



CHILD SUPPORT ENFORCEMENT

Better Data and More Information on Undistributed Collections are Needed

Highlights of [GAO-04-377](#), a report to the Chairman, Committee on Finance, U.S. Senate

Why GAO Did This Study

Congress established the child support enforcement program in 1975 to ensure that parents financially supported their children. State agencies administer the program and the Office of Child Support Enforcement (OCSE) in the Department of Health and Human Services oversees it. In 2002, state agencies collected over \$20 billion in child support, but \$657 million in collections from 2002 and previous years were undistributed—funds that were delayed or never reached families. One method used to collect child support, intercepting federal tax refunds, involves all state agencies, OCSE, and two Department of the Treasury agencies—the Internal Revenue Service (IRS) and the Financial Management Service (FMS). GAO was asked to address (1) how the total amount of undistributed collections changed over the years, (2) the causes of undistributed collections, (3) states' efforts to reduce these funds, and (4) OCSE's efforts to assist states. GAO analyzed OCSE data, administered a survey, visited 6 state agencies and interviewed officials.

What GAO Recommends

GAO recommends that OCSE periodically review undistributed collections data and that OCSE, IRS, and FMS work together to identify a way to share information on collections held from joint tax refunds. OCSE did not explicitly agree or disagree with the recommendations. IRS and FMS agreed with the recommendation. www.gao.gov/cgi-bin/gettrpt?GAO-04-377.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cornelia M. Ashby at (202) 512-7215 or ashbyc@gao.gov.

What GAO Found

OCSE reported that the amount of undistributed collections for fiscal year 1999 was \$545 million and \$657 million for fiscal year 2002; however, these amounts may not be accurate. State agencies had different interpretations of what comprised undistributed collections and data reported by several state agencies were found to be unreliable throughout this time period. OCSE revised the reporting form, but data accuracy concerns remain, in part, because OCSE does not have a process to ensure the accuracy of undistributed collections data.

Federal law, some state policies, and inaccurate or missing information were the underlying causes of nearly all types of undistributed collections. State agencies determined how long they held collections from joint tax refunds and if they held collections received before they were due. Federal law allows collections intercepted from joint tax refunds to be held for up to 180 days and in response to GAO's survey, 34 state agencies reported holding them for 180 days. Missing or inaccurate information, such as invalid addresses, also leads to undistributed collections. Based on state agencies' survey responses, GAO determined the median value of the undistributed collections from joint tax refunds was about \$1.8 million and the median value of four other types of undistributed collections exceeded \$350,000.

Median Amounts for Five Types of Undistributed Collections Reported by State Agencies as of June 30, 2003

Types of undistributed collections	Median amount rounded	Number of State agencies that reported an Amount
From joint tax refunds	\$1,750,000	32
Received before they were due	\$466,000	33
Pending legal resolution	\$431,000	24
With an invalid address for custodial parents	\$399,000	35
With data problems (overpayments, no active case, missing or inaccurate data, etc.)	\$363,000	30

Source: GAO survey.

State agencies GAO visited took steps to better understand and reduce undistributed collections. Of the 6 state agencies visited, 5 had analyzed their undistributed collections cases, 4 adopted performance goals, and officials from all 6 state agencies stressed the importance of researching collections that were missing information. In addition, officials stated that using automated processes to receive and distribute collections helped reduce the number of collections with missing or inaccurate information.

OCSE has provided some assistance to help state agencies reduce their undistributed collections. However, the Department of the Treasury has not provided OCSE information that would allow state agencies to distribute collections from joint tax refunds to families sooner. Further, OCSE's efforts to obtain this information have been minimal.