements	12 -16 days
Idaho	800/627-3880	W-4 elements	20 days	No change anticipated	No change anticipated
Illinois	800/327-4473	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>will accept date of hire and wage withholding address if employer volunteers the information</li> </ul>	20 days	No change anticipated	No change anticipated
Indiana	800/437-9136	W-4 elements	20 days	No change anticipated	No change anticipated

State	Contact Number	Data Elements Effective on 10/1/97	Reporting Time Frames Effective 10/1/97	Data Elements Effective 10/1/98	Reporting Time Frames Effective 10/1/98
Iowa	515/281-5331	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Employer's phone #</li> <li>Medical insurance availability and qualification date for medical coverage</li> <li>Start date</li> <li>Date of birth</li> </ul>	15 days	No change anticipated	No change anticipated
Kansas	913/296-3237	W-4 elements	20 days	No change anticipated	No change anticipated
Kentucky	502/564-2285 ext. 466	W-4 elements	7 days	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> <li>Medical insurance availability (Legislation pending)</li> </ul>	20 days (Legislation pending)
Louisiana	504/342-4787	W-4 elements	20 days	No change anticipated	No change anticipated
Maine	207/287-2886	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> </ul>	7 days	No change anticipated	No change anticipated
Maryland	410/347-9911	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> <li>State UI number</li> </ul>	20 days	No change anticipated	20 days
Massachusetts	617/577-7200 ext. 30488	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire or reinstatement</li> </ul>	14 days	W-4 elements	14 days
Michigan	517/373-3190	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Michigan's W-4 form (which includes date of hire and drivers license number)</li> </ul>	20 days	No change anticipated	No change anticipated
Minnesota	800/672-4473	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth (if available)</li> </ul>	15 days	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Employee date of birth (if available)</li> </ul>	20 days
Mississippi	601/359-4315	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>State of hire</li> <li>Date of hire</li> <li>Date of birth</li> <li>Sex code</li> </ul>	15 days	No change anticipated	No change anticipated
Missouri	800/859-7999 option #3	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Employee's self-disclosure on support obligation</li> <li>Date W-4 was completed</li> </ul>	30 days	No change anticipated	20 days
Montana	406/442-7278	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of birth</li> <li>Date of hire</li> <li>Medical insurance availability</li> <li>Medical insurance availability for dependents</li> </ul>	20 days	No change anticipated	No change anticipated
Nebraska	402/471-9160	W-4 elements	20 days	No change anticipated	No change anticipated
Nevada	702/687-4744	W-4 elements	20 days	No change anticipated	No change anticipated
New Hampshire	603/271-4427	W-4 elements	20 days	No change anticipated	No change anticipated
New Jersey	609/588-2355	W-4 elements (Legislation pending)	20 days	No change anticipated	No change anticipated
New Mexico	505/827-7728	W-4 elements. *Voluntary elements include date of hire, state of hire, date of birth, employer phone number, employer payroll processing address and availability of medical insurance	20 days	No change anticipated	No change anticipated
New York	800/972-1233 option #1	<ul style="list-style-type: none"> <li>W-4 elements</li> <li>Date of hire</li> </ul>	15 days	W-4 elements (Legislation pending)	20 days (Legislation pending)

Are there penalties for employers who do not report New Hires?

States have the option of imposing civil monetary penalties for noncompliance. Federal law mandates that if a State chooses to impose a penalty on employers for failure to report, the fine may not exceed \$25 per newly-hired employee that the employer fails to report. If there is a conspiracy between the employer and employee not to report, there may be a penalty of up to \$500 per newly-hired employee that the employer fails to report. States may also impose non-monetary civil penalties under State law for noncompliance.

What if I have more questions?

The State where you operate a business will provide you with complete information and instructions, as necessary, regarding all aspects of its State New Hire program and your responsibilities as an employer.

*If you have additional questions or concerns, you may refer to the listing of State contact telephone numbers at right.*

Alabama	334/353-8491
Alaska	907/269-6832
Arizona	602/252-4045
Arkansas	501/682-3087
California	916/657-0529
Colorado	303/297-2849
Connecticut	860/424-5044
Delaware	302/369-2160
District of Columbia	202/645-7500
Florida	904/922-9590
Georgia	404/657-2498
Guam	9-011-671-475-0101
Hawaii	808/587-3695
Idaho	800/627-3880
Illinois	800/327-4473
Indiana	800/437-9136
Iowa	515/281-5331
Kansas	913/296-3237
Kentucky	502/564-2285 ext. 466
Louisiana	504/342-4787
Maine	207/287-2886
Maryland	410/347-9911
Massachusetts	617/577-7200 ext. 30488
Michigan	517/373-3190
Minnesota	800/672-4473
Mississippi	601/359-4315
Missouri	800/859-7999 option #3
Montana	406/442-7278
Nebraska	402/471-9160
Nevada	702/687-4744
New Hampshire	603/271-4427
New Jersey	609/588-2355
New Mexico	505/827-7728
New York	800/972-1233
North Carolina	919/571-4114 ext. 304
North Dakota	701/328-3582
Ohio	800/208-8887
Oklahoma	405/522-2550
Oregon	503/373-7300 option #2
Pennsylvania	1-888-PAHIRE5
Puerto Rico	787/767-1500
Rhode Island	401/277-2302
South Carolina	800/768-5858
South Dakota	888/827-6078
Tennessee	615/313-4880
Texas	800/252-8014 option #5
Utah	801/536-7739
Vermont	802/241-2194
Virgin Islands	809/775-3070
Virginia	800/979-9014
Washington	800/562-0479
West Virginia	800/835-4683
Wisconsin	888/300-4473
Wyoming	307/777-6448

The National Directory of New Hires is an integral part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 — better known as welfare reform. This legislation strengthens the effectiveness of the Child Support Enforcement program by including the development of the New Hire reporting system.

To help you better understand New Hire reporting, you will need to be aware of some key terminology. For purposes of this discussion — and as legally defined — the term “*employer*” is the same as that described for Federal income tax purposes, including any government entity or labor organization.

“*Employee*” refers to an individual who qualifies for Federal Income Tax withholding from wages earned. “*Date of hire*” is considered to be the first day services are performed for wages by an individual.

*It's important to communicate with the agencies that are defining the rules because it's not a formidable bureaucracy and in fact they are willing to listen to business concerns and address business needs.*

Rachel L. Kirsch  
Assistant Counsel and Manager  
of Government Affairs  
National Association of  
Temporary and Staffing  
Services

In an effort to help you better understand New Hire reporting requirements and how they will affect your business or government agency, many frequently asked questions are answered below:

What is New Hire reporting and what will be done with the information?

New Hire reporting is a process by which you, as an employer, report information on newly-hired employees to a designated State agency soon after the employee's date of hire.

States will match New Hire reports against their child support records to locate parents, establish a child support order, or enforce an existing order. The State will transmit its New Hire reports to the National Directory of New Hires.

State agencies operating Employment Security and Workers' Compensation Programs may use State New Hire information to detect and prevent erroneous benefit payments. They can also conduct matches between the New Hire database and other State programs to prevent unlawful or erroneous receipt of public assistance payments.

Why have a National Directory of New Hires?

It is estimated that over 30 percent of child support cases involve noncustodial parents who do not live in the same State as their children. By matching this New Hire data with child support data at the national level, the Federal Office of Child Support Enforcement will be able to assist State agencies in locating noncustodial parents living in other States. Upon receipt of New Hire information from other States, State Child Support Enforcement agencies will take the steps necessary to establish paternity, establish a child support order or enforce existing orders.

What is the expected outcome of this New Hire reporting system?

The Department of Health and Human Services has estimated that a New Hire program will increase national child support collections by billions of dollars over the next ten years.

These projections were made based on information from twenty-six States that had enacted New Hire reporting prior to welfare reform. These programs significantly increased child support collections, reduced welfare expenditures, and saved millions of dollars in Medicaid, Food Stamps and unemployment insurance claims.

Isn't this information currently available through quarterly wage reporting?

