

States' Successes Using MSFIDM

Since the Federal Office of Child Support Enforcement (OCSE) began returning multistate financial institution data matches (MSFIDM) to state child support agencies, many states have concentrated efforts on freezing and seizing the accounts of delinquent non-custodial parents (NCPs). The following anecdotes are a sampling of the many MSFIDM success stories from around the country.

OHIO

Delaware County had the first Ohio MSFIDM collection. The worker placed a lien on a certificate of deposit and collected \$7,244. The agency distributed the funds to the custodial parent who will use the money to pay for the first year of college for his 16-year-old daughter.

In Pickaway County, an obligor had two cases with a combined arrearage totaling over \$20,000. The County received a MSFIDM match on a savings account. They froze the account and seized \$14,793. The amount received was prorated between the two cases and most of the funds seized were distributed to two custodial parents for unassigned arrearage.

Pickaway County froze a \$1,600 credit union savings account based on a MSFIDM match. Rather than forfeiting the savings, the obligor who lived in Virginia chose to obtain a loan and paid the entire \$2,400 arrears balance.

In Lorain County an Advance Notice of Intent to seize the NCP's account was sent in late October. When no response was received, the office sent a Withdrawal Directive to the financial institution. The NCP came into the child support office after he received a copy of the Withdrawal Directive stating that he had mailed a personal check for \$500 to the county office, and believed that was a response to the Advance Notice. However because the Child Support Office does not accept personal checks, they had returned the NCP's check. Before the replacement money order reached the office in late November, the child support office had received \$2,414 from the financial institution. The NCP, after receiving the arrears payoff amount, submitted an additional \$628, bringing the account current. From the end of October through the end of December, the child support office received a total of \$3,542 for this case in back child support payments—\$1,128 directly from the NCP and \$2,414 from the financial institution. The NCP told the child support office that he did not mind having the money taken from his account because it allowed him to become current on his obligation.

In another case from Lorain County, an Advance Notice of Intent was issued on a joint account with no response from the NCP. They also sent a notice to a person other than the obligor who had an ownership interest in the account. The joint account holder requested and was granted an administrative hearing scheduled for mid-December 1999. The NCP requested that the hearing be canceled and the hold be taken off his account as he was prepared to pay the arrears in full. The NCP paid a total of \$1,738, which brought his account current.

In Darke County, MSFIDM located three accounts totaling over \$30,000 for one NCP. After taking the necessary due process steps, the office received \$2,375 in back child support.

Licking County has been successful in obtaining monies from investment accounts. In two separate cases, workers were able to clear the arrears balances on the two child support accounts in the amounts of \$3,829 and \$892. Using MSFIDM data the county also located an NCP that they had previously been unable to find.

In Clermont County a MSFIDM match for \$13,000 was reported on a NCP who owed \$2000. The child support office sent an Access Withdrawal Restriction Notice on the account. This prompted the obligor to pay \$900 to bring the account out of default.

In the nine cases presented, Ohio has collected \$37,716 as a result of MSFIDM data. The threat to withdraw monies from accounts prompted the NCPs to pay almost 17% of this total directly to the IV-D office.

MASSACHUSETTS

The Child Support Enforcement Division (CSE) of the Massachusetts Department of Revenue (DOR) is no stranger to working with financial institutions to collect child support. In 1993, DOR implemented a highly successful automated in-state bank levy program. Levying the accounts of non-custodial parents in Massachusetts' financial institutions has resulted in collections of \$30 million in past-due child support.

Until the advent of MSFIDM, DOR could not reach beyond Massachusetts' state borders to levy out-of-state bank accounts. In November 1999, DOR started putting MSFIDM information to use by sending levy notices directly to financial institutions in other states—an approach known as "Direct Levy." In the first two months of operation DOR collected more than \$160,000.

Based on MSFIDM information received from the Federal Office of Child Support Enforcement (OCSE), Massachusetts CSE sent levies directly to a North Carolina bank and received the following results:

- One custodial parent had been owed more than \$11,000 for her 15-year-old twin daughters and a seven-year-old son. It had been more than two years since the non-custodial parent, now living in Georgia, had sent any child support payments. The North Carolina bank remitted \$11,709, satisfying the debt in full.
- A second custodial parent was owed \$5,514 in unpaid child support for her 17-year-old son and a 15-year-old daughter. Even though the non-custodial parent had been paying his weekly order plus 25% on arrears it would have taken over eight years to pay the arrears in full. The North Carolina bank remitted the entire amount.

In a third case the non-custodial parent lived in Florida, had a bank account in Virginia, and owed a total of \$18,501 to the custodial parent and the Commonwealth of Massachusetts. Each week, DOR received \$60—fulfilling the current obligation but never touching the

arrears amount. When the non-custodial parent received a copy of the Direct Levy, he immediately contacted DOR's Customer Service Bureau and paid the arrears in full.

FLORIDA

Using MSFIDM matches between August 27, 1999, and January 25, 2000 Florida has frozen 508 accounts totaling \$634,589. While some cases remain in process, currently these freezes have resulted in 432 levies with total collections of \$567,632. Florida places a hold (freeze) on accounts for 60 days. During that period the NCP is notified of the action and of his or her rights. If no Action to Contest is filed, the state will process a levy action between the 31st and 50th day.

Some interesting statistics regarding the 432 multistate levies include:

- 17% of the levy actions represent a first-ever payment from that NCP.
- 7% of the levy actions resulted in an income deduction order (wage withholding) being established.
- 2.7% of the levy actions have collected enough money to payoff and close the case.
- 1.1% of the levy actions have had contests filed. A contest represents a request for an Administrative or Circuit Court hearing.

While Florida is pleased with the numbers, the real success of the program is the difference it makes in the lives of families. Florida has just received the second largest collection from any source through a MSFIDM match. The obligor owed \$56,334 and the FIDM team successfully levied \$52,180 from his account. This represents the first collection on this case in a year. Because it is a non-public assistance case, the custodial parent received the entire amount.