

DEPARTMENT OF HEALTH AND HUMAN SERVICES

**OFFICE OF  
INSPECTOR GENERAL**

**Withholding Child Support Obligations from  
Departmental Employees**



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INSPECTOR GENERAL

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# EXECUTIVE SUMMARY

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## PURPOSE

To evaluate the wage withholding of child support from Department of Health and Human Services' (HHS) employees.

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## BACKGROUND

On February 27, 1995, the President signed Executive Order 12953, which requires Federal agencies to:

- conduct an annual cross-match of the Federal tax refund offset file with the payroll files of Federal agencies to identify Federal employees with child support delinquencies,
- comply with all wage withholding requirements, and
- act as model employers in facilitating the establishment and enforcement of child support orders.

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## FINDINGS

### **We Found Delinquent Obligor Without Wage Withholding Employed by the Department**

The 1995 Executive Order 12953 requires an annual match of the Federal tax refund offset file, indicating delinquent obligors, with the payroll files of Federal agencies. The intent of this match is to identify Federal employees with child support delinquencies to ensure enforcement of their support obligations. The Department last conducted an annual match in 1996.

We conducted a match of the Federal tax refund offset file and the Department of Health and Human Services' payroll file. This match resulted in a list of 215 delinquent employee-obligors, with an average delinquency of \$7,295. As of May 30, 2000, wage withholding was in place for 139 and not in place for 76 of these delinquent employee-obligors.

The Program Support Center, an operating division of HHS, conducts payroll services for the Department's approximately 60,000 employees, including payroll deductions for child support payments. During the course of the inspection, the Office of Child Support Enforcement and the Program Support Center agreed to work together to periodically

conduct the cross-match to identify departmental employees who are delinquent child support obligors.

### **In More Than Half the Sampled Cases, States Did Not Know That Delinquent Obligor Were Departmental Employees**

State systems typically match obligor information with State employment databases containing new hire and quarterly wage information from employers statewide. The National Directory of New Hires is the primary source for learning of Federal employment because Federal employees are not included in State employment systems.

The Office of Child Support Enforcement assumes that States will learn from the National Directory of New Hires that an obligor is a Federal employee and act accordingly to pursue wage withholding. However, our examination of the case files for a sample of 45 of the 76 employee-obligors, without withholding in place, revealed that in approximately 22 cases the States did not learn that these obligors were departmental employees. The States either did not receive matches or did not determine from the matches that the obligor was, in fact, a Federal departmental employee. Upon learning of the obligors' employment with the Department through our inspection, most of the States immediately issued wage withholding orders to HHS for these cases.

### **More than Half of the Individuals Without Wage Withholding Were Indian Health Service Employees**

We found that 44 of the 76 delinquent employee-obligors without wage withholding were Indian Health Service employees. In 19 of 45 sampled cases, tribal jurisdiction issues contributed to the absence of income withholding. The Department has the authority to withhold wages for all Federal employees for the payment of child support, regardless of Native American tribal membership or residency, or employment on a reservation. Caseworkers often do not know that Native American obligors are Federal employees or that enforcement should be pursued for Indian Health Service cases. State enforcement policies involving Tribal jurisdiction are varied and complex. Many State caseworkers do not pursue these cases.

### **The Department Enters All Income Withholding Orders Received; However, Some Data Entry Errors Occur**

The Program Support Center process for entering income withholding orders appears to be orderly and timely. Through a review of 51 cases with withholding in place, we found that the majority were entered into the system within 10 days of order receipt. State records indicated that income withholding orders were sent to the Department in 8 of the 45 sampled cases that did not have withholding in place. However, the Program Support Center was not responsible for the lack of withholding in these eight cases. In four cases,

the States sent wage withholding orders to the wrong HHS office. The other cases were inactive because current support had been paid in full.

We found data entry errors in the amounts to be withheld and recipient addresses in some cases. In 8 out of 49 cases (16 percent) reviewed with withholding in place, the amounts to be withheld on the entry forms differed from the required amounts on the court orders. Entry forms with errors were rarely signed by a supervisor.

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## RECOMMENDATIONS

While conducting our inspection, OCSE worked closely with us to solve problems associated with the 76 departmental employees without wage withholding. In addition, OCSE is an active and cooperative partner with the Department in responding to our recommendation to institutionalize a process to ensure Departmental compliance with the Executive Order. Additional steps are also needed, however. We recommend:

- The Department designate a senior departmental official the responsibility for ensuring compliance with the Executive Order,
- The Office of Child Support Enforcement help States effectively use the National Directory of New Hires,
- The Office of Child Support Enforcement provide guidance to States on issuing withholding orders for Indian Health Service employees, and
- The Program Support Center increase withholding accuracy.

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## AGENCY COMMENTS

We received comments from the Office of Child Support Enforcement (OCSE), the Program Support Center (PSC) and the Indian Health Service (IHS). The OCSE is in agreement with our findings and recommendations. The PSC agrees this is an important initiative and provided technical comments and clarification. The IHS agrees with our recommendation pertaining to IHS employees. Where appropriate, we changed the report to reflect their comments. The full OCSE, PSC and IHS comments are contained in Appendix C.

One matter unresolved at this time is the designation of a senior official to oversee Departmental compliance with the Executive Order. Considerable improvement can be made without taking this step, but an overall coordinator could facilitate a more cohesive and effective Department-wide response.

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# INTRODUCTION

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## PURPOSE

To evaluate the wage withholding of child support from Department of Health and Human Services' (HHS) employees.

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## BACKGROUND

The Child Support Enforcement program was created in 1975 with the addition of Part D to Title IV of the Social Security Act. State Child Support Enforcement Agencies, also known as IV-D agencies, are responsible for administering the program, including locating absent parents, establishing paternity, establishing orders for financial and medical support, enforcing the orders, and collecting and disbursing the support due. The Federal Office of Child Support Enforcement (OCSE) contributes matching funds, sets requirements for certain design features, and monitors and evaluates State child support program implementation. The OCSE also provides State child support agencies with technical and operational assistance to carry out program functions.

In fiscal year (FY) 1998, State child support agencies had a total caseload of just over 19.1 million cases. Approximately 11.5 million of these cases had child support orders established and in effect. The OCSE does not have data available on the number of Federal employees or departmental employees who are child support obligors.

### **Executive Order for Federal Agencies to be Model Employers in the Collection of Support**

On February 27, 1995, the President signed Executive Order 12953 establishing the Federal Government as a model employer in facilitating the establishment and enforcement of child support orders. The Order states that, as the Nation's largest single employer, the Federal Government should set an example of leadership in the collection of support from employees. The Executive Order requires Federal agencies to cooperate in efforts to establish paternity and child support orders, as well as enforce the collection of child and medical support.