Because some noncustodial parents change jobs frequently, quarterly data is often outdated before the child support office receives the information. There can be as much as a six-month lag between the time the data is submitted and when it is available to the child support office. Often, employees located through quarterly data have relocated or are no longer working and wage withholding cannot be initiated. With New Hire reporting, the data will be available within a significantly shorter time period. If the data is reported earlier, noncustodial parents can be located more quickly, allowing child support orders to be established and/or enforced much faster.

Will this reporting process be a burden to employers?

The majority of the information you will submit is already collected when a new employee completes a W-4 form. Although the reporting process is an additional requirement, the majority of employers currently participating in State-established programs report either no or "minor" cost impacts to their operations. To ease the process, States are working closely with their employers, offering them a variety of reporting methods.

How will employers benefit from New Hire reporting?

A direct result of New Hire reporting will be the reduction and prevention of fraudulent unemployment and workers' compensation payments. Timely receipt of New Hire data allows each State to cross-match this data against its active unemployment claimant files and either stop payments or recover erroneous payments. States already employing New Hire reporting, such as Tennessee, Texas and Virginia, have already reported unemployment benefit savings in the millions of dollars. With 100 percent of employers reporting, every State should show significant savings in the future.

How soon must I submit a report after hiring someone?

Federal law gives each State the discretion to establish the timeframe within which employers must report new hires, but that timeframe must ensure that New Hires be reported within 20 days of hire. Thus, States are given the option of establishing reporting timeframes that may be shorter than 20 days. In the case of an employer transmitting reports magnetically or electronically, the employer must report by two monthly transmissions, if necessary. The transmissions may not be made less than 12 days nor more than 16 days apart. You must adhere to the reporting timeframe of the State to which you report. Be sure to check with your State contact to learn your State's requirements (numbers are listed at end of this section.)

What information must be reported and what form should I use to send in my New Hire reports?

Each New Hire report must contain the six data elements found on the W-4 form:

- Employee name, address, and Social Security number
- Employer name, address, and Federal Employer Identification number

Reports must be made either on the W-4 form or, at your option, an equivalent form. Your State may develop an alternate form for reporting, but its use is optional. Although most States plan to require only these six basic data elements, some States may require or request additional data. Your State should notify you of its required data elements. (See chart in the MultiState Employer section for a list of each State's data elements.)

When are States required to establish their New Hire programs?

By October 1, 1997, all States are required to establish New Hire Reporting programs. Most of the 26 States that currently have some form of New Hire reporting in place will have until October 1, 1998, to make all aspects of their programs conform with Federal requirements.

If I layoff and then re-hire an employee, or an employee returns after a leave of absence, do I need to send in another New Hire report?

An easy rule of thumb to help you remember when to report a New Hire: If the employee returning to work is required to complete a new W-4 form, the employer must report the individual as a New Hire to the State Directory of New Hires. If, however, the returning employee had not been formally terminated or removed from payroll records, there is no need to report that individual as a New Hire.

As a temporary employment agency, must we report as a New Hire each individual placed by our agency?

If your agency is paying wages to the individual, you must submit a New Hire report. The individual needs to be reported only once, unless there is a break in service from your agency and a new W-4 form is required.

If your agency simply refers individuals for employment and does not pay salaries, New Hire reports are not necessary because the employer who actually hires and pays the individual will be required to report the New Hire information.

Do I need to submit a New Hire report for independent contractors and subcontractors performing services for me?

You should contact your State to verify its requirements. However, Federal policy states that, if the work being performed is based on a contract rather than an employer/employee relationship, you are not required to submit a New Hire report. In such a circumstance, the contractor is responsible for reporting his/her employees.

Are labor organizations and hiring halls required to report members under the New Hire reporting program?

Labor organizations and hiring halls must report their own employees — any individuals who work directly for the labor organization or hiring hall. As with a temporary employment agency, if the labor organization or hiring hall simply refers individuals for employment, a New Hire report does not need to be filed.

Do I need to do a New Hire report on a newly-hired individual who quits before the New Hire report is due?

Yes. Because the employer/employee relationship existed and wages were earned, a New Hire report must be submitted. Even though the employment period was short, the reported information may be the key to locating a delinquent noncustodial parent.

Where and how do I send the information?

New Hire reports should be sent to the State Directory of New Hires in the State where the employee works. Federal law identifies three methods for submitting New Hire information: first class mail, magnetic tapes, or electronic transmission. For employer convenience, States may offer additional options such as fax and Internet transmissions. You will receive information from your State with instructions on where and how to send the New Hire information.

If you are an employer who is sending reports in by magnetic tape or electronically, two monthly transmissions (if necessary) must be made which are between 12 and 16 days apart. Contact the State where you will be submitting your New Hire reports for all technical information regarding electronic reporting.

If you have employees in more than one State, see the MultiState Employer Reporting section for additional information.

How will the New Hire data be safeguarded once it is submitted?

Security and privacy of New Hire data are important issues for all those involved in the implementation of this nationwide program. Federal law requires all States to establish safeguards for confidential information handled by the State agency. All State data will be transmitted over secure and dedicated lines to the National Directory of New Hires. Federal law also requires that the Secretary of the Department of Health and Human Services establish and implement safeguards to protect the integrity and security of information in the Directory and to restrict access to and use of the information to authorized persons and purposes (see section on privacy).

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 18, 1996

June 18, 1996

MEMORANDUM FOR THE SECRETARY OF LABOR

SUBJECT: **Child Support Initiative**

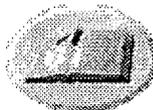
I hereby direct you to assist in the implementation of the plan I am announcing today to strengthen the **child support** system and promote parental responsibility.

I direct you to exercise your legal authority in a manner that will assist the implementation of the plan by encouraging those State employment security agencies that collect new-hire information for use in **child support** enforcement to report such information to the Department of Health and Human Service's pilot program for matching new-hire data with Federal Parent Locator Service data in order to better track parents owing **child support** who have taken a job in another State.

The plan I have outlined will help strengthen **child support** operations by toughening the paternity establishment requirements for applicants for welfare and by enabling States to locate, and withhold wages from, **child support** obligors who have taken a job in another State. Its prompt implementation is integral to achieving our goal of promoting the American value of parental responsibility.

WILLIAM J. CLINTON

###



To comment on this service: [feedback@www.whitehouse.gov](mailto:feedback@www.whitehouse.gov)



## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

**ADDENDUM TO MULTISTATE EMPLOYER REPORTING SHEET**

The reason for this addendum is to alert you to the possibility of changes that may occur in this section in the near future.

**STATE-SPECIFIC INFORMATION:** Although we have made every effort to ensure that this information is current and accurate, we realize that telephone numbers are subject to frequent change and the specifics of some State new hire reporting programs are not yet finalized. After review of the information by the States in early September, the Office of Child Support Enforcement (OCSE) will make any changes and issue a final multistate section by mid-September 1997. A diskette for duplication of the materials will then be made available to States and other interested parties.

