

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**USE OF FEDERAL CHILD SUPPORT  
CASE CLOSURE REGULATIONS**



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# EXECUTIVE SUMMARY

## PURPOSE

To assess the use of Federal child support case closure regulations, and to identify any problems or vulnerabilities related to improper case closure.

## BACKGROUND

OCSE revised Federal regulations in 1999, allowing State child support agencies to close cases for twelve reasons, such as when an order has been paid in full or the noncustodial parent cannot be located, and requiring a 60-day advance notice of closure to the client under nine of the reasons. Case closure can help States concentrate resources on cases with a greater likelihood of success, maximize Federal incentive funding, and reduce data management demands. However, some advocates voice concern that States could be motivated to improperly close difficult-to-work cases. We reviewed records of a nationally representative sample of child support cases closed over a three-month period in 2000. We examined these records on three factors: 1) whether cases met one or more of the Federal closure reasons; 2) whether the recipient of services (typically a custodial parent or another State) was provided advance written notice of the agency's intent to close the case; and 3) whether this notification occurred 60 days prior to closure as required. Federal regulations regarding State self-assessment establish a performance benchmark that allows for a case closure error rate of 10 percent.

## FINDINGS

**We estimate a national case closure error rate of 32 percent, due primarily to inadequate notification**

Three types of errors comprise the 32 percent error rate. Because some cases contained more than one error, the percentages for these three types do not total 32 percent.

**Ten percent of cases did not meet a Federal closure reason.** Closing child support cases that do not meet one of the Federal closure reasons effectively halts enforcement action in cases deemed workable by Federal regulations.

**Twenty-five percent of cases requiring notice of closure did not have notice provided.**

Notice to clients of the agency's intent to close the case is required to insure that clients are aware of the agency's intended action in the case, and may prompt a client to supply additional information that could result in successful enforcement.

**Eleven percent of cases that received notice of closure were closed before the full 60 days had elapsed.** The 60-day advance notice is designed to provide clients sufficient time to react to the agency's action.

**Cases with public assistance clients contained more errors.** For reasons unknown, we found that closure errors occurred in a significantly greater proportion of cases involving current or former Temporary Assistance for Needy Families (TANF) recipients than cases of clients never enrolled in the TANF program.

### **Six reasons account for 94 percent of closures and 96 percent of closure errors**

The six reasons are:

1. Inability to Locate Noncustodial Parent or Alleged Father
2. Inability to Establish Paternity
3. No Enforceable Order, and Arrearage Less Than \$500
4. Non-TANF Client Requests Closure
5. Non-TANF Client Uncooperative
6. Lost Contact with Non-TANF Client

Thirty-one percent of cases were closed because the child support agency does not have enough information to locate the noncustodial parent or alleged father, or to establish paternity.

We found some errors in cases closed for these reasons because of a lack of required location efforts and client interviews, but most errors associated with the use of these two closure reasons were due to a lack of adequate notification. Twenty-six percent of cases were closed for having no enforceable support order and little or no arrears, and these cases also often lacked adequate advance notice to clients. Cases closed for reasons that apply only to non-TANF clients also contained errors involving notice. This was particularly true for cases closed because the agency had lost contact with the non-TANF custodial parent.

## **CONCLUSION**

It is noteworthy that the vast majority of child support case closures met at least one of the Federal closure reasons. However, inadequate provision of advance notice to clients appears to be largely responsible for preventing achievement of the 90 percent performance benchmark. We encourage OCSE to work with States to undertake efforts to reduce the error rate. It would be especially useful to focus on improving processes for providing advance notice of closure, particularly related to use of the six most frequently used closure reasons. A companion report, “Challenges in Closing Child Support Cases” (OEI 06-00-00471), describes effective practices States use to reduce errors and improve their case closure activities, and provides specific recommendations to OCSE and States.

## **AGENCY COMMENTS**

The Administration for Children and Families (ACF) generally agreed with the findings and conclusions of this report, and described on-going and planned reviews that could assist States in improving case closure through automation.

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# INTRODUCTION

## **PURPOSE**

To assess the use of Federal child support case closure regulations, and to identify any problems or vulnerabilities related to improper case closure.