The Executive Order requires an annual cross-match of the Federal tax refund offset file with the payroll files of Federal agencies to identify Federal employees with child support delinquencies. The criteria for delinquency for the tax refund offset file are as follows: the obligor must owe arrears of \$150 or more if the custodial parent is on Temporary

Assistance to Needy Families (TANF) or \$500 or more if the custodial parent is not on TANF.

The records generated from the tax offset-payroll file match are to be sent to the appropriate State child support agency to pursue wage withholding or other enforcement actions. In addition, under the Order, the Office of Personnel Management is required to annually publish in the Federal Register a list of contacts for each Federal Agency designated to receive income withholding orders for employees. Upon receipt of withholding orders, Federal agencies must comply with all wage withholding requirements.

The Office of Child Support Enforcement last conducted a match of Federal payroll data with the tax refund offset file in October 1996. This match identified 225 employees of the Department of Health and Human Services as delinquent obligors. The match of these two files, required annually, has not been conducted by OCSE since 1996, due to their determination that pro-active matching of the National Directory of New Hires and the Federal Case Registry, enacted in 1996, supercedes the required payroll-tax offset file match.

## **National Directory of New Hires and the Federal Case Registry**

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) mandated the creation of the National Directory of New Hires, a national database of employment data, herein referred to as the Directory, and the Federal Case Registry, a national database of child support case abstracts.

The National Directory of New Hires contains three types of employment data compiled from State Employment Security Agencies and Federal Employers: State employment information on all new hires, quarterly wages for all employees and State unemployment insurance claim data. Federal employers, with the exception of certain security agencies, are required to submit new hire employment data and quarterly wage data on Federal employees to the Directory on a routine basis.

The PRWORA requires routine matching between the National Directory of New Hires and the Federal Case Registry (FCR) to generate information on obligors for “locate” and enforcement purposes. Since October 1, 1998, matches have been continually run between the Directory and the FCR.<sup>1</sup> When a match is identified, the employment information for the obligor is sent to the State. Through this system, States should receive recent employment information for all obligors employed by the Federal

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<sup>1</sup>

Pro-active matching of the NDNH and the expanded Federal Parent Locator Service began in October 1997, prior to full implementation of the FCR.



government. It is then the States' responsibility to seek wage withholding through the Federal employer, if it is not already in place.

## **Wage Withholding as Primary Enforcement Tool**

The most widely used and effective child support enforcement tool is wage withholding. Nearly 60 percent of all child support is collected through the withholding of wages by employers.

Since the start of the child support program in 1975, State IV-D agencies have been authorized by the Federal Government to garnish wages and other payments for enforcement of child support obligations. The child support amendments of 1984 required IV-D agencies to include a provision for wage withholding in the establishment of all new orders and the modification of existing orders. States were required to implement wage withholding when an arrearage accrued that was equal to the amount of support payable for one month. The Family Support Act of 1988 greatly expanded wage withholding by requiring States to begin immediate wage withholding for all new or modified IV-D orders as of November 1990, regardless of whether arrears exist.<sup>2</sup>

Upon receipt of a child support withholding notice, employers must provide a copy of the notice to the employee and begin withholding within 30 days. Employers are to continue withholding the required amount until official notification to stop is received. Additionally, the employer is required to notify the child support agency if the employment ends or is interrupted. The Treasury Department sends withheld payments from Federal employees to the States or the custodial parent.

## **Wage Withholding Within the Department of Health and Human Services**

The Program Support Center (PSC), an operating division of HHS, conducts payroll services for all of the Department's approximately 60,000 employees. As part of its payroll operations, the Center oversees the Debt Management and Collection System for the Department. Through this system, all payroll deductions for child support payments are processed.

State child support agencies are required to send all withholding orders to the Office of General Counsel for HHS. The Office then sends the income withholding orders to the Special Activities Branch of the Program Support Center for processing. The Special Activities Branch is responsible for processing all mandatory withholding orders. If withholding orders are received by local Department employment sites or personnel

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<sup>2</sup>

The law allows for exceptions to immediate wage withholding if good cause not to withhold is determined in court or a written agreement is reached between both parties for an alternative arrangement.

offices, they are to be forwarded to the Office of General Counsel or the Special Activities Branch and processed centrally.

## **Child Support Enforcement for Indian Tribes**

State child support agencies are responsible for establishing and enforcing child support orders for all IV-D cases opened in the State. However, the Office of Child Support Enforcement recognizes that Tribal sovereignty may prohibit State child support agencies from enforcing certain child support orders. Currently, each State agency determines whether to pursue the establishment and enforcement of orders in cases involving Tribal jurisdiction.

Unlike other employers, the Federal Government has the authority to withhold wages for all Federal employees for the payment of child support, regardless of Native American tribal membership, residency, or employment on a reservation.

State child support agencies and Tribes can contract for the Tribes to provide child support services. State agencies receive Federal financial participation for these costs, as long as the Tribal entity “demonstrates that it has an established Tribal court system with the authority to establish paternity, establish, modify or enforce support orders or to enter support orders in accordance with child support guidelines established or adopted by such Tribal entity.”<sup>3</sup> Currently, 11 Tribes operate child support programs in whole or in part under cooperative or contractual agreements with eight State child support enforcement agencies. The Tribes, which operate under such cooperative arrangements with States, are not required to adhere to Federal income withholding requirements or to honor income withholding orders from State agencies.

However, the PRWORA authorized direct Federal funding for Tribes operating child support enforcement programs. The PRWORA interim final rule requires Tribes to comply with all Federal child support provisions in order to receive direct Federal funding, including issuing wage withholding orders to the employers of all obligors. The interim final rule also requires Tribes to recognize child support orders issued by other Tribes, Tribal organizations, and States. Thus, funded Tribes will be required to honor income withholding orders issued by State child support enforcement agencies.

## **Related Prior Office of Inspector General Work**

In August, 2000, the Inspector General released “Child Support Enforcement State Disbursement Units: Sharing the Implementation Experiences of Six States,” OEI-06-00-00041. This study described States' experiences in developing and operating State Disbursement Units. The Inspector General found that State Disbursement Unit

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<sup>3</sup>

OCSE Action Transmittal, July 28, 1998 AT-98-21

managers cited particular difficulties processing checks issued by Federal agencies. According to the managers, Federal checks often contain inadequate or confusing information, are sometimes sent to the wrong location, and may be submitted too early to allow proper disbursement to custodial families. The OIG recommended that OCSE encourage improved performance by Federal government payers by collaborating with States so that States can communicate their problems and potential solutions.