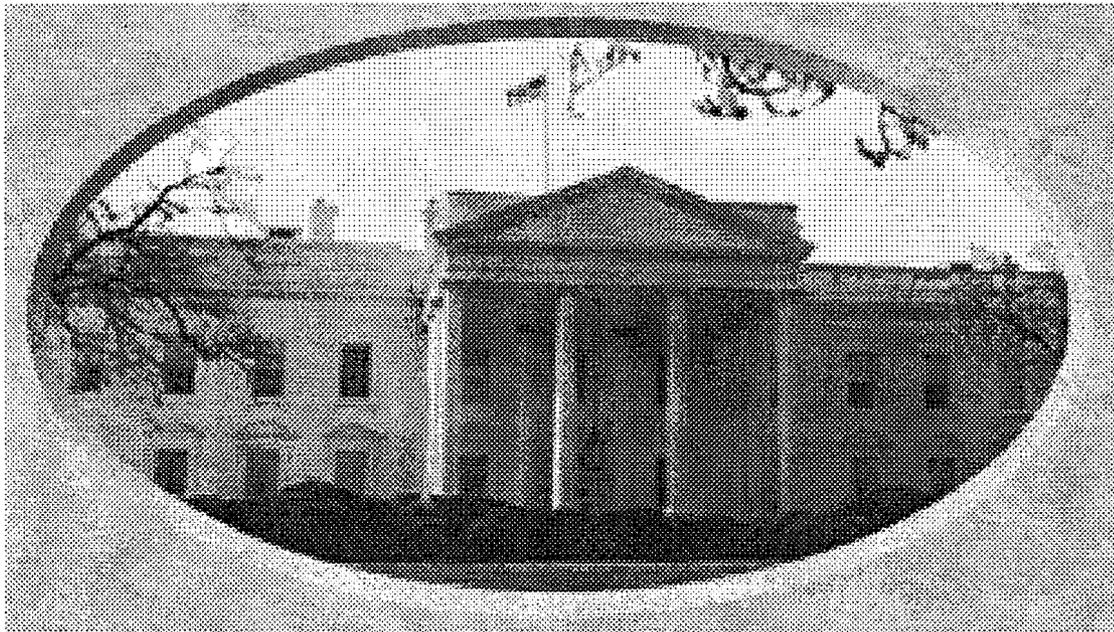
**NEW HIRE REPORTING REQUIREMENTS:** As required by the Paperwork Reduction Act, a notice on the proposed information collection for the National Directory of New Hires was published in the Federal Register on July 25, 1997. Therefore, all new hire reporting requirements for employers and states are subject to change during the public comment period and pending the Office of Management and Budget's approval of the information collection aspects of the federal new hire requirements. OCSE expects to receive clearance from OMB before October 1, 1997.

**UPDATE ON MULTISTATE EMPLOYER INFORMATION:** When submitting written notification to the Secretary of the Department of Health and Human Services about the designation of the single state for new hire reporting, an employer should include the following information:

- Federal Employer Identification Number (FEIN)
- Employer's name, address, telephone number related to the FEIN
- State selected for reporting purposes
- Other States in which your company has employees
- Corporate point of contact

If your company will be reporting new hires on behalf of your subsidiaries who operate under different names and FEINs, please also list the names, FEINs and states where they have employees working.

# Child Support Briefing



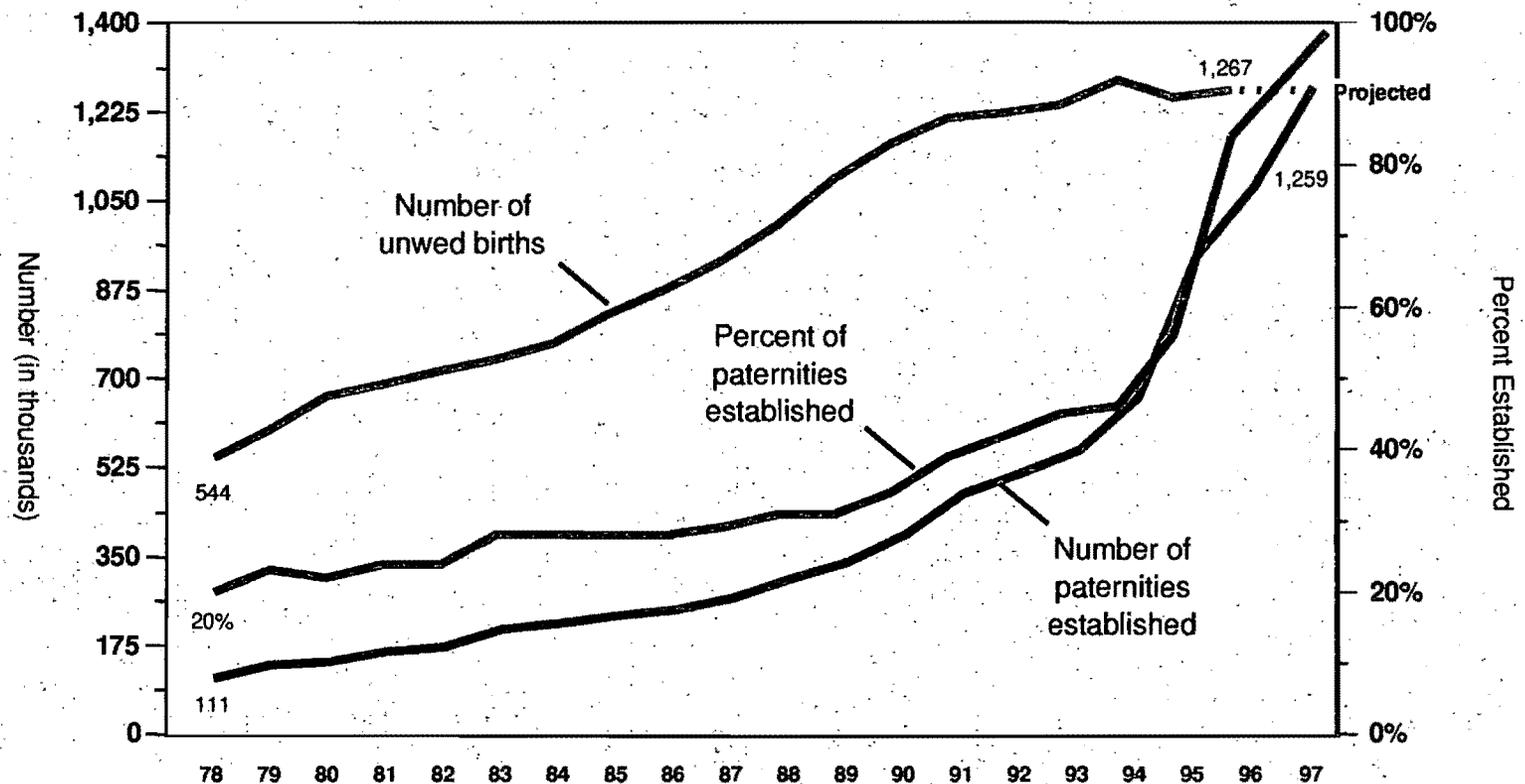
*September 1998*

# **CHILD SUPPORT ENFORCEMENT**

OCSE Overview, September 16, 1998

- Current Status/Statistical Overview -- Paul Legler.
  
- Expanded Federal Parent Locator Service (FPLS) -- Donna Bonar.
  
- Statewide Automation, Y2K Compliance -- Norman Thompson.
  
- Child Support Financing Consultations -- Robert Harris.
  
- Law Enforcement Activities -- Don Deering.