## **BACKGROUND**

Federal law has long recognized that State child support agencies must have the capability to close cases for various reasons. For example, States close cases in which a child support order is no longer enforceable because the child emancipates. States may also wish to close cases with little likelihood of successful enforcement, such as cases in which the custodial parent provides little or no information about the noncustodial parent or alleged father. Because child support will not be enforced once a case is closed, States must exercise care in closing cases. Federal regulation is designed to ensure that cases are closed only after they are completely resolved or determined to be unworkable.

### **Federal Regulations**

Under the 1988 Family Support Act, the Federal Office of Child Support Enforcement (OCSE) established case closure criteria allowing States to close certain cases.<sup>1</sup> However, these regulations were criticized by some who argued the regulations made it too difficult to close unworkable cases. In response to the complaints, in 1996 OCSE formed a review committee comprised of staff and elected officials from local, State, and Federal governments to review the regulations. The committee review led to revised Federal case closure regulations that became effective April 9, 1999.<sup>2</sup> According to the final rule, the new regulations “balance [OCSE’s] concern that all children receive the help they need in establishing paternity and securing support, while being responsive to administrative concerns for maintaining caseloads that include only those cases in which there is adequate information or likelihood of successfully providing support.” The 1999 rule generally made it easier for States to close more cases. It also enhanced client safeguards designed to insure that States notify clients before closing cases.

Current regulations allow States to close cases that meet one or more of twelve reasons. Nine of the twelve closure reasons require that the recipient of services (typically a custodial parent or another State) must be notified of the agency’s intent to close the case.

## **Twelve Allowable Closure Reasons Under Federal Regulations**

### **Notice Required**

No Enforceable Order, and Arrearages Less Than \$500 Noncustodial Parent is Deceased  
Paternity Cannot Be Established  
Noncustodial Parent's Location is Unknown  
Noncustodial Parent is Disabled, Institutionalized, or Incarcerated  
Noncustodial Parent is a Foreign Citizen  
Agency has Lost Contact with a Non-TANF Client  
A Non-TANF Client is Non-cooperative  
An Initiating State is Non-responsive in an Interstate Case

### **Notice Not Required**

Agency has Completed Locate-only Services in Non-TANF Case  
Non-TANF Custodial Parent Requests Closure  
A Good Cause Exception has Been Granted

This notice must be provided in writing 60 days before the case may be closed. A case must be kept open if, within 60 days, new information becomes available which could lead to the establishment of paternity or a support order, or to enforcement of an existing order. Once a case is closed, the recipient of services may request that the case be reopened if circumstances change and enforcement becomes possible. All records for closed cases must be retained for a minimum of three years. The Federal case closure regulations are reprinted in Appendix A.

## **State Incentives To Close Cases**

States have at least three apparent incentives for closing cases: concentrating resources on cases with greater likelihood of success; maximizing Federal incentive funding; and reducing data management demands. Closing unworkable cases allows States to allocate their limited resources to cases with greater potential for successful enforcement. States can also improve their child support enforcement performance indicators, upon which much of Federal incentive funding is based, by reducing the total number of cases in their caseload.<sup>4</sup> Additionally, case closure can help States reduce data management demands by eliminating duplicate and outdated cases. While these incentives are viewed as legitimate reasons for closing unworkable cases, some advocates have voiced concern that States could be motivated to close difficult-to-work cases even though they may not meet a Federal closure reason.

## **Monitoring Case Closures**

Until the mid-1990s, OCSE conducted compliance audits of State child support cases which included an analysis of closed cases. With the passage of the Personal Work and Opportunity Reconciliation Act, OCSE replaced compliance audits with a requirement that States conduct annual self-assessments of their own performance. States were required to begin reporting the results of their self-assessments, and any corrective actions proposed or taken, to OCSE in Fiscal Year 1998. States are encouraged to use their self-assessments as management tools to identify any weaknesses, non-compliance with

regulations, and opportunities for improvement. Case closure is one of eight required categories States must assess. Federal self-assessment regulations require that at least 90 percent of closed cases reviewed by States meet the Federal regulations.<sup>7</sup> Thus, this benchmark allows for a case closure error rate of 10 percent.

State self-assessments provide information about child support case closure activities in individual States. The reports for Fiscal Year 1999 showed many States had improperly closed at least some cases, and State child support agencies proposed a variety of corrective actions. These reports helped to identify potential vulnerabilities related to closing child support cases, as well as effective practices.<sup>8</sup> However, there has been no national review since the new regulations were issued in 1999.