The Office of Inspector General conducted an inspection on Child Support and the Military, OEI-07-90-02250, released in June 1993. This report found low collections in military cases due to challenges child support staff experienced locating absent parents; lack of training of child support staff to handle military cases; and inconsistent wage withholding requests submitted to Military Finance Centers. A recommendation to establish a standard wage withholding request form was implemented.

In August 1997, the Inspector General released *Grantees and Providers Delinquent In Child Support*, OEI-07-96-00390, examining Departmental compliance with a September 1996 executive order requiring Federal agencies to offset Federal payments and deny Federal loans to delinquent obligors. The report examined child support payment compliance by a sample of physicians receiving Medicare payments and a sample of individuals receiving grants or payments through the National Health Services Corp and the National Institutes of Health. The Inspection found that three out of every 1,000 providers or grantees in the study universe were in arrears, totaling \$21.5 million.

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## SCOPE AND METHODOLOGY

In this inspection, we examined whether wage withholding was occurring for all Department of Health and Human Service employees who are delinquent child support obligors. Where wage withholding was in place, we determined whether the withholding was accurate and timely. Where withholding was not in place, we examined sampled case records to determine why it was not in place. We also analyzed the payment records on the sampled cases to determine the amount of support uncollected due to the absence of withholding. In addition, we collected descriptive information on the processes used to locate obligors and establish wage withholding.

To identify the universe of departmental employees who are indicated as delinquent obligors on the tax refund offset file, we conducted a match of the Department's payroll file with the Federal tax refund offset file. We matched 61,325 individuals who had been employees of the Department of Health and Human Services for at least three months as of May 30, 2000, with the 4,501,494 individuals who were obligors in arrears on the Federal tax offset file as of July 31, 2000. This resulted in a list of 239 individuals matched by Social Security Number (SSN).

We then compared each individual’s name on the tax refund offset file with the name on the payroll file to verify that these 239 matches were correct. We found 20 cases in which the same SSN had been used to identify 2 different people. We sent these SSNs to the Social Security Administration and requested the correct name for each case. We found that 18 of the SSNs were incorrect on the tax offset file and 2 others were incorrect on the payroll file. All 20 individuals were dropped from our universe. An additional 4 individuals were eliminated due to death, resignation or closed cases, resulting in a universe of 215 employee-obligors. Three of the employees had died or resigned prior to the date of our payroll file extract. The child support case of one employee-obligor was closed prior to the date of the tax offset file extract.

We matched the 215 employee-obligors against the payroll office’s Debt Management Collection System to determine whether wage withholding was in place as of May 30, 2000. We found that withholding was not in place for 76 of these 215 employee-obligors.

To check the accuracy of the payroll office’s withholding process, we pulled a random sample of 51 of the 139 employee-obligors who had wage withholding in place. For each sampled employee, we compared the court order received to the data entered into the debt management system and then to the payroll data transmitted to the Treasury Department. Through this comparison, we assessed whether the withheld wages were transmitted in a timely manner, to the appropriate party and for the correct amount.

To determine why withholding was not in place for the other 76 employee-obligors, we pulled a stratified-cluster sample of 45 employee-obligors, stratified by State in which the order is based. We divided the 27 States containing the cases in our universe into three strata, based on the number of employee-obligors in the State. We selected all five States in our first strata, consisting of States with five or more employee-obligors. We randomly selected two of the four States in our second strata, consisting of States with three or four employee-obligors. We randomly selected two of the 18 States in our third strata consisting of States with one or two employee-obligors.

The resulting sample is depicted in the following chart:

	Stratum 1					Stratum 2		Stratum 3		
State	AZ	ND	CA	MD	NM	GA	MT	IA	MO	9 States
No. of NCPs*	9	8	7	6	5	3	3	2	2	45 NCPs

\*NCPs = Non-custodial parents (employee-obligors)

The data was not weighted to project our findings. Rather, our intention was to illustrate the scope and nature of the problems associated with the absence of wage withholding.

We reviewed the case files for each of the employee-obligors in our sample on-site in the State child support offices.<sup>4</sup> We analyzed steps used to locate the obligor, attempts to establish wage withholding and payments missed in the absence of withholding.

To obtain information on the processes used by caseworkers to locate obligors and establish wage withholding, we interviewed local office caseworkers in two offices in each State in our sample. We also interviewed State policy staff responsible for oversight and guidance pertaining to “locate” and withholding. In addition, we reviewed copies of the income withholding forms and accompanying instructions sent to employers in the sampled States.

We also interviewed staff of the Department’s Special Activities Branch who are responsible for processing wage withholding orders for departmental employees.

All data collection occurred between June and November 2000.

Our review of the withholding process for departmental employees was limited to employees who were indicated as delinquent child support obligors on the Federal tax refund offset file. We did not determine the total universe of employees who owe child support, because there is no complete data set available to make this determination.

We also did not review the enforcement of health insurance support from Federal employees. We did not examine compliance with elements of the Executive Order pertaining to Federal employer cooperation in “locate” and the service of legal process.

Our review was conducted in accordance with the *Quality Standards for Inspections* issued by the President’s Council on Integrity and Efficiency.

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<sup>4</sup> We did not review cases on-site in Montana. The State IV-D Director informed us that they knew the 3 employee-obligors were HHS employees and that support was not in place for them because they were employed on an Indian reservation. The State office sent us the other requested data.

# FINDINGS

## **We Found Delinquent Obligor Without Wage Withholding Employed by the Department**

The 1995 Executive Order 12953 requires an annual match of the Federal tax refund offset file, indicating delinquent obligors, with the payroll files of Federal agencies. The intent of this match is to identify Federal employees with child support delinquencies to ensure enforcement of their support obligations. The Department last conducted an annual match in 1996. With the implementation of the Federal Case Registry and National Directory of New Hires in 1996, the Department assumed that this new match would both identify all delinquent obligors and trigger the wage withholding process for departmental employees.

### **We conducted a cross-match and found 215 delinquent departmental employee-obligors, 139 of whom have income withholding in place and 76 of whom do not**

We conducted a match of the Federal tax refund offset file, indicating delinquent support obligors, and the Department of Health and Human Services' payroll file. This match resulted in a list of 215 delinquent employee-obligors, with an average delinquency of \$7,295. Therefore, although we cannot determine the universe of employee-obligors in the Department, we know that there are at least 215 employees delinquent in paying support. A profile of the 215 employee-obligors can be found in Appendix A. As of May 30, 2000, wage withholding was in place for 139 (65 percent) of these delinquent employee-obligors and not in place for 76 (35 percent).