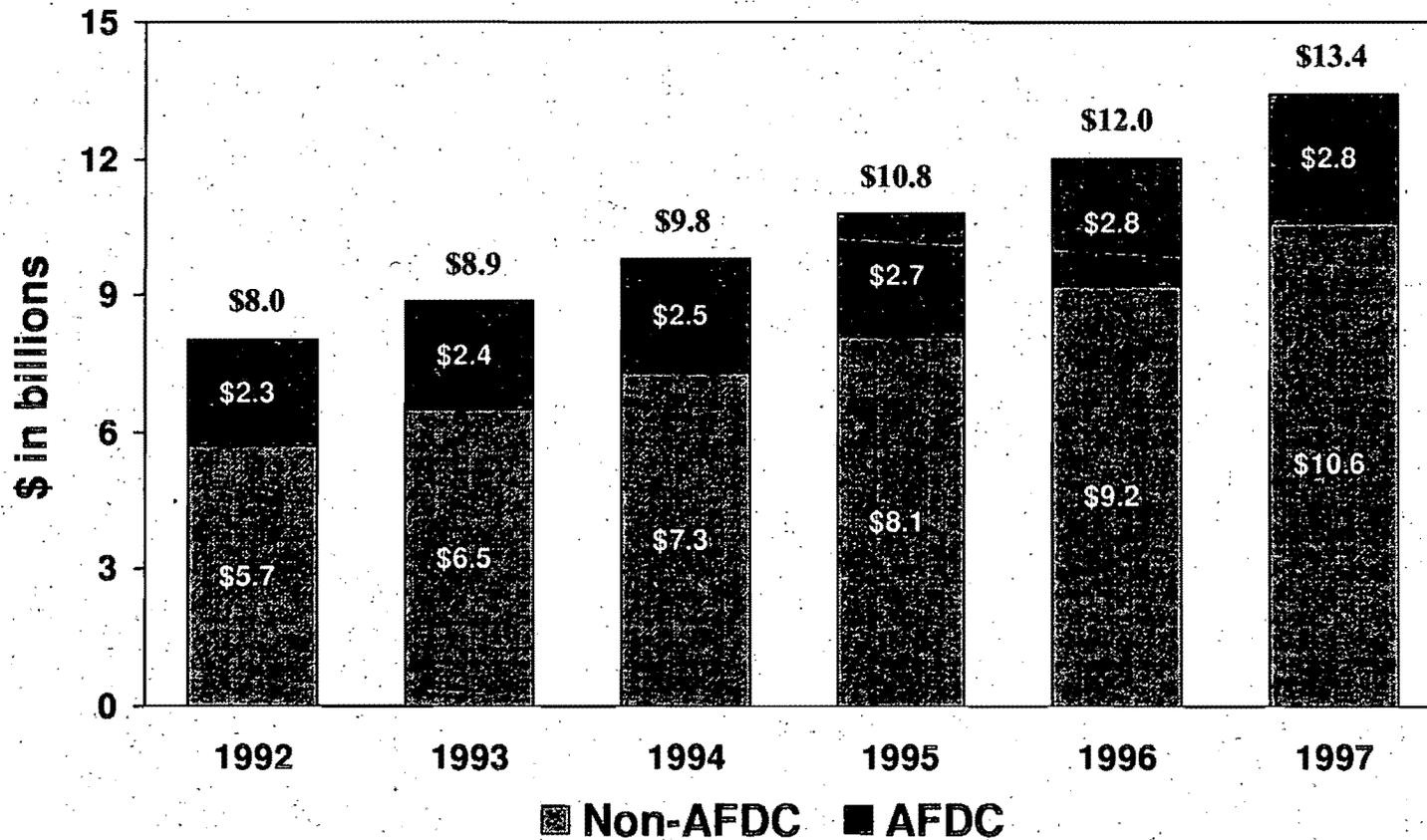
# Unwed Births & Paternities Established



Note: 1996 unwed births are based on preliminary data from NCHS.

# Child Support Enforcement Reform

## Total Collections



PRELIMINARY

Table 1

Office of Child Support Enforcement

FINANCIAL OVERVIEW FOR FIVE CONSECUTIVE FISCAL YEARS

	1993	1994	1995	1996	1997
<b>TOTAL COLLECTIONS (\$000)</b>	\$8,907,150	\$9,850,159	\$10,827,167	\$12,019,789	\$13,379,946
<b>AFDC/FC/TANF COLLECTIONS</b>	2,416,395	2,549,723	2,689,392	2,855,066	2,855,653
State Share	847,272	890,717	938,865	1,013,666	1,164,091
Federal Share	776,600	762,341	821,551	888,258	1,052,191
Payments to AFDC/TANF Families	445,765	457,125	474,428	480,406	157,033
Incentive Payments (estimated)	339,217	407,242	399,919	409,142	411,527
Medical Support Payments	7,541	32,299	54,629	63,570	70,683
<b>NON-AFDC COLLECTIONS</b>	6,490,755	7,300,436	8,137,775	9,164,723	10,524,094
<b>TOTAL ADMINISTRATIVE EXPENDITURES (\$000)</b>	\$2,241,094	\$2,556,372	\$3,012,385	\$3,054,821	\$3,423,790
<b>COST-EFFECTIVENESS RATIOS</b>					
Total/Total	3.97	3.85	3.59	3.93	3.90
AFDC/TANF/Total	1.08	1.00	0.89	0.93	0.83
Non-AFDC Total	2.90	2.86	2.70	3.00	3.07

*because  
of my  
\$50  
pass  
through*

SOURCE: Financial data as reported by the States.

NOTE: Data for fiscal year 1997 are preliminary. The cost-effectiveness ratio is total collections per dollar of total administrative expenditures, not the cost-effectiveness ratio used to calculate incentives. Medical support payments became a reporting requirement in fiscal year 1994. Due to reporting changes the total expenditure data are shown. States and Federal shares are still being calculated. Program savings will be shown in the annual report.

\*Welfare reform eliminated the \$50 pass through some States have chosen to continue it at their own expense.

**PRELIMINARY**

**Table 2**

**Office of Child Support Enforcement**

**STATISTICAL OVERVIEW FOR FIVE CONSECUTIVE FISCAL YEARS**

	1993	1994	1995	1996	1997
<b>TOTAL IV-D CASELOAD</b>	17,124,529	18,609,805	19,162,137	19,318,691	19,033,836
AFDC/FC/TANF Caseload	7,471,702	7,985,983	7,879,725	7,379,629	6,450,808
Non-AFDC Caseload	7,486,902	8,189,569	8,783,238	9,347,875	9,937,344
AFDC/TANF Arrears Only Caseload	2,165,925	2,434,253	2,499,174	2,591,187	2,645,684
AFDC/TANF and AFDC/TANF Arrears Only Caseload	9,637,627	10,420,236	10,378,899	9,970,816	9,096,492
<b>TOTAL CASES FOR WHICH A COLLECTION WAS MADE</b>	3,126,129	3,403,287	3,727,516	3,953,492	4,209,722
AFDC/FC/TANF Cases	879,256	926,214	975,607	939,755	864,950
Non-AFDC Cases	1,957,666	2,168,630	2,408,411	2,612,188	2,849,776
AFDC/TANF Arrears Only	289,207	308,443	343,498	401,549	494,996
AFDC/TANF and AFDC/TANF Arrears Only Caseload	1,168,463	1,234,657	1,319,105	1,341,304	1,359,946
<b>TOTAL PERCENTAGE OF CASES WITH COLLECTIONS</b>	18.3	18.3	19.5	20.5	22.1
AFDC/FC/TANF Cases	11.8	11.6	12.4	12.7	13.4
Non-AFDC Cases	26.1	26.5	27.4	27.9	28.7
AFDC/TANF Arrears Only	13.4	12.7	13.7	15.5	18.7
AFDC/TANF and AFDC/TANF Arrears Only Caseload	12.1	11.8	12.8	13.5	15.1
<b>TOTAL IV-D CASES WITH ORDERS ESTABLISHED</b>	9,487,314	10,429,167	10,972,667	11,413,684	10,993,080
AFDC/FC/TANF Caseload	2,790,688	2,956,224	2,942,789	2,811,063	2,286,715
Non-AFDC Caseload	4,541,701	5,038,690	5,530,704	5,591,434	6,060,681
AFDC/TANF Arrears Only Caseload	2,165,925	2,434,253	2,499,174	2,591,187	2,645,684
AFDC/TANF and AFDC/TANF Arrears Only Caseload	4,956,613	5,390,477	5,441,963	5,462,250	4,932,399
<b>TOTAL PERCENTAGE OF CASES WITH COLLECTIONS TO CASES WITH ORDERS</b>	32.9	32.6	34.0	34.6	38.4
AFDC/FC/TANF Caseload	31.5	31.3	33.2	33.4	37.9
Non-AFDC Caseload	43.1	43.0	43.6	46.7	47.1
AFDC/TANF Arrears Only Caseload	13.4	12.7	13.7	15.5	18.7
AFDC/TANF and AFDC/TANF Arrears Only Caseload	23.6	22.9	24.2	24.6	27.5
<b>TOTAL LOCATIONS MADE</b>	3,777,336	4,204,004	4,949,912	5,779,489	6,333,583
<b>TOTAL PATERNITIES ESTABLISHED &amp; ACKNOWLEDGED</b>	554,289	676,459	932,097	1,042,728	1,282,202
Total IV-D Paternities Established	554,289	592,048	659,373	718,152	800,558
In-hospital Paternities Acknowledged	N/A	84,411	272,724	324,576	481,644
<b>TOTAL SUPPORT ORDERS ESTABLISHED</b>	1,026,224	1,024,675	1,051,336	1,081,981	1,215,980
<b>TOTAL SUPPORT ORDERS ENFORCED OR MODIFIED</b>	5,369,816	5,805,452	6,546,411	7,912,685	9,878,284
<b>PERCENTAGE OF AFDC/TANF PAYMENTS RECOVERED</b>	12.0	12.5	13.6	15.5	NA

SOURCE: Statistical data as reported by the States.