## **METHODOLOGY**

To provide more comprehensive information, we reviewed the records of a nationally representative sample of child support cases closed over a three-month period in 2000. The results of our case record reviews are presented in this report. Additionally, we interviewed State child support agency personnel in ten States to gain an in-depth understanding of their experience in using the 1999 case closure regulations. We present our findings from these interviews in a companion report entitled, “Challenges in Closing Child Support Cases” (OEI 06-00-00471).

### **Study Focus**

Our case record reviews focused on both the case circumstances and the processes used by State child support agencies to close cases. We also examined case records to determine whether cases met one or more of the Federal closure reasons, whether the recipient of services was provided advance written notice of the agency’s intent to close the case, and whether this notification occurred 60 days prior to closure as required.

### **Sample Of Closed Cases**

To obtain a nationally representative sample of closed child support cases, we used a two-stage, stratified-cluster sampling method. We first stratified the 48 contiguous States<sup>9</sup> and the District of Columbia into two groups: one stratum included cases from the eight States with the largest child support caseloads (known as the ‘Big 8 States’);<sup>10</sup> and the other stratum included cases from all other States. We stratified in this manner to insure that our sample contained cases from some of the Big 8 States which have about 50 percent of the nation’s child support caseload,<sup>11</sup> as well as cases from a number of States with smaller caseloads. In each stratum, we considered a single State’s caseload as a cluster of cases. For the first stage of sampling, we randomly selected four States from the large-State stratum: California; New York; Ohio; and Pennsylvania. We also randomly selected six States from the other stratum: Alabama, Connecticut, Mississippi, Montana, New Mexico, and South Carolina.<sup>12</sup>

To draw a sample of cases for review, we requested that each selected State provide a list of all cases closed during May, June, and July 2000<sup>13</sup> and the reason for closure.<sup>14</sup> To focus our review on the twelve Federal closure reasons, we did not include in the sample frame cases closed because they were duplicate cases or were opened in error.<sup>15</sup> The list of cases closed for a Federal closure reason made up our sampling frame for each State. At the second stage of sampling, we randomly selected 50 cases from each selected State's sampling frame, for a total sample of 500 cases. This two-stage, stratified-cluster sample yields national estimates at a 95 percent confidence level, unless otherwise specified. Given our national focus for this study, and sampling method to achieve it, our resulting data does not allow precise analysis of individual States.

### **Data Collection**

An OIG analyst visited each State to review the selected cases. We gathered the information needed primarily from official electronic records, supplemented by paper records as necessary to insure completeness. States provided staff to train our analysts on navigating automated systems. Analysts entered case information into a standardized database on-site, which we later merged with all other case data. However, data-cleaning revealed that five cases did not meet our selection criteria because they were either duplicate cases or were opened in error. After eliminating these cases, we had complete data on 495 cases.

### **Data Analysis**

We reviewed records to determine whether each case met all Federal case closure requirements. We designated cases as having been closed correctly if the case record review revealed each of the following: 1) the case met conditions necessary to be closed for one or more of the twelve Federal closure reasons; 2) the child support agency notified the recipient of services in writing of intent to close the case (required for nine closure reasons); and 3) closure occurred no sooner than 60 days after notification (when notice was required and provided).

We generated national estimates of the proportion of cases closed in accordance with all Federal regulations, and for each of the three factors. We used statistical software to adjust for the stratified-cluster sampling method, and we weighted estimates based on the number of cases closed by each sampled State during the sample period. Additionally, we generated statistics regarding the relative use of the twelve Federal closure reasons and the public assistance status of the recipient of services at the time of closure. Records were available for all sampled cases, eliminating any non-response issues. Descriptive statistics are expressed as percentages and, where appropriate, statistical differences between categorical variables were assessed using the appropriate test.

This study was conducted in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

# FINDINGS

## CASE CLOSURE ACCURACY

Nationally, our sample indicates that while 90 percent of closures met at least one of the Federal closure reasons, 32 percent did not meet all Federal case closure requirements (Table 1). This overall performance level fell considerably short of the benchmark of a 10 percent tolerable error rate established by OCSE. However, most closure errors occurred due to a lack of adequate notification rather than because cases did not meet a Federal closure reason.