We reviewed payments missed in the months in which a sample of 45 of the 76 employee-obligors without withholding in place were employed by the Department and were obligated to pay support between December 1998 and May 2000. Through this review, we determined that if withholding had been in place, \$128,893 in additional support would have been collected from these 45 employees.

### **The Program Support Center has agreed to conduct the cross-match**

As of June 2000, HHS was withholding wages for child support and/or alimony on a mandatory basis for 569 employees and on a voluntary basis for 8 employees. The Program Support Center (PSC), an operating division of HHS, conducts payroll services for all of the Department's approximately 60,000 employees. As part of its payroll operations, the Center oversees the Debt Management and Collection System for the Department. Through this system, all payroll deductions for child support payments are processed.

The Special Activities Branch is responsible for processing all mandatory withholding orders. The Program Support Center agreed that the Special Activities Branch will work

with the Office of Child Support Enforcement to periodically conduct a cross-match to identify delinquent Department child support obligors.

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## **In More Than Half the Sampled Cases, States Did Not Know That Delinquent Obligor Were Departmental Employees**

State systems typically match obligor information with State employment databases containing new hire and quarterly wage information from employers statewide. Additionally, the majority of State systems receive matches, indicating employment information, from the National Directory of New Hires. The NDNH is the primary source for learning of Federal employment because Federal employees are not included in State employment systems.

The Office of Child Support Enforcement sends matches generated by the Federal Case Registry and the National Directory of New Hires directly to the States' child support enforcement agencies' computer systems on a routine basis. In most of the States we visited, States report that the National Directory employer information automatically populates the employment information screen of the obligor with a matched SSN. The State system then uses this employer address to issue a wage withholding order to the employer.

The caseworkers we interviewed primarily rely on automated "locate" searches to find the employment of an obligor. Most of the nine sampled States we visited report that their child support systems use this information to automatically generate a withholding order to the listed employer. The Office of Child Support Enforcement, however, only recognizes two of our nine sample States as having fully automated wage withholding at the time of our study. According to OCSE, it is possible that NDNH information may sometimes be altered by caseworkers or overwritten by in-State locate sources. The OCSE has found that many States have difficulty maintaining the integrity of their master employer table.

### **States' lack of knowledge of departmental employment contributes to the absence of wage withholding**

The Office of Child Support Enforcement assumes that States will learn from the NDNH-matches that an obligor is a Federal employee and act accordingly to pursue wage withholding. However, we found that in many cases, the States either did not receive matches or did not determine from the matches that the obligor was, in fact, a Federal departmental employee.

Our examination of the case files for a sample of 45 of the 76 employee-obligors without withholding in place revealed that in approximately 22 cases the States did not learn that these obligors were departmental employees. Seventeen of the 22 departmental employees were employed by the Indian Health Service.

Upon learning of the obligors' employment with the Department through our inspection, most of the States immediately issued wage withholding orders to HHS for these cases. The sampled States' quick response demonstrates that the information generated by the National Directory of New Hires-Federal Case Registry match may not be used by the States to ensure enforcement of departmental employees, as intended in the Executive Order. Had the States been able to ascertain departmental employment more readily, the intention of the Executive Order to ensure enforcement of the child support obligations of federal employees could have been better fulfilled.

### **State systems may not be able to effectively use National Directory of New Hires' addresses**

State child support staff indicated State system difficulties with the NDNH addresses. In some States, the NDNH matches are read through a centralized employer address database to verify address information. In these cases, if the match lists "HHS" as the employer, while the existing database reference for the matching employer identification number is the "U.S. Department of Health and Human Services," the system may reject the match or register it to an exception report. The NDNH also does not indicate employment status. One respondent suggested that this creates problems if the obligor is only employed intermittently or part-time with the Department, while holding a full-time job elsewhere.

The Office of Child Support Enforcement's "NDNH Guide for Data Submission" requires Federal employers to use the address of "the entity that employs the individual" as the employer address in the NDNH. For departmental employees, the Program Support Center address is hard coded as the primary address. The Guide also gives employers the option of submitting a second address which should be "where an employer receives child support wage withholding orders."

During our data collection, we found that the Department was not submitting the second optional address for wage withholding. As a result of our inspection, the Department took corrective action to ensure that beginning in January 2001, the Office of the General Counsel was hard coded in the optional employer address category. States' access to two addresses for departmental employees will help to ensure that departmental employees are correctly identified by States and subsequently, that wage withholding orders are sent to the Department.

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## **More Than Half of the Individuals Without Wage Withholding Were Indian Health Service Employees**

In some cases, State records indicate the physical employment sites, such as an Indian Health Service hospital, rather than the Program Support Center. This address information causes caseworkers to perceive departmental employees as Tribal employees. In sampled States, when work sites are located on Indian reservations, income withholding orders are usually not pursued. If departmental employment had been readily



apparent, the Tribal jurisdiction issues likely would not have been a barrier to withholding in most States. A more detailed chart, indicating reasons for non-withholding on each case, is in Appendix B.

In 20 of the 45 cases, tribal jurisdiction issues contributed to the absence of income withholding. As is the case for our universe, these obligors are paid Federal wages by the Program Support Center. The Department has the authority to withhold wages for all Federal employees for the payment of child support, regardless of Native American tribal membership or residency or employment on a reservation.<sup>5</sup> Some child support staff are not aware of this authority.

The following chart depicts the impact of Tribal issues on income withholding for IHS employees:

No. of Cases	Tribal Jurisdiction Issues Contributing to Absence of Withholding
5	Locate not pursued because obligor is Native American
8	IWO not sent because obligor is Native American
4	IWO sent to local IHS site and not forwarded to PSC
3	Tribes responsible for the cases did not issue IWOs

**State enforcement policies involving Tribal jurisdiction are varied and complex. Many caseworkers do not pursue these cases.**

State and local staff reported difficulty enforcing child support cases when the obligor is a Tribal member, resides or works on a reservation. In general, child support agencies have no authority to enforce State orders on Tribal land. Factors States consider to determine jurisdiction include the residency of the obligor, the location of his or her work-place, tribal membership, and the child’s tribal membership or residency. Respondents indicated that they rely on an assortment of rules to determine jurisdiction and usually decide on a case-by-case basis.

Caseworkers in our 9 States, with average caseloads of 800, must prioritize their workloads. Several caseworkers indicated that they do not pursue cases involving Native Americans because the State is unable to enforce collections from non-Federal Tribal employees. Some States’ computer systems have codes indicating lack of jurisdiction for Tribal reasons, which further discourages caseworkers from pursuing these cases.