NOTE: Some States voluntarily report in-hospital information to OCSE. In-hospital numbers include an unknown number of Acknowledgements for children in the IV-D caseload. Data for fiscal year 1997 are preliminary.

## PRELIMINARY

Table 5

## Office of Child Support Enforcement

## PROGRAM TRENDS for FY 1995, 1996, 1997

	1995	1996	1997	Percent Change	
				1995-1996	1996-1997
<b>Total IV-D Collections (\$000)</b>	\$10,827,167	\$12,019,789	\$13,379,946	11.0%	11.3%
AFDC/FC/TANF Collections	\$2,689,392	\$2,855,066	\$2,855,853	6.2%	.1%
Non-AFDC Collections	\$8,137,775	\$9,164,723	\$10,524,094	12.6%	14.8%
<b>Total IV-D Administrative Expenditures (\$000)</b>	\$3,012,385	\$3,054,821	\$3,423,790	1.4%	12.1%
Total ADP Expenditures	\$589,314	\$476,016	\$577,646	-19.2	21.4%
<b>Total IV-D Caseload</b>	19,162,137	19,318,691	19,033,836	.8%	-1.5%
AFDC/FC/TANF Caseload	7,879,725	7,379,629	6,450,808	-6.4%	-12.6%
Non-AFDC Caseload	8,783,238	9,347,875	9,937,344	6.4%	6.3%
AFDC/FC/TANF Arrears Only Caseload	2,499,174	2,591,187	2,645,684	3.7%	2.1%
<b>Total Cases for Which a Collection was Made</b>	3,727,516	3,953,492	4,209,722	6.1%	6.5%
<b>Total Locations Made</b>	4,949,912	5,779,489	6,333,583	16.8%	9.6%
<b>Total Paternities Established &amp; Acknowledged</b>	930,833	1,041,678	1,282,202	11.9%	23.0%
Total IV-D Paternities Established	659,373	718,152	800,558	8.9%	11.5%
In- Hospital Paternities Acknowledged	272,724	324,576	481,644	19.2%	48.3%
<b>Total Support Orders Established</b>	1,051,336	1,081,981	1,215,980	2.9%	12.4%

SOURCE: Financial and statistical data as reported by the States.

NOTE: Data for fiscal year 1997 are preliminary.

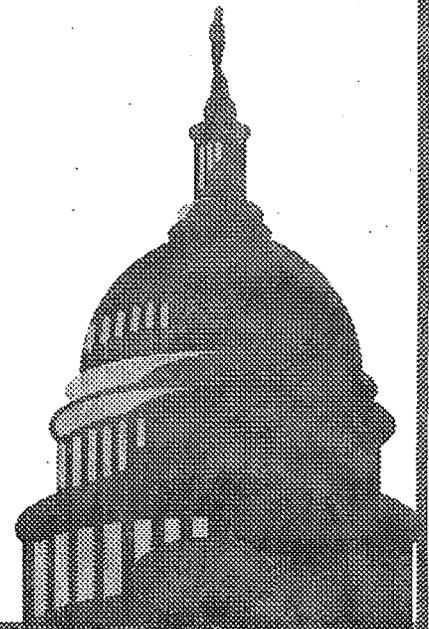
# State and Federal Registries

- ◆ **State Directory of New Hires**
- ◆ **State Case Registry**
- ◆ **Expanded Federal Parent Locator Service**

## *National Directory of New Hires*

- ❖ *New Hire Data From SDNHs*
- ❖ *Quarterly Wage and Unemployment Compensation Data from SESAs*
- ❖ *New Hire and Quarterly Wage Data from Federal Agencies*

## *Federal Case Registry*



# National Directory of New Hires

## ◆ Status

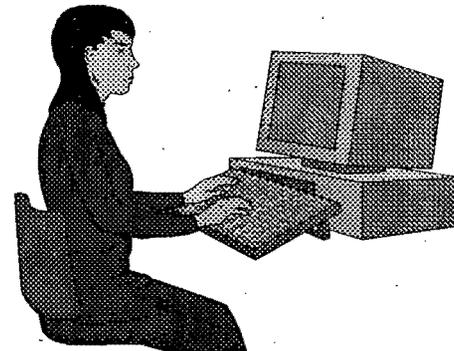
- *Implemented in October 1997*
- *All 50 States and 2 territories participating*
- *138 Federal agencies submitting data*
- *3,8 million new hire records, 364 million quarterly wage records, 17 million unemployment insurance records*
- *Over 1.1 million noncustodial parents located on interstate cases*
- *Year 2000 compliant*



# Federal Case Registry

- ◆ Purpose is to facilitate location
- ◆ All IV-D cases from state case registry
- ◆ Non IV-D orders established or modified after October 1, 1998
- ◆ Status--on schedule to implement system October 1, 1998

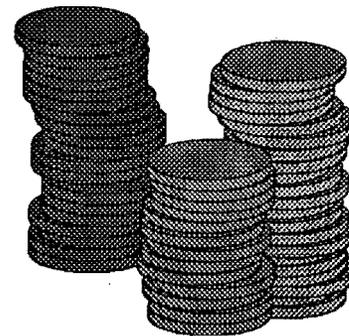
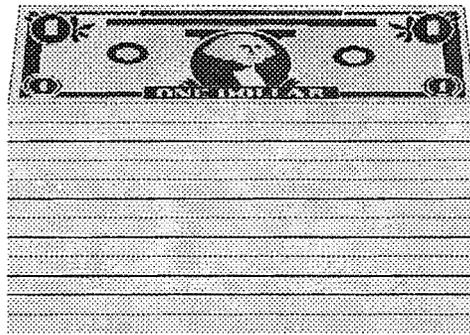
will do daily matches



# Federal Child Support Offset Program

## ◆ Federal Tax Refund Offset

- *Operating program since 1982*
- *Collected record \$ 1.1 billion in 1997*
- *Will exceed \$1.2 billion in collection in 1998*



# Federal Child Support Offset Program

## ◆ Administrative Offset Program

- *Interagency workgroup with FMS/OCSE*
- *Implemented June 1997*
- *15 states currently participating*
- *Collected \$500,000 since implementation*
- *Treasury merging Tax Offset/Administrative Offset Programs in January 1999*

# Federal Child Support Offset Program

## ◆ Passport Denial

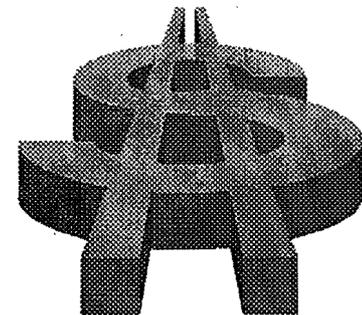
- > *Implemented in June 1998*
- > *1.9 million cases submitted to State Department* <sup>owe</sup> ~~\$5606~~ <sub>of more</sub>
- > *Denying 30-40 passports per day*