**Table 1: Case Closure Errors**

	Percent of Cases with Error
<b>Overall</b> Case did not meet all federal closure requirements (n=495)	32 %
<b>Type of Error</b> » Case did not meet a federal closure reason (n=495)	10 %
Notice was not provided to recipient of services (n=372)	25 %
Closure occurred before 60-days had elapsed (n=267)	11 %

### **About 10 percent of child support cases closed did not meet a Federal closure reason, halting enforcement of workable cases**

We estimate that approximately one out of every 10 child support cases closed in the nation during the sample period did not meet a Federal closure reason. Closing cases for unallowed reasons creates a great vulnerability because Federal regulations deem these workable cases at the time of closure, without the need for additional information or substantial changes in circumstances. In a few of these cases, the case record reveals that the State child support agency recognized the case had been closed in error, and subsequently reopened the case. Most cases, however, were still closed at the time of our review. While no payments were being made on any of these cases at the time they were improperly closed, it is possible that they could have become paying cases if further enforced.

We also found an additional 11 percent of cases that did not meet the reason documented in the case record, but did meet another Federal closure reason. If we had reviewed these cases only on the closure reason documented in case records, the proportion of cases not meeting a Federal closure reason would have approximately doubled. Based on our

review, having the wrong closure reason in case records was sometimes due to simple data coding errors, while other errors appear to be due to staff misunderstanding or misapplying the Federal closure reasons. Clients in these cases, when notification occurred, were likely given the erroneous closure reason, potentially hindering their appropriate reaction.

**Clients were not notified in 25 percent of cases requiring advance notice, and were not given the full 60 days to respond in 11 percent of cases**

Records indicate that the recipient of services was not provided written advance notice of the agency's intent to close the case in 25 percent of cases requiring notification. Federal regulations require written notice 60 days prior to closure, partly to inform the client that the agency will no longer be working on the case. Notification also serves to solicit additional information from clients that could lead to successful enforcement of some cases. About 10 percent of cases lacking notification also did not meet a Federal closure reason, suggesting the clients in those cases had no opportunity to prevent the improper closure. While the remaining cases lacking notification appeared to meet at least one of the Federal closure reasons, it is unclear whether proper notification would have changed those circumstances.

In 11 percent of cases for which notice was provided, closure occurred before the 60-day notification period had elapsed. In the final rule for the new case closure regulation, OCSE reiterated "that the 60 calendar day time frame has worked well" [to allow clients sufficient opportunity to prevent an unwanted closure], and believes it would be inappropriate to shorten the time frame.<sup>18</sup> Among cases closed sooner than 60 days after notice, several closed on the same day or within a couple of days of notification. In interviews, some State child support agency respondents explained that, despite Federal requirements, caseworkers may consider it more efficient to simply inform a client that their case has been closed rather than provide advance notice. Respondents added that it is fairly easy to reopen a case should the parent respond to a final closure letter with more information.

**Higher error rates among closures involving TANF recipients could hinder enforcement for vulnerable families**

Our review found some type of closure errors in 43 percent of cases involving current and former Temporary Assistance for Needy Families (TANF) clients, compared to only 21 percent among never-TANF clients. This represents a significant difference in outcomes for the two groups. The reasons for this difference are currently unclear and may warrant additional research. Improper closures for current and former TANF recipients are of particular concern because child support payments can often mean the difference between reliance on public assistance and self-sufficiency. Closing cases that do not meet allowable reasons, or not providing adequate advance notice of closure, could stop enforcement efforts on workable cases involving families who could benefit greatly from successful enforcement.

## USE OF CLOSURE REASONS

### Six closure reasons account for 95 percent of all case closures

As shown in Table 2, we estimate that six Federal closure reasons account for the vast majority of child support case closures, and two of these reasons are used in about half of closures. Many closed cases were never fully enforced, such as cases closed because the agency could not locate a noncustodial parent or alleged father. Other cases were closed because they had been successfully enforced, such as when an obligation had been paid in full and there was no longer an enforceable order. The following findings discuss improper closures under these six prominent closure reasons.

**Table 2: Distribution of Federal Closure Reasons<sup>20</sup>**

Federal Closure Reason	Percent of Cases Using Reason* (N=495)
No enforceable order, and arrearage less than \$500	26 %
Unable to locate noncustodial parent or alleged father	24 %
Non-TANF client requests closure	18 %
Non-TANF client uncooperative	12 %
Lost contact with non-TANF client	8 %
Unable to establish paternity	7 %
All other reasons	5 %

\* Percentages reflect weighted values.