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<sup>5</sup> Social Security Act, Title IV, Section 459 [42 U.S.C. 659] (A)

## **Caseworkers often do not know that Native American obligors are Federal employees or that enforcement should be pursued for Indian Health Service cases**

In several cases, the caseworker appeared to know that the obligor was working at an Indian Health Service (IHS) site. However, the caseworker did not know that the obligor was a Federal employee and, therefore, did not pursue income withholding. In some cases, respondents knew Native American obligors were Federal employees, but did not pursue enforcement because of the erroneous belief that these cases cannot be enforced. In fact, a couple of State policy staff respondents indicated that if the wages are earned on a reservation, wage withholding cannot be pursued regardless of the payer source.

## **In some cases, income withholding orders were not in place because the Tribe responsible for enforcing the cases did not issue withholding orders**

Two of our sampled States, New Mexico and Arizona, contract with the Navajo Nation for the Nation to provide Tribal child support enforcement services. Local Navajo caseworkers in New Mexico reported including income withholding orders on all cases established administratively. However, caseworkers report that most cases established in Navajo court do not include income withholding provisions. Modifying an order to include income withholding is a multi-step process that can take a long period of time. In three of the cases we reviewed, employment with the Department was known, but an income withholding order had not been sent due to Tribal court procedures.

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## **The Department Enters All Income Withholding Orders Received; Some Data Entry Errors Occur**

### **The payroll office's process for entering income withholding orders appears to be orderly and timely**

When the PSC receives an income withholding order, either through the Office of General Counsel, or directly from a State child support agency, an accounting technician records all of the elements required for the Debt Management Collection System on a one-page form. Upon a supervisor's approval, the technician enters the data into the system. Through a review of 51 cases with withholding in place, we found that the majority were entered into the system within 10 days of the income withholding orders' receipt.

The data in the debt management collection system is transmitted electronically to the Treasury Department at the end of each pay period. The Treasury Department generates and distributes paychecks and withheld payments based on this transmission. Our comparison of the data entered into the Debt Management Collection System to a print-out of the data transmitted to the Treasury verified that the fields in the system are correctly transmitted within one day of the end of the pay period.

State records indicated that income withholding orders were sent to HHS in 8 of the 45 sampled cases that did not have withholding in place at the time of data collection. The Program Support Center was not at fault for the lack of withholding for any of these cases. Four of these cases were sent to the wrong HHS address, three were inactive because the current support debt had been paid in full, and one was implemented after our review period. A chart depicting the reasons for non-withholding on all cases is included in Appendix B.

## **We found data entry errors in the amounts to be withheld and recipient addresses**

Although the Payroll Office's process for entering income withholding orders into the debt management collection system appears to be orderly, errors occur. In 8 of 49 cases<sup>6</sup> (16 percent) reviewed, the amounts to be withheld on the entry forms differed from the required amounts on the court orders. In six of the eight cases, the difference was due to omission of the arrears or the current support payment. In the other two cases, withholding was more than it should have been based on the court order. The address to which the withheld payments should be sent differed from the addresses on the court orders in 6 of the 51 cases (12 percent).

The absence of supervisor approval appears to be a factor in the cases in which the withheld amounts were incorrect. Seven of the eight entry forms with errors in the withheld amounts were not signed by a supervisor. Overall, entry forms were not signed by a supervisor in 46 percent of the reviewed cases. While the lack of supervisor approval appears to be significant in the cases with errors related to the amount withheld, it does not appear to be a significant factor in address errors.

## **The payroll office has no formal process to ensure local HHS offices forward income withholding orders**

Income withholding orders sometimes come to the Program Support Center via local Department office sites. According to the Center, all payroll liaisons in local offices have been verbally informed to forward orders to the Program Support Center. There is no written procedure instructing local sites of this requirement, nor any PSC oversight to ensure compliance.

The lack of a formalized forwarding process appears to be a problem in cases in which obligors work for the Indian Health Service (IHS). In 4 of our 45 cases, the State child support staff sent income withholding orders to HHS local offices and the orders were not forwarded to the Program Support Center. The IHS was the employer for three of these four cases.

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<sup>6</sup> The universe of cases for which the withheld amounts were reviewed was 49 rather than 51 because in 2 of the cases, the required withheld amount was greater than 50% of the obligor's disposable income. The Federal Consumer Protection Act limits garnishment to 50% of disposable earnings for an obligor who supports a second family and 60% to an obligor not supporting a second family.

# RECOMMENDATIONS

## **The Department Should Designate a Senior Departmental Official the Responsibility for Ensuring Compliance with the Executive Order**

While conducting our inspection, OCSE and PSC worked closely with us to solve problems associated with the 76 departmental employees without wage withholding. In addition, they have been active partners with the Department in responding to our recommendation to institutionalize a process to ensure that the Department is in compliance with the Executive Order.

We recognize the Office of Child Support's efforts to ensure that Federal agencies submit timely and accurate employment information to the National Directory of New Hires and that States are able to use this data effectively. Since PRWORA, OCSE has focused on the development of the National Directory of New Hires and the Federal Case Registry, which are systems to provide States with much needed employment data. Continuing to ensure these systems function effectively is vital to departmental and State efforts to withhold wages for delinquent child support obligors.

We recommend that the Department now focus on the outcomes of these systems. In particular, to ensure compliance with the Executive Order, the Department must focus on State and departmental actions that are necessary to withhold wages for all departmental obligors. During the course of assisting with this inspection, OCSE and PSC agreed to work together to periodically conduct the cross-match. Through this match, the Department will determine which departmental employees are delinquent child support obligors and do not have withholding in place. The OCSE and PSC should work together to release the employment information to the States responsible for enforcing the delinquent employee-obligors' wage withholding orders and to ensure implementation of orders received. The OCSE and PSC agreed to do so.

In addition, the Department must meet the other requirements of the Executive Order, which include informing and sensitizing employee obligors about their child support obligation and the Department's obligation to withhold wages. We suggest that the Office of Human Resources (OHR) of the Assistant Secretary for Management and Budget should assume responsibility to meet the Executive Order requirements of routinely informing departmental employees about:

- the Department's obligation to cooperate in efforts to establish paternity and child support orders,
- the Department's obligation to enforce the collection of child and medical support,
- the Department's obligation to withhold wages for all child support obligors for whom a State issues a wage withholding order to the Department,

- departmental employees' responsibility to be in compliance with their child support obligations, and
- actions departmental employees should take and services that are available to them to ensure that their children are provided the support to which they are legally entitled.

The Department should assign a senior departmental official the responsibility to organize and oversee the overall effort to meet the requirements of the Executive Order and report progress and compliance to the Secretary on a routine basis.