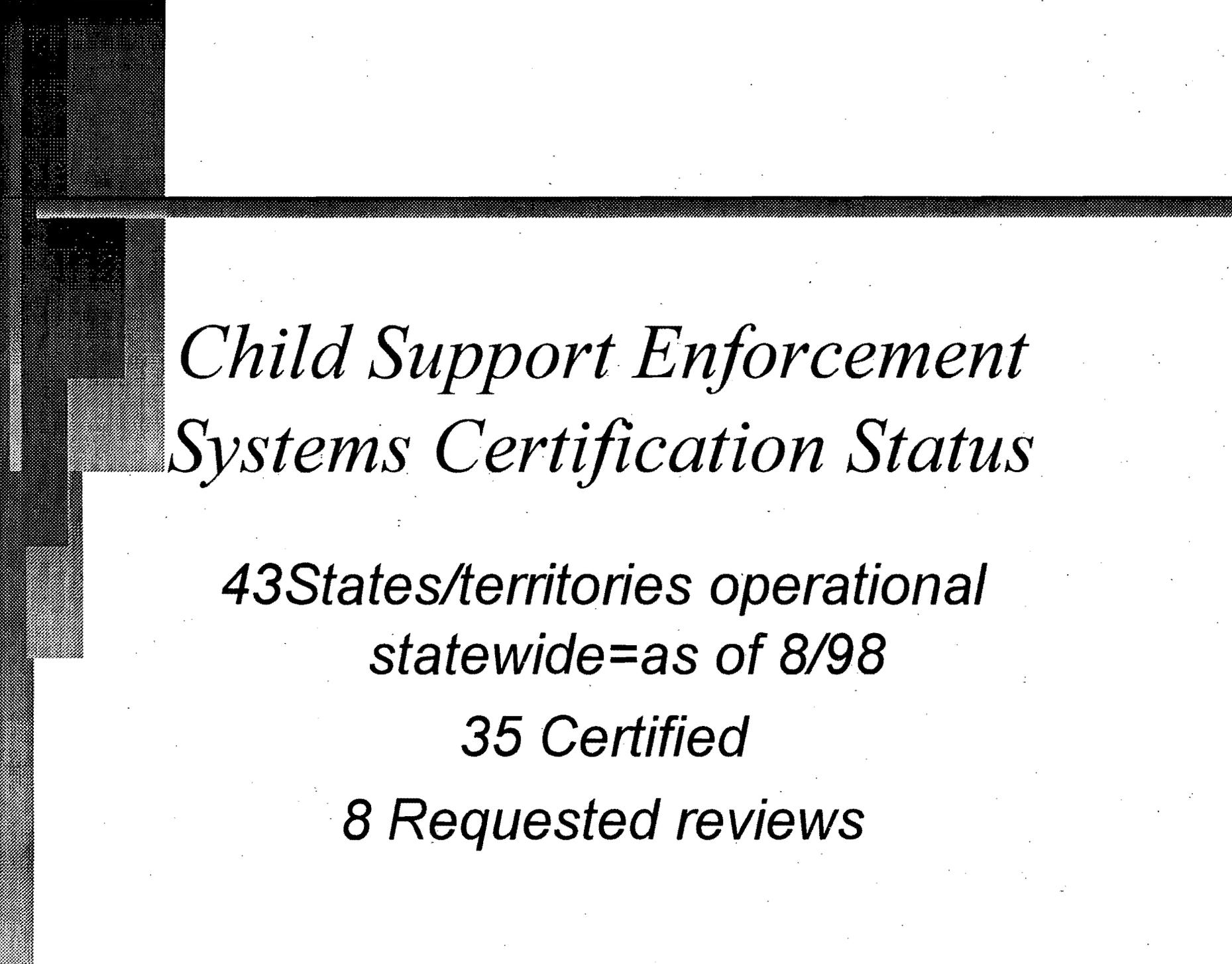


# Federal Child Support Offset Program

## ◆ Financial Institution Data Match

- Conduct Quarterly Matches with Financial Institutions for delinquent obligors
- P.L. 105-200--Expanded role of FPLS <sup>HR 3130</sup>
  - ❖ States responsible for in-state matches
  - ❖ OCSE responsible for multi-state Financial Institutions matches (2000+ Financial Institutions)
  - ❖ June 1999 Implementation





*Child Support Enforcement  
Systems Certification Status*

*43 States/territories operational  
statewide=as of 8/98*

*35 Certified*

*8 Requested reviews*

**CHILD SUPPORT ENFORCEMENT SYSTEMS  
CERTIFICATION REVIEWS  
35 Certified as of August 3, 1998**

**Level II (Statewide) reviews**

<u>State</u>	<u>Review conducted</u>	<u>Report issued date</u>
1. Montana	June 13-17, 1994	9/2/94 - Cond.
2. Delaware	June 26-30, 1995	2/9/96 - Cond.
3. Georgia	Aug 28-Sept 1, 1995	2/9/96 - Cond.
4. Virginia	Sept 19-22, 1995	2/9/96
5. Washington	Sept 25-29, 1995	2/9/96
6. West Virginia	Sept 25,95 & 4/22/96	7/3/96 - Cond.
7. Arizona	April 22-26, 1996	8/2/96 - Cond.
8. Utah	Sept 19-22, 1995	8/22/96 - Cond.
9. Connecticut	May 20-24, 1996	8/22/96- Cond.
10. Wyoming	June 24-28, 1996	8/22/96
11. Mississippi	Sept 9-12, 1996	12/16/96 - Cond.
12. Louisiana	August 12-16, 1996	1/21/97 - Cond.
13. New Hampshire	June 3-7, 1996	6/30/97
14. Idaho	April 8-10, 1997	7/11/97
15. Colorado	June 16-20, 1997	7/11/97
16. Oklahoma	June 2-6, 1997	8/22/97-Cond
17. Wisconsin	April 28-May 2, 1997	9/19/97-Cond
18. Rhode Island	April 28-May 2, 1997	12/05/97-Cond
19. Guam	July 14-18, 1997	12/05/97-Cond
20. New York	August 4-8, 1997	12/05/97-Cond
21. Iowa	Nov. 17-21, 1997	12/05/97
22. Alabama	Sept 8-12, 1997	12/31/97-Cond
23. Texas	Nov 17-21, 1997	02/03/98-Cond
24. North Carolina	Jan 12-16, 1998	02/26/98-Cond
25. New Jersey	March 11-15, 1996	03/26/98-Cond
26. Vermont	Jan 26-30, 1998	04/29/98-Cond
27. Puerto Rico	Sept 8-12,1997	05/11/98-Cond
28. Maine	Feb 17-20,1998	05/11/98
29. Tennessee	Feb 2-6, 1998	05/11/98-Cond
30. Minnesota	March 2-6, 1998	05/27/98-Cond
31. Kentucky	Feb 23-27, 1998	07/27/98-Cond
32. South Dakota	March 23-27, 1998	07/31/98-Cond
33. Massachusetts	March 23-27, 1998	07/31/98-Cond
34. Florida	March 23-27, 1998	07/31/98-Cond
35. Arkansas	March 30-April 3, 1998	07/31/98-Cond

Review Scheduled or Report being written

1. Hawaii	Aug 3rd	Requested/letter
2. Maryland	Aug 17th	Requested/letter
3. Alaska	Sept 14th	Requested/letter
4. D.C.	Sept 21st	Requested/letter
5. Oregon	Sept 21st	Requested/letter
6. Illinois	Sept 21st	Requested/letter
7. Missouri	Sept 21st	Requested/letter
8. New Mexico	Sept 28th	Requested/letter

States not yet Family Support Act of 1988 compliant

California  
Indiana  
Kansas  
Michigan  
Nebraska  
Nevada  
North Dakota  
Ohio  
Pennsylvania  
South Carolina  
Virgin Islands

## CHILD SUPPORT FINANCING TASK FORCE PRELIMINARY PROJECT PLAN

### Background

The Administration's FY 1999 Budget for Child Support Enforcement makes a commitment to meet with child support stakeholders to review program financing. Child Support financing is very complicated, with federal payments to cover administrative costs made at several different matching rates; with an out-of-date incentive structure being replaced with a new performance based system over the next few years; with collections related to TANF cases shared between the state and federal governments based on each state's Medicaid match rate; and finally with an option for states to collect fees within statutory limitations.

The child support community has a strong interest in ensuring that the system is effective and efficient. There are growing concerns in Congress and state legislatures about the cost of the program and about establishing the appropriate share of funding that falls on the federal, state and local governments. While many observers argue that the current financing system does not reward effective performance, program administrators and others maintain that some measures of success such as TANF recoupment may be inappropriate or overemphasized. Other observers have maintained that the program's financing is ineffective or at least inefficient. Questions have also been raised about the viability of the current financing system in light of welfare reform.