### About 26 percent of cases were closed for having no enforceable support order and little or no arrears, but these cases often lacked adequate notification

Many different kinds of cases are eligible for closure under this single Federal closure reason. In more than half of cases closed for this reason, the child emancipated or the obligation was paid in full. Another large proportion of these cases were closed after a substantial change in family arrangements, including reconciliation of the parents, a change in custody, or an adoption. Other cases were closed using this reason when their orders were deemed unenforceable under individual State rules. Examples include when the noncustodial parent had low income or was receiving public assistance at the time of closure, and when the custodial parent moved out of the State or local jurisdiction. Our review revealed that cases closed for having no enforceable support order and little or no arrearages had the highest incidence of errors among all closure reasons. While most cases met the Federal closure reason, over one-third of cases closed for this reason did not include written notice of the agency's intent to close the case. Advance notice might be particularly important in such cases as when an emancipated child is still attending high school or college and potentially eligible to continue collecting support payments. In

such cases, it would be important for the custodial parent to communicate with the child support agency regarding the teenager's academic enrollment. However, the nature of some cases closed for this reason, such as those involving reconciliation of the parents, provides partial explanation for why an agency might not have deemed it necessary to provide notice.

### **Thirty-one percent of cases were closed because of an inability to locate the noncustodial parent or to establish paternity**

Twenty-four percent of cases were closed because the agency did not have enough information to locate a noncustodial parent or alleged father. Federal regulations require child support agencies to attempt to locate an absent parent for at least one year before closing the case in situations where little information exists. If the noncustodial parent's or alleged father's name and Social Security number are known, the agency must continue automated locate efforts for at least three years before closure. We found that in about one-fifth of cases closed for this reason, States either did not continue location efforts as long as required, or did not follow-up on recent locate information. States closed seven percent of cases because paternity could not be established. These closures mostly consisted of cases in which the client had not named an alleged father, or the man named was excluded by genetic testing and no additional names were provided. When the identity of the biological father is unknown, Federal regulations require State child support agencies to interview the recipient of services at least once prior to closing the case using this reason. While at least one interview occurred in almost every case involving this closure reason that we reviewed, case records indicate that a few clients were not re-contacted to provide an additional name when an alleged father was excluded by genetic testing.

Most of the errors associated with the use of these two closure reasons involved lack of adequate notification. Notification of the agency's intent to close the case is considered to be particularly crucial in cases such as these where insufficient information has been provided by the custodial parent. Notice could serve as a client's last chance to relay any information they have about a noncustodial parent or alleged father. Additionally, families involved in cases closed for these reasons are potentially among the most vulnerable in the child support caseload. In our sample of cases closed for these reasons, most clients were current and former TANF recipients.

### **Cases closed for reasons that apply only to non-TANF clients also contain errors involving notice**

Eight percent of cases were closed due to a loss of contact with the non-TANF recipient of services. In such cases, Federal regulations require at least one attempt to contact the client by mail. If the agency receives no response within 60 days, it can then mail to the client's last known address the 60-day advance notice of its intent to close the case. In nearly all cases closed for this reason, the agency either did not make the first contact attempt, did not provide advance notice of its intent to close the case, or did not wait one

or both of the required 60-day time periods prior to closure. Some managers reported being confused by the language of the regulations regarding this closure reason, while others indicated that the resulting two 60-day waiting periods seemed unreasonable considering that the agency has lost contact with the non-TANF client.

Twelve percent of cases were closed because the agency had documented that the non-TANF client was not cooperating, typically by failing to respond to a letter, failing to appear for an interview or court hearing, or not providing additional information about the noncustodial parent or alleged father as requested. We generally found that the client's non-cooperation was well documented, but many of these cases lacked adequate notification. Eighteen percent of cases were closed because the non-TANF client requested closure. Notification is not required when using this reason, and we found few errors with its use.

