

## **SAMPLE LETTER SENT FROM OCSE TO STATE**

The Federal Office of Child Support Enforcement (OCSE) received notification from the Financial Management Service (FMS) that obligor(s) from your State are involved in bankruptcy proceedings (see Attachment 1). If the bankruptcy filing occurred within the last year, FMS has inactivated the case. OCSE has set the TAX and ADM exclusion indicators for these cases at FMS. We also carried forward any other exclusion indicators that had been set on the case. Once OCSE confirms that the exclusion indicators are properly set at FMS, we will reactivate the case.

If the bankruptcy occurred more than one year ago, the case has not been inactivated at FMS nor has OCSE taken any action to reset exclusion indicators. This notice is provided for informational purposes only.

Once the obligor completes the bankruptcy process, it is the responsibility of the State to remove the exclusion indicators. This can be accomplished by submitting an "R" transaction on the case submission and update file to reset the exclusion indicators appropriate for the case. If OCSE sends your Pre-Offset Notice and a year has passed since the obligor filed bankruptcy, OCSE strongly encourages the State to delete the case and resubmit it so that a new Pre-Offset Notice can be issued.

States should immediately initiate an on-line update for any bankruptcy cases they become aware of. Using the "R" transaction, the ADM and TAX exclusion indicators should be set. Just as OCSE sets the exclusion indicators with cases, it is the responsibility of the State to reactivate the case once the bankruptcy is complete.

If you have any questions, please call Alvee Harrison, Bankruptcy Monitor (202) 401-1425.

Sincerely,

Roy W. Nix  
Chief, Special Collections