Most stakeholders agree that there may be numerous positive program outcomes that often go unidentified and undocumented. These include Medicaid and food stamp direct savings as well as the more difficult to measure financial benefits resulting from helping families in becoming or remaining self-sufficient and thereby avoiding public assistance costs. Most stakeholders would also agree that there are real, albeit less tangible, benefits resulting from establishing parentage and financial accountability and through maintaining contact between children and parents in separated or never married family units.

ACF has already begun the process of reviewing the current financing system. An initial meeting was held on July 31, 1998 in Washington, DC with stakeholders to begin the consultative process. The Lewin Group has been retained to gather facts about the financing process especially as it varies between states. OCSE has established a Task Force with responsibility for the Financing Project:

Leader:	Robert Harris, Associate Commissioner for Central Office Operations, OCSE, Washington, DC
Project Manager:	Jerry Fay, OCSE, ACF Region I, Boston, MA tel: 617-565-2479; fax: 617 565-2493; email: jfay@acf.dhhs.gov
Staff Assistant:	Brett Lambo, OCSE, Washington, DC tel: 202-401-4645; fax: 202-401-5558; email: blambo@acf.dhhs.gov

## Project Meeting Outline

The task force has prepared a preliminary overview of planned activity for the financing project through the end of calendar year 1998. We have established four concurrent tracks for project activity in order ensure maximum participation from federal and non-federal stakeholders.

### Track 1 - Regional Consultation Meetings

The task force will hold consultation meetings with local stakeholders in each HHS Hub area. The Hub cities are New York, Atlanta, Dallas, Chicago and San Francisco, although meetings may be held in different cities within the Hub regions.

We plan to begin these regional meetings in September and complete them by the end of November. We intend to arrange three of our meetings concurrently with TANF meetings being scheduled by the Office of Family Assistance. At this time, this would include meetings in Denver, September 18; Atlanta, October, 28; and Phoenix, November 5, 1998. The Chicago meeting will be held on November, 18. The New York Hub area meeting is tentatively planned for Providence, RI , about November 11, 1998.

The regional consultation meetings will address several topics designed to gather input on child support financing and effectiveness issues from a diverse group of invitees. We will address as many of the consultation questions distributed at the July 31 meeting as possible. These questions are included in this package for reference. We will work with Regional Directors, regional ACF officials; state IV-D Directors; NGA, NCSL, NACo, APHSA and other groups as necessary to identify appropriate attendees representing at least the following stakeholders:

- federal HHS and OMB officials;
- tribal representatives;
- state IV-D officials (and umbrella agency officials if determined feasible);
- county and local officials including
  - judicial officials,
  - district attorneys' and
  - IV-D offices;
- governors' offices;
- state executive office budget officials;
- legislative officials (including budget staff);
- advocates; and
- academics.

## Track II - Washington, DC Based Specific Topic Consultation Meetings

The task force will hold a minimum of three meetings in Washington, DC, to address specific topics and the consultation questions distributed at the July 31 meeting which are also attached for your reference. The list of invitees will be the same as for that meeting with selected additional participants. The topic areas as currently identified are:

### 1. Mission, Strategies and Financing Approaches

We will distribute OCSE's current strategic plan and discuss the mission and goals of the program. We will seek to incite a discussion of varying views of CSE's mission, various strategies that should be used to accomplish that mission and general financing approaches to support those strategies. This meeting is scheduled for October 2, 1998.

### 2. Program Efficiency and Effectiveness

We will address issues and the consultation questions related to administrative simplicity, program flexibility and external issues. We will discuss legislation and regulations that participants believe adversely impact efficiency and effectiveness. We will also consider state and local practices and policies including privatization that participants believe impact performance positively or negatively. This meeting is scheduled for October 21, 1998.

### 3. Review of Funding Issues

We will use this meeting (or meetings as necessary) to discuss program funding issues including consultation questions about federal and state investment in the program and the impact of funding as an incentive for child support enforcement. This meeting will take place after issuance of the Lewin Group's preliminary findings scheduled for October 23, 1998. We will review the findings and further discuss program mission, effectiveness and efficiency as they relate to the study.

## Track III - Meetings with Selected Groups and Associations

The task force will meet with Congressional staff and selected organizations having an interest in child support including but not limited to the:

- National Governors Association;
- National Conference of State Legislatures;
- National Association of District Attorneys;
- National Child Support Enforcement Association;
- American Public Human Services Association;
- National Center for State Courts; and
- National Association of Counties.

#### Track IV

The task force is currently developing a list of other individuals and groups with an interest in child support enforcement and will mail the consultation questions to them for completion and return. This will allow us to enlarge the universe of those providing response to the questions. Anyone invited to one of the meetings will receive the questions with a request to provide the answers even if they cannot attend.

We will also work with the Lewin Group to provide them with input for their fact finding as well as comments on their results. We will attempt to have Lewin Group representatives attend appropriate meetings to provide status briefings to participants.

# Child Support Enforcement Financing Consultation Questions

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## *Incentive Effect*

What funding mechanism for the child support program would create the right incentives to serve children?

Under the current funding structure, what are the incentives to serve some subgroups of families over others?

As the non-TANF caseload grows and the average income of families served may increase, what are the current impediments to receiving IV-D services?

What subgroups are currently underserved and what incentives would serve them better?

How do you restructure the program to reduce the gap between potential and actual collections?

How do we ensure that more children get support orders and that we collect more of the support ordered?

How do the various program funding streams serve other program interests at the State and local as well as the Federal levels?

How can the funding system be structured to ensure that child support payments benefit children to the maximum extent possible?

Does the current law regarding payment of a portion of the CSE costs by families serve the best interests of children and the child support program? If not, what alternatives would better accomplish program goals?

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***Federal/State Investment***

To what extent does States' ability to set up separate State assistance programs under TANF undermine the Federal share of child support collections and what action, if any, is needed to protect the Federal investment in the program?

What is the current level of non-Federal investment in the CSE program and how can we create incentives for increasing such investments?

Some States/localities receive more in Federal funding plus the state share of TANF collections than they expend on the program structure. Does this serve as an incentive to improving services and increasing support to families? In addition, what types of activities are these funds currently spent on?

Does the existing financing structure fairly balance Federal and State/local investments in the program?

What impact has the high effective match rate had on the ability of States to efficiently and effectively achieve the goals of the child support programs?

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***Administrative Simplicity and Program Flexibility***

What aspects of the current funding structure are administratively complicated or burdensome?

Does the current incentive structure support appropriate State/local innovations in CSE?

What would States/localities change about the current funding structure if they could change anything?

What changes in the current funding structure would help States/localities better integrate their CSE and TANF program while continuing to provide high quality services to non-TANF populations?

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***External Issues***

What changes about the current funding structure would advocates recommend if they could change anything?

How would any funding change affect the way child support enforcement services are provided to children and families?

How will funding changes fit into the historical context of the program and within the past six years of increased federal presence and direction, including PRWORA?

How would any funding changes be viewed by the general public and by the media?

September 15, 1998

## CHILD SUPPORT MULTI-AGENCY TASK FORCE (CSMAIT)

The Federal Department of Health and Human Services' (DHHS) Office of Child Support Enforcement and Office of Inspector General have developed and initiated a law enforcement model that will improve our nation's criminal non-support enforcement efforts.

The projects short term goal is to identify, investigate and prosecute the most flagrant state and federal offenders, in the geographic areas covered by the task forces. The long term objective is to create, on a national basis, a comprehensive and coordinated health and human services and criminal justice response to our nation's unresolved inter/intra state cases.

The model utilizes an interdisciplinary task force approach, which targets selected high volume states across the country. This approach will increase child support collections by identifying, analyzing, investigating and prosecuting high-profile, criminal non-support cases. The initiative's structured problem identification and resolution process will allow task force partners to better coordinate and focus our nation's criminal non-support enforcement efforts.

Each task force will consist of criminal justice and child support practitioners, who will identify problems peculiar to the locality, state or region, carefully analyze them, and provide comprehensive and workable solutions. Each task force will also deploy teams of local, state and federal investigators. The lead for each team will be provided by DHHS's Office of Inspector General--Office of Investigations (OI).