## **CONCLUSION**

It is noteworthy that the vast majority of child support case closures met at least one of the Federal closure reasons. However, inadequate provision of advance notice to clients appears to be largely responsible for preventing achievement of the 90 percent performance benchmark. We encourage OCSE to work with States to undertake efforts to reduce the error rate. It would be especially useful to focus on improving processes for providing advance notice of closure, particularly related to use of the six most frequently used closure reasons. A companion report, "Challenges in Closing Child Support Cases" (OEI 06-00-00471), describes effective practices States use to reduce errors and improve their case closure activities, and provides specific recommendations to OCSE and States.

## **AGENCY COMMENTS**

The Administration for Children and Families (ACF) generally agreed with the findings and conclusions of this report. ACF described that on-going systems certification reviews and planned "Level of Automation" reviews could assist States in improving case closure through automation. We agree that improvements in automated system capabilities can certainly help to reduce future case closure errors. In the meantime, considering that case closure is not fully-automated in many States, we encourage ACF to work with States to reduce errors generated through their current procedures. ACF comments are provided in their entirety in Appendix C.

## ENDNOTES

1. OCSE Action Transmittal 89-15, August 4, 1989.
2. Federal Register, Volume 64, No.46, March 10, 1999, pp. 11810-11818.
3. *Ibid.*, page 11811.
4. Federal Register Volume 64, No.195, October 8, 1999, pp. 55073 - 55102.
5. *Ibid.*, pages 55102 - 55110. "Federal audit requirements were changed to focus on data reliability and to assess performance outcomes instead of determining compliance with process steps."
6. 45 CFR Sec. 308.1 (e).
7. 45 CFR Sec. 308.2 (a).
8. At the time of our study, States had not yet standardized their self-assessment methodologies enough for comparison across States.
9. Hawaii and Alaska were excluded from the sample frame because of the high cost of travel to those States if they had been selected.
10. OCSE often targets technical assistance and evaluation efforts toward these Big 8 States because their practices affect so many families. New Jersey was added to OCSE's large State initiative, now called "Big 8 + 1," subsequent to our sample selection for this study.
11. Office of Child Support Enforcement, Dear Colleague Letter 97-26, May 19, 1997.
12. Resources limited us to sampling from only 10 clusters. We considered that including cases from half of the Big 8 States (4 clusters) was reasonable, which left 6 clusters for the other stratum.
13. Field work revealed that seven cases in one State actually closed in August, 2000, and we kept these cases in our final sample. Another State provided a list of cases in which the closure process began in May, June, and July, 2000, rather than the actual closure occurring in that time period, and we used these cases as the sampling frame for that State. We do not believe these deviations had a substantial effect on our findings.
14. The automated systems of California and New York would not allow inclusion of closure reasons at the time of sampling, although we were later able to determine the reason for closure during fieldwork. To insure that our sample included cases closed for one of the Federal closure reasons, we over-sampled in these States and then randomly selected which cases would be reviewed once we obtained information about the closure reason.
15. States reported using the 'duplicate case' closure reason in situations such as when two local jurisdictions had a case open for the same parties. Closing one of the cases simply eliminates the duplication, while the parties continue to have an open case in the State. The "open in error" closure

reason is typically used to correct data-entry mistakes in State automated systems.

16. We only evaluated cases on a closure reason other than the one designated in the case record when conditions were not met for closure under the designated reason. If such a case met the conditions for closure under another reason, we considered that it met Federal requirements. We did this to differentiate between cases closed improperly, and those in which a closure code may have been inadvertently input in an automated system but the case could have legitimately been closed. In such cases, notification was evaluated on the reason for closure that the case legitimately met rather than the one the State recorded.

17. In a few cases, the recipient of services received notification and contacted the State agency to agree to close the case sooner than 60 days. We considered that these cases met the 60-day requirement.

18. Federal Register, Volume 64, No.46, March 10, 1999, page 11817.

19. The Cochran-Mantel-Haenszel Chi-Square Test was significant with a P-value of 0.0714, representing a statistical difference at a 90 percent confidence level.

20. The frequencies and percentages in Table 2 include the 55 cases for which we reassigned the closure reason.

## APPENDIX A

Code of Federal Regulations 45 Sec. 303.11 Case Closure Criteria.

(a) The IV-D agency shall establish a system for case closure.