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## **The Office of Child Support Enforcement Should Help States Effectively Use the National Directory of New Hires**

As our findings demonstrate, State child support staff did not appear to know that many sampled employee-obligors were Federal employees. State child support staff's inability to learn of departmental employment from the NDNH for employee-obligors indicates that States remain in need of assistance in order to efficiently and effectively use the NDNH to issue wage withholding orders for departmental employees.

Specifically, OCSE should continue to work with States to improve or enhance their automated processing of NDNH data and automated wage withholding. This should include encouraging States to establish processes to verify NDNH information, even if alternative employer information exists. In addition, States should be encouraged to enhance their automated systems to be able to capture the second wage withholding address provided by the Department.

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## **The Office of Child Support Enforcement Should Provide Guidance to States on Issuing Withholding Orders for Indian Health Service Employees**

In 19 of the 45 sampled cases, tribal jurisdiction issues contributed to the lack of income withholding. Additionally, 44 of the total 76 delinquent employee-obligors without withholding in place are employed by the Indian Health Service (IHS). As all of the obligors are Federal employees, tribal jurisdiction should not have prevented wage withholding in any of these cases.

Of the 139 delinquent employee-obligors with withholding in place, 61 are employed by IHS, many on reservations. Clearly, income withholding orders are regularly implemented for IHS employees without legal challenges. Withholding orders should be in place for all delinquent IHS employee-obligors.

## **To ensure withholding for all IHS employee-obligors, OCSE should:**

- Provide guidance to State child support agencies clarifying their authority to enforce wage withholding for all Federal employees, regardless of where the wages are earned.
- Encourage State agencies to examine whether obligors employed by reservation medical centers are departmental employees. States could provide local staff with lists of IHS sites to cross-reference with employer addresses on reservations.
- Instruct States to send all income withholding orders for Indian Health Service employees to the OGC, the designated withholding agent for the Department.

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## **The Program Support Center Should Increase Withholding Accuracy By:**

### **Ensuring review of all withholding entries**

- Review all entry forms carefully, ensuring that all of the data from the court orders has been correctly entered and that the form has been signed by a supervisor.

We found errors in the entry of withholding amounts in the withholding system operated by the Program Support Center (PSC). Entry forms with errors in the withhold amounts were rarely signed by a supervisor.

### **Expanding entry form**

- Include space for technicians to calculate percentages of disposable income.

Federal law prohibits employers from withholding more than 50 to 65 percent of an obligor's disposable income.<sup>7</sup> In some cases, therefore, the Program Support Center staff need to calculate income percentages to determine allowable withholding amounts. We found calculations were often scribbled on the margins of forms, rendering an accurate supervisory review difficult.

### **Formalizing the forwarding process of income withholding orders from local offices**

- Provide local payroll liaisons with written guidance on the need to forward all income withholding orders to the PSC.
- Require that local liaisons record the date of receipt of all income withholding orders and the date forwarded in a log, subject to review.
- Mandate that forwarding occur within 3 days of income withholding orders receipt.

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<sup>7</sup>

The Federal Consumer Protection Act limits garnishment to 50% of disposable earnings for an obligor who supports a second family and 60% to an obligor not supporting a second family. If arrears are more than 12 weeks overdue, the percentage of earnings which can be garnished increases to 55% and 65% respectively.

In 4 out of 45 sampled cases, States sent withholding orders to local HHS offices. These orders were not forwarded to the Program Support Center. Child support agencies should send income withholding orders directly to the PSC or Office of General Counsel. However, when they are sent erroneously to local offices, they should not be neglected.

### **Tracking receipt of employee verification letters and income withholding orders not acted upon**

- Keep copies of all employer verification letters and income withholding orders received.

In a few cases, States indicated that they sent verification letters to the Program Support Center, but the PSC did not have a record of them. The PSC indicated that they do not store verification letters or withholding orders that are not acted upon. Storage of these letters and orders would allow periodic review to ensure appropriate response to all child support agency requests.

# AGENCY COMMENTS

We received comments from the Office of Child Support Enforcement (OCSE), the Program Support Center (PSC) and the Indian Health Service (IHS). The OCSE is in agreement with our findings and recommendations. The PSC agrees this is an important initiative and provided technical comments and clarification. The IHS agrees with our recommendation pertaining to IHS employees. Where appropriate, we changed the report to reflect their comments. The full OCSE, PSC and IHS comments are contained in Appendix C.

We would like to thank OCSE for their assistance in conducting this study and for providing us with substantive and insightful comments. The OCSE has provided extensive guidance and technical assistance to States. The OCSE will further these efforts with a specialized guidance document that will address the issues detailed within this report.

The OCSE will address the recommendation made directly to them as well as assist the Program Support Center in responding to the recommendation pertaining to the PSC's role in employee wage withholding. The OCSE's and PSC's efforts will help to assure departmental compliance with Child Support Enforcement requirements and with the intent of the Executive Order.

The Indian Health Service concurs with our recommendation that OCSE provide guidance to State Child Support agencies clarifying their authority as to federal employees residing and/or working on Indian reservations.

Finally, we recognize that additional discussions are needed within the Department to resolve outstanding substantive and technical matters highlighted in the report. First, the substantive matter concerns the designation of a senior official to oversee Departmental compliance with the Executive Order. Considerable improvement can be made without taking this step, but an overall coordinator could facilitate a more cohesive and effective Department-wide response. Second, to resolve the technical issue, OCSE has provided us with a separate technical memorandum, addressing issues related to OCSE providing their files to other federal Departments in order to test compliance with the intent of the Executive Order.



## Profile of Employee-Obligors

**Totals:**

- 215 departmental employees were obligors on the tax offset file as of 5/30/00
- 139 employee-obligors with income withholding in place as of 5/30/00
- 76 employee-obligors without income withholding in place as of 5/30/00

<b>GRADE LEVEL</b>	<b>All Employee-Obligors (215)</b>	<b>Without Withholding (76)</b>	<b>With Withholding (139)</b>
% that are GS-7 or less	60% (128)	65% (49)	57% (79)
% that are GS-11 or less	85% (182)	87% (66)	84% (116)

<b>SALARY</b>	<b>All Employee-Obligors (215)</b>	<b>Without withholding (76)</b>	<b>With withholding (139)</b>
75% earn less than this amount (Quartile 3)	\$42,275	\$40,114	\$43,094
50% earn less than this amount (Median)	\$32,974	\$29,361	\$33,768
25% earn less than this amount (Quartile 1)	\$25,459	\$24,091	\$26,455
Minimum Salary	\$13,870	\$13,870	\$15,261
Maximum Salary	\$115,811	\$98,310	\$115,811