A central case screening unit provided by OCSE will also be installed in each region. These units staffed by case analysts will receive, analyze, distribute and track cases assigned to the individual task forces. Using both commercial (public) and government (confidential) data bases, the screening units will quickly determine a target's ability to pay as well as critical asset, business and residential locate information. Once these preliminary investigations have been concluded, the information will be forwarded to the appropriate team(s) for formal investigation. The final step will involve presentation of the completed investigation(s) to the appropriate prosecutor, in a format suitable for judicial action.

Since May 1998, OCSE-OI's first task force (Illinois, Michigan and Ohio), has produced the following outcomes:

- 70 federal cases opened--\$2.6 million in arrears
  - 25 federal arrests
  - 5 federal convictions, with \$147,000 in restitution ordered
  - 8 federal convictions sentencing pending
- 
- 180 state cases opened--\$5.2 million in arrears
  - 162 state arrests--\$4.2 million in restitution ordered by local and state courts

The development of another task force that will cover Delaware, Maryland, Pennsylvania, Virginia and Washington, DC is now in the early planning stage.

Criteria for future task force deployment will continue to be based on careful analysis of the child-support caseload, multi-agency work load and resource allocation and the availability and location of potential task force members. It is critical that an adequate number of OI field offices and investigators are located in the designated target areas and that a commitment to the program is evidenced by the affected state IV-D directors.

If the DHHS task forces replicate the results achieved by similar law enforcement models, they will bring together a majority of stake-holders, allow for cross disciplinary problem identification; and create the means and methodology for comprehensive problem solving. This formal interactive process will over time, improve coordination, reduce duplication and increase substantially, child support collections.



# CSMAIT BULLETIN



Volume 1, Issue 1

JULY-1998

**Greetings!** This is the first of what will be a continuing series of CSMAIT information bulletins. We are initiating this bulletin to keep everyone informed of our progress.

....During a recent visit to the CSMAIT center in Chicago, **Child Support Enforcement Commissioner David Gray Ross** emphasized the importance of our team approach and heralded the success we have already achieved during this brief interim period. As you know, a select number of investigations have been conducted to test the program and the seven arrests that have already been effected, testify to the value of our multi-agency approach. The **Inspector General's (OI) Unit Leaders** have detailed information regarding these first arrests, as well as supporting news articles and other pertinent information.

#### Initial Task Force results include:

- May 21, 1998, **Jerry Gertz** was arrested in Miami, Florida for violating the Child Support Recovery Act. Gertz owes over \$50,000 in child support and more than \$150,000 in alimony. The original court orders were issued by Genesee County, Michigan. Gertz, who owns a home on a canal and a boat in Florida and is the president of a yacht company, was arrested while driving his Lexus.
- **Donald Edwards** surrendered to Federal Authorities on May 20, 1998 in Hartford, CT. He appeared before a Federal Magistrate and

was released on a \$20,000 bond with orders to appear in the U.S. District Court in Grand Rapids, Michigan to face charges that he violated the Child Support Recovery Act. Edwards was over \$33,000 in arrears at the time of his arrest. Edward's employment history indicates that he has been Chief Executive Officer for Vision Tech Education, since 1996.

- On May 12, 1998, **Antonio Catani** pled guilty in Minnesota to violating the Child Support Recovery Act. Catani owes over \$26,000 in child support. Catani resides in Minnesota. His child (along with the custodial parent) reside in Alaska. Catani will be sentenced in October.
- After a difficult multi-state search, **Paul Sotello** was arrested in Ypsilanti, Michigan. His employment as a pilot for a contract-airline-mechanical firm allowed him to move frequently, making him difficult to find and arrest. When captured, Sotello was over \$27,000 in arrears. On May 26, 1998, Sotello agreed to a pre-trial diversion agreement in the U. S. District Court, in the Southern District of Indiana. The agreement requires that Sotello pay his arrears and continue to make all ordered payments. Sotello has now started his regular payments.
- On May 18, 1998, **Kelly VanDyke** was arrested in Davenport, Iowa for violating the Child Support Recovery Act. At the time of her arrest, VanDyke was over \$16,000 in arrears. The warrant for her arrest was issued out of Minnesota.

*over \$20,000 or more  
w/ demonstrated ability  
to pay*

On May 21, 1998, **Ricky Lee Marriner** was arrested in Tenino, Washington on charges of violating the Child Support Recovery Act. The warrant for his arrest was issued out of the Southern District of Ohio. Marriner is over \$18,000 in arrears and evidence shows that he is the beneficiary of a life insurance policy which paid him \$100,000. Marriner has a history of violence, including charges of domestic violence and has been known to carry concealed weapons. The Magistrate ordered Marriner to be held and transported by the **U.S. Marshals Service** to the Southern District of Ohio where he faced federal charges. On June 26, 1998 Ricky Lee Marriner appeared in the U.S. District Court, in Columbus, for arraignment and entered a plea of guilty to one count of violating 18 USC - 228, Failure to Pay a Legal Child Support Obligation. His plea was accepted and he was found guilty by Magistrate Judge Norah McCann King, who sentenced him to pay full restitution of approximately \$19,000, and placed him on probation for the maximum period of five years. Marriner may be released from probation early if he makes full restitution prior to the expiration of the five years.

On June 15, 1998, a felony child support warrant for a second violation, of 18 USC - 228 was issued for **Theodore Roosevelt Nix**. Nix, an "Arena" football player, was convicted of his first offense in March 1995,

but has not paid any of the ordered child support. Nix currently owes the Ingham County, Michigan Friend of the Court \$76,086.87. While DOJ does not believe this is the first felony charge in the country under, 18 USC - 228, it is the first in Michigan and the first for the CSMAIT Task Force. CSMAIT / OI - Agents are in the process of locating Nix.

...Here is the status of the CSMAIT Center located at 105 West Adams, Chicago, IL. To date, measures have been taken to ensure the safety and security of office space and search data. Essential office equipment has been procured and installed and as of June 15th, we have had programs loaded on a terminal that provides access to a variety of data bases. The Federal Parent Locator Service System and one other exciting information mining tool will soon be part of this expanding automated information system. OI's new case tracking and evaluation system has been set in place and continues to be ready to provide interim tracking and investigative support.

...Also, we have recently acquired two new CSMAIT partners. From across our northern international border, **Leslie Conroy, Senior Intelligence Officer**, Contraband and Intelligence Services Directorate, Revenue Canada Customs has joined our group, and

**Chief Judge Marvin E. Aspen** of the U.S. District Court, Northern District of Illinois, has appointed **Executive Magistrate Judge Rebecca R. Pallmeyer** as the Federal District Court's representative. We are very excited about their commitment to this effort and the benefits that will accrue, as a result of their membership.

...On another note, we have received some great suggestions to strengthen our partnership. **Gale Quinn**, Program Specialist for Region V, suggested that we include IRS investigators as a part of our effort and we are moving to bring them on board.

...During the next several weeks, we plan to schedule meetings in each of the states to begin discussions with State CSE Agencies, OI-Unit Leaders and individual CSMAIT members. These meetings are critical, as they represent the next important step in carrying out CSMAIT's partnership building and long range planning efforts. We are asking you to quickly notify your OI-Unit leaders (**Scott Langen - IL, Craig Morgan - OH and Scott Vantrease - MI**) of any issues you would like to discuss during these meetings. They will forward them to **Chief Don Deering**, so they can be added to the agendas.

...We are also pleased to report that OI-Unit Leaders are currently working within the states to establish interim procedures for case screening and referral to the Center. They will be in touch with you soon regarding logistics.

...This should bring you up-to-date and have you thinking about the issues, obstacles, solutions and other matters you would like to discuss and bring to closure during our meetings.

... **Remember**, in addition to its investigative role, CSMAIT provides an unparalleled opportunity to collaborate on a grand and comprehensive scale - to discover and test new theories, practices, technologies and procedures and in the end, **revolutionize** the way criminal non-support enforcement is conducted. All of this will be accomplished with your support and participation.

CSMAIT



**Partnership for America's Children**