(b) In order to be eligible for closure, the case must meet at least one of the following criteria: (1) There is no longer a current support order and arrearages are under \$500 or unenforceable under State law; (2) The noncustodial parent or putative father is deceased and no further action, including a levy against the estate, can be taken; (3) Paternity cannot be established because:

(i) The child is at least 18 years old and action to establish paternity is barred by a statute of limitations which meets the requirements of Sec. 302.70(a)(5) of this chapter;

(ii) A genetic test or a court or administrative process has excluded the putative father and no other putative father can be identified; or

(iii) In accordance with Sec. 303.5(b) of this part, the IV-D agency has determined that it would not be in the best interests of the child to establish paternity in a case involving incest or forcible rape, or in any case where legal proceedings for adoption are pending;

(iv) The identity of the biological father is unknown and cannot be identified after diligent efforts, including at least one interview by the IV-D agency with the recipient of services;

(4) The noncustodial parent's location is unknown, and the State has made diligent efforts using multiple sources, in accordance with Sec. 303.3, all of which have been unsuccessful, to locate the noncustodial parent:

(i) Over a three-year period when there is sufficient information to initiate an automated locate effort, or

(ii) Over a one-year period when there is not sufficient information to initiate an automated locate effort;

(5) The noncustodial parent cannot pay support for the duration of the child's minority because the parent has been institutionalized in a psychiatric facility, is incarcerated with no chance for parole, or has a medically-verified total and permanent disability with no evidence of support potential. The State must also determine that no income or assets are available to the noncustodial parent which could be levied or attached for support;

(6) The noncustodial parent is a citizen of, and lives in, a foreign country, does not work for the Federal government or a company with headquarters or offices in the United States, and has no reachable domestic income or assets; and the State has been unable to establish reciprocity with the country;

(7) The IV-D agency has provided location-only services as requested under Sec. 302.35(c)(3) of this chapter;

(8) The non-IV-A recipient of services requests closure of a case and there is no assignment to the State of medical support under 42 CFR 433.146 or of arrearages which accrued under a support order;

## APPENDIX A

(9) There has been a finding by the responsible State agency of good cause or other exceptions to cooperation with the IV-D agency and the State or local IV-A, IV-D, IV-E, Medicaid or food stamp agency has determined that support enforcement may not proceed without risk of harm to the child or caretaker relative;

(10) In a non-IV-A case receiving services under Sec. 302.33(a)(1) (i) or (iii), the IV-D agency is unable to contact the recipient of services within a 60 calendar day period despite an attempt of at least one letter sent by first class mail to the last known address;

(11) In a non-IV-A case receiving services under Sec. 302.33(a)(1) (i) or (iii), the IV-D agency documents the circumstances of the recipient of services's noncooperation and an action by the recipient of services is essential for the next step in providing IV-D services.

(12) The IV-D agency documents failure by the initiating State to take an action which is essential for the next step in providing services.

(c) In cases meeting the criteria in paragraphs (b) (1) through (6) and (10) through (12) of this section, the State must notify the recipient of services, or in an interstate case meeting the criteria for closure under (b)(12), the initiating State, in writing 60 calendar days prior to closure of the case of the State's intent to close the case. The case must be kept open if the recipient of services or the initiating State supplies information in response to the notice which could lead to the establishment of paternity or a support order or enforcement of an order, or, in the instance of paragraph (b)(10) of this section, if contact is reestablished with the recipient of services. If the case is closed, the former recipient of services may request at a later date that the case be reopened if there is a change in circumstances which could lead to the establishment of paternity or a support order or enforcement of an order by completing a new application for IV-D services and paying any applicable application fee.

(d) The IV-D agency must retain all records for cases closed pursuant to this section for a minimum of three years, in accordance with 45 CFR part 74.

## APPENDIX B

### Additional Statistics: Error Rate Estimates with Confidence Intervals

Errors	Proportion Estimate	95 Percent Confidence Interval
OVERALL: Case Did Not Meet All Federal Closure Requirements (n=495)	31.6 %	19.2% - 44.1%
Case Did Not Meet A Federal Closure Reason (n=495)	9.6 %	6.7% - 12.5%
Notice Was Not Provided to Recipient of Services (n=372)	24.7 %	9.8% - 39.6%
Closure Occurred Before 60-Days Had Elapsed (n=267)	10.9 %	0.2% - 21.7%
Errors Among Current and Former TANF Cases (n=261)	42.8 %	26.7% - 58.9%
Errors Among Never-TANF Cases (n=227)	20.6 %	12.0% - 29.2%
Cases With Wrong Reason Documented in Record (n=495)	10.6 %	5.9% - 15.2%