**Profile of Employee-Obligors**

<b>AGENCY EMPLOYMENT</b>	<b>All Employee-Obligors (215)</b>	<b>Without Withholding (76)</b>	<b>With Withholding (139)</b>
IHS	49% (105)	58% (44)	44% (61)
NIH	17% (37)	4% (3)	24% (34)
FDA	10% (21)	9% (7)	10% (14)
CDC	8% (18)	8% (6)	9% (12)
OS	6% (13)	10% (8)	4% (5)
HCFA	4% (8)	5% (4)	3% (4)
PSC	4% (8)	4% (3)	4% (5)
HRSA	1% (3)	0% (0)	2% (3)
ACF	1% (2)	1% (1)	1% (1)

<b>EMPLOYMENT STATUS</b>	<b>All Employee-Obligors (215)</b>	<b>Without Withholding (76)</b>	<b>With Withholding (139)</b>
Full time	94% (203)	87% (66)	99% (137)
Part time	1% (2)	1% (1)	<1% (1)
Zero hours	5% (10)	12% (9)	<1% (1)

<b>EMPLOYMENT HISTORY</b>	<b>All Employee-Obligors (215)</b>	<b>Without Withholding (76)</b>	<b>With Withholding (139)</b>
Less than 1 year	19% (41)	30% (23)	13% (18)
One to 3 years	20% (42)	26% (20)	16% (22)
More than 3 years	61% (132)	43% (33)	71% (99)

Reasons for Non-Withholding

Sample Number	Income Withholding Order Not Sent to HHS										IWO Sent to HHS. Not in Place on 5/30/00		
	Locate Not Pursued Due to Tribal Jurisdiction Questions.	IWO Not Sent Due to Tribal Jurisdiction Questions.	Tribes Responsible for Case Did Not Issue IWO.	IWO in Place w/ Other Employer.	IWO Deemed Not Necessary Because NCP Perceived as Not in Arrears.	State Did Not Learn of NCP Employment.	State Knew NCP Was w/ HHS. No Discernible Reason for No IWO.	Other*	IWO in Place w/ HHS, But Inactive on 5/30/00 Because Child Support Paid in Full.	IWO Sent to Local HHS Site, Not PSC.	IWO Sent to HHS on 4/21/00 and Implemented 6/20/00.		
1		X											
2	X												
3		X											
4		X											
5		X											
6									X				
7		X											
8	X												
9	X												
10			X										
11			X										
12				X									
13			X										
14									X				
15												X	

## Reasons for Non-Withholding

Sample Number	Income Withholding Order Not Sent to HHS								IWO Sent to HHS. Not in Place on 5/30/00		
	Locate Not Pursued Due to Tribal Jurisdiction Questions.	IWO Not Sent Due to Tribal Jurisdiction Questions.	Tribes Responsible for Case Did Not Issue IWO.	IWO in Place w/ Other Employer.	IWO Deemed Not Necessary Because NCP Perceived as Not in Arrears.	State Did Not Learn of NCP Employment.	State Knew NCP Was w/ HHS. No Discernible Reason for No IWO.	Other*	IWO in Place w/ HHS, But Inactive on 5/30/00 Because Child Support Paid in Full.	IWO Sent to Local HHS Site, Not PSC.	IWO Sent to HHS on 4/21/00 and Implemented 6/20/00.
16							X				
17							X				
18											X
19					X						
20							X				
21	X										
22											
23									X		
24									X		
25		X									
26								X			
27										X	
28								X			
29								X			
30											X

Reasons for Non-Withholding

Sample Number	Income Withholding Order Not Sent to HHS								IWO Sent to HHS. Not in Place on 5/30/00		
	Locate Not Pursued Due to Tribal Jurisdiction Questions.	IWO Not Sent Due to Tribal Jurisdiction Questions.	Tribes Responsible for Case Did Not Issue IWO.	IWO in Place w/ Other Employer.	IWO Deemed Not Necessary Because NCP Perceived as Not in Arrears.	State Did Not Learn of NCP Employment.	State Knew NCP Was w/ HHS. No Discernible Reason for No IWO.	Other*	IWO in Place w/ HHS, But Inactive on 5/30/00 Because Child Support Paid in Full.	IWO Sent to Local HHS Site, Not PSC.	IWO Sent to HHS on 4/21/00 and Implemented 6/20/00.
31								X			
32									X		
33						X					
34							X				
35				X							
36								X			
37				X							
38						X					
39									X		
40											
41				X							
42							X				
43			X								
44	X										
45		X									
<b>TOTAL</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>1</b>

\*Other reasons for IWOs not sent to HHS are: 1) Case was unenforceable since child is now 27, exceeding the AZ Statute of Limitations; and 2) Employer verification with HHS was attempted for two cases. There was no response, and the State did not pursue.

## Agency Comments

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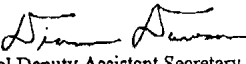
DEPARTMENT OF HEALTH & HUMAN SERVICES

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**ADMINISTRATION FOR CHILDREN AND FAMILIES**  
Office of the Assistant Secretary, Suite 600  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

DATE: July 20, 2001

TO: Michael F. Mangano  
Acting Inspector General

FROM: Diann Dawson   
Acting Principal Deputy Assistant Secretary  
Administration for Children and Families

SUBJECT: Comments on the OIG Draft Report "Withholding Child Support Obligations from Departmental Employees" (OEI-05-00-00300)

Attached are the Administration for Children and Families' comments on the above-captioned report. We appreciate the lengths to which your office has gone to ensure that this report is as accurate and helpful as possible. Please convey our gratitude to the OIG staff who managed this effort and produced the final draft report to which these comments are addressed.

If you have questions, please contact Frank Fuentes, Acting Commissioner, Office of Child Support Enforcement, at (202) 401-9370.

Attachment

## Agency Comments

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COMMENTS OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES ON  
THE OIG DRAFT REPORT "WITHHOLDING CHILD SUPPORT OBLIGATIONS  
FROM DEPARTMENTAL EMPLOYEES" (OEI-05-00-00300)

The Administration for Children and Families is in general agreement with the Office of Inspector General (OIG) regarding the findings in this draft report. The Office of Child Support Enforcement (OCSE) notes that OIG has worked extensively and cooperatively with OCSE to refine the description and analysis of the data so that this final draft would be a product both offices can support. In addition, OIG provided the leadership to address – with the participation of OCSE, ASMB, ASPE, OIG and others – one of the Departmental recommendations made in this report. Thanks to that leadership, considerable progress has already been made in designating a senior Departmental official as responsible for ensuring compliance with Executive Order 12953: Actions Required of all Executive Agencies to Facilitate Payment of Child Support.