### Additional Sampling Statistics

State	Population of Cases	Cases Selected	States in Stratum
<b>Large State Stratum</b>			
CALIFORNIA	18,348	50	8
NEW YORK	30,731	50	8
OHIO	11,773	50	8
PENNSYLVANIA	91,591	50	8
<b>Other State Stratum</b>			
ALABAMA	9,395	50	41
CONNECTICUT	9,407	50	41
MISSISSIPPI	13,584	50	41
MONTANA	2,457	50	41
NEW MEXICO	872	50	41
SOUTH CAROLINA	10,325	50	41

APPENDIX C



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES  
Office of the Assistant Secretary, Suite 80C  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

DEC 21 2004

TO: Janet Rehnquist  
Inspector General

FROM: Wade F. Horn, Ph.D. *Wade F. Horn*  
Assistant Secretary  
for Children and Families

SUBJECT: Comments of the Office of Inspector General (OIG) Draft Report: "Use of  
Federal Child Support Case Closure Regulations" (OEI-06-00-00470)

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2002 JAN 11 PM 2:28  
OFFICE OF INSPECTOR  
GENERAL

Attached are the Administration for Children and Families' comments on the OIG Draft Report:  
"Use of Federal Child Support Case Closure Regulations" (OEI-06-00-00470).

If you have any questions regarding our comments, please call Frank Fuentes, Deputy  
Commissioner, Office of Child Support Enforcement at (202) 401 9370.

Attachment

COMMENTS OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES ON THE  
OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT: "USE OF FEDERAL  
CHILD SUPPORT CASE CLOSURE REGULATIONS" (OEI-06-00-06470)

General Comments

The Administration for Children and Families (ACF) appreciates the opportunity to comment on this draft report, which addresses an important topic. The Office of Child Support Enforcement (OCSE) has reviewed this report and agrees, in general, with the report's findings.

OIG Conclusion

OIG encourages OCSE to work with states to undertake efforts to reduce the error rate. OIG states that it would be especially useful to focus on improving processes for providing advance notice of closure, particularly related to use of the six most frequently used closure reasons.

ACF Response

The Child Support Enforcement (CSE) Systems Certification Guide requires that state child support enforcement systems be capable of identifying cases eligible for case closure. For certain criteria, the system must generate a notice to the service recipient or the initiating state 60 days prior to closure, and identifying information on closed cases must be maintained in an accessible format that can be easily retrieved.

During our systems certification reviews, OCSE found that the states had automated the case closure process to varying degrees. Most states used the system to identify cases that met certain case closure criteria and the system automatically generated the appropriate 60-day notice. However, states differed on whether the system sent the caseworker an alert after 60 days informing them that it was now appropriate to close the case if no supplemental information was received. Some systems automatically closed the case after 60 days, and the alert to the worker was to notify them to override the closure, if they had received any supplemental information in the interim. Most states had reason codes associated with the various case closure criteria, which the system noted in the chronology file for that case.

OCSE is planning to conduct on-site "Level of Automation" reviews of CSE systems after the majority of systems certification reviews for Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) automation are completed. These will begin in the summer of 2002. These reviews will be a combination of collecting best practices in the area of child support automation to catalogue and disseminate to other states, as well as reviews of the statewide CSE system to recommend areas where the level of automation could be improved. We will use this opportunity to look at how states can improve the level of automation in the case closure processes with emphasis on the notice to participants. For example, we would review the state's process for closing a case on the system with emphasis on whether the system prevents case closure unless the required notice has been sent and at least 60 days have gone by before a case can be closed.

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OCSE is also encouraging states to improve their ad hoc reporting and data warehousing capabilities. OCSE has recently awarded four state 1115 demonstration grants in this area, and one contract for a data warehouse "cookbook" to assist states in better utilizing the information in their child support system databases. One of the potential uses of this enhanced ad-hoc reporting capability is to enable managers and caseworkers to run queries against their data for the purposes of improving accuracy and quality of the data. States that have adopted this enhanced capability can use it to monitor performance and compliance with state and federal requirements, such as the performance measures or the self-assessment reviews. Queries could be run to determine compliance with case closure criteria and notice requirements.

We would appreciate OIG telling us which states had the most errors so we can focus technical assistance on those states.