OCSE agrees with the above-mentioned recommendation to the Department, and with the two recommendations of the report that are addressed to OCSE. These recommendations are that OCSE should:

- 1) help States effectively use the National Directory of New Hires; and
- 2) provide guidance to States on issuing withholding orders for Indian Health Service employees.

These are subjects that OCSE has recently addressed in numerous ways in providing guidance and technical assistance to the States. To further these efforts, OCSE will issue a specialized guidance document to the States at the time OIG releases the final report. OCSE will also post a link to the OIG report on its web site and publicize both the report and the specialized guidance to the State agencies through the OCSE listserv.

Furthermore, OCSE will assist the Program Support Center (PSC) in responding to the final recommendation of the report in any way possible. OCSE has already begun providing information and technical assistance to the PSC, and in addition, OCSE will make available to the PSC data from the tax offset file for matching against the HHS payroll file. Such a match will help the PSC, ASMB and OCSE identify problems and test solutions that could be useful in assuring Departmental compliance with Child Support Enforcement requirements and with the intent of the Executive Order. In addition, the PSC should have sufficient information to enable it to act – probably in cooperation with OCSE – to ensure that all Departmental employees who should have withholding orders in effect, do in fact have such orders.

The mechanics of this match will require additional discussions within the Department to spell out the details and to resolve technical questions. There is at least one other topic raised by this report that requires further discussion and technical analysis; the idea of providing data from OCSE files to other Federal Departments or agencies, or their Inspector Generals, in order to test compliance with the intent of the Executive Order.

## Agency Comments

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The technical and policy questions associated with these activities are spelled out in a separate, technical memorandum from Frank Fuentes, Acting Commissioner, OCSE, to George Grob, Deputy Inspector General. OCSE expects to work closely with OIG staff in addressing these technical issues, to consult with ACF and Department management on novel or sensitive policy issues, and to seek the advice of OGC to make certain that these further actions are supported by law and consistent with the requirements of the Privacy Act.



## Agency Comments



DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

Program Support Center

Rockville MD 20857

June 4, 2001

TO: Michael F. Mangano  
Acting Inspector General

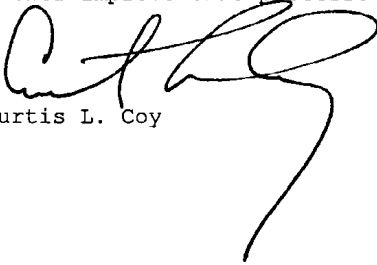
FROM: Director

SUBJECT: OIG Draft Report: "Withholding Child Support  
Obligations from Departmental Employees,"  
OEI-05-00-00300

Thank you for giving us the opportunity to comment on subject report. We believe that this Child Support Initiative is of paramount importance.

We have some technical comments which are attached and are willing to continue our work with your staff.

My staff and I look forward to working with you and the Office of Child Support Enforcement to further improve this process.



Curtis L. Coy

Attachment

# Agency Comments

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## TECHNICAL COMMENTS

Following are some technical comments/clarification that we believe may require further attention of both our staffs.

- **Computation.** When a court order for child support directs monthly payments, the amount must be computed for a biweekly pay cycle. For example, a court order directs \$100 per month child support. The biweekly amount of deduction will be \$46.15. Therefore what would appear to be an administrative error is in fact a correct deduction.
- **Arrears.** Arrears are deducted separately from regular child support. When the arrears are paid in full, it is stopped. Other factors affecting the deduction of arrears could be additional child support orders or the employee paying the maximum for regular child support. So the Report is incorrect to state that the withholdings appear to be incorrect because of the omission of arrears.
- **Address.** When a request for change of address is received, the new address is keyed into the computer data base for immediate update in processing the payment. The change request is filed in the employee's folder.
- **Forwarding Court Orders.** The Division of Payroll maintains a close liaison with the Personnel Offices and their payroll liaisons. We communicate via conference calls, periodic newsletters and one-on-one with specific issues. It is our opinion that all Personnel Offices know that the child support order is to be forwarded to the Division of Payroll. We recognize that new employees may not always be aware of the procedures; therefore, we will emphasize this requirement in our future communications.
- **Absence of Supervisory Approval.** Prior to 1999, the Office of General Counsel was responsible for reviewing all child support orders and computing the biweekly deduction. The Division of Payroll (DP) had no involvement in determining the biweekly deduction and would simply process the predetermined amount. When this process was transferred to DP, we established the requirement for the supervisor to review and sign every child support deduction and have been doing so ever since.

## Agency Comments

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DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

Public Health Service

 Indian Health Service  
 Rockville MD 20857

TO: Inspector General

FROM: Director  
Office of Management Support

SUBJECT: Indian Health Service Comments regarding the Office of Inspector General Working Draft Report, "Withholding Child Support Obligations from Departmental Employees" (OEI-05-00-00300), dated January 2001

The Indian Health Service (IHS) is pleased to offer the following comments regarding the Office of Inspector (OIG) working draft report, "Withholding Child Support Obligations from Departmental Employees" (OEI-05-00-00300), dated January 2001.

1. The IHS agrees with the recommendation found on page 19, that the federal Office of Child Support Enforcement (OCSE) should provide guidance to the State child support Agencies clarifying their authority as to federal employees residing and working on Indian reservations. However, we also would suggest that the OCSE work with federal recognized tribes directly, as part of the Department's tribal consultation activities, to inform them of the situation and encourage their involvement in the process.
2. On page 8, information indicates that States can contract directly with tribes to provide child support services. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) authorizes direct federal funding for tribes operating child support agencies. The OCSE perhaps could identify or request additional federal funding to support these existing authorities to develop tribal child support agency services. If tribal child support agencies were established on each reservation, the State child support agencies would have a contact point to assist in determining whether the delinquent obligor was a federal employee, tribal employee, etc, in order to determine the appropriate procedure for processing withholding orders.

In addition, IHS suggests (if not available already) the development of an internal mechanism explaining the process that clearly identifies IHS' role in the process (specifically the immediate supervisor and personnel), and the roles of delinquent obligors, the State, tribal organizations and so forth. The process should also

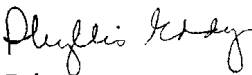
## Agency Comments

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Page 2 - Inspector General

contain a clear distinction of who is considered a tribal employees versus federal employee so each reader will understand who is responsible for compliance purposes.

If you have any questions regarding this memorandum, please call Ms. Athena S. Elliott, Director, Management Policy Support Staff, Office of Management Support at (301) 443-2650. Thank you for the opportunity to comment on this important document.

  
for Robert G. McSwain