

**THE NEED FOR MORE AGGRESSIVE IMPLEMENTATION OF INCOME  
WITHHOLDING ORDERS INVOLVING FEDERAL EMPLOYEES**

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The Department of Health and Human Services (HHS) Office of Inspector General (OIG)<sup>1</sup> recently issued a report called **“Withholding Child Support Obligations from Departmental Employees,”** OEI-05-00-0030 (October 2001).<sup>2</sup> The OIG found that there are still problems with wage withholding against delinquent federal employees who are employed by HHS. The following summarizes the problems OIG found as well as its recommendations for addressing these problems.

**Background**

Executive Order 12953, signed February 27, 1995 was designed to make the Federal Government a model employer in complying with the establishment and enforcement of child support orders. The Order requires that all federal agencies strictly adhere to wage withholding requirements and annually match the federal tax refund offset file with federal agency payroll files to detect federal employees who are delinquent on their child support payments. This matching is intended to identify delinquent federal employees and make them quickly subject to wage withholding. In 2000, the OIG discovered that HHS had not conducted this annual match since 1996.

**The OIG Findings**

The OIG set out to determine whether this failure had had consequences for enforcement against federal employees who work for HHS. This investigation involved the matching of the federal tax refund offset file with federal agency payroll files to detect delinquent obligors as well as the examination of sample cases to determine if wage withholding was accurate when in place and to determine why wage withholding was not in place in some cases. The investigators found:

- 215 employees who were delinquent in paying their child support. The average delinquency of the employees in this group was \$7,295 per obligor. While wage withholding was in place for 65 percent of these delinquents, 35 percent were not subject to wage withholding.

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<sup>1</sup> The OIG is responsible for the investigation of all of the agencies within HHS in order to ensure that these agencies serve the public as intended. After an investigation, the OIG prepares a report on any problems found and makes legislative, regulatory, and operational recommendations to the Secretary of HHS.

<sup>2</sup> The full report can be found at [www.hhs.gov/oig/oei](http://www.hhs.gov/oig/oei) or by contacting the Chicago regional office at 312 353-4124.

- In the majority of the cases in which the delinquent federal employee was not subject to withholding, the state charged with enforcing the order did not know that the obligated parent was an HHS employee. This could have been caused by the State not receiving information from OCSE regarding a match or the State not being able to determine from the match that the individual in question was an HHS employee. Once the OIG informed the State that the individual was an HHS employee, most quickly issued a wage withholding order.
- In more than half of the cases where wage withholding was not in place (44 out of 76), the delinquent employee-obligors were employees of Indian Health Services. Even though HHS has the authority to issue wage withholding orders for all employees, including those who are members of Native American tribes and those who reside or are employed on a reservation, many caseworkers may not be aware that Native American obligors are federal employees and thus do not pursue child support enforcement and wage withholding for those employed by Indian Health Services.
- While the majority of cases with wage withholding in place were entered into the system within 10 days of the receipt of the order, data entry errors in 8 out of 49 cases reviewed (16 percent) resulted in the withholding of an amount different from that required by court order.

### **OIG Recommendations**

In order to ensure that HHS complies with the Executive Order in question, and to eliminate the problems outlined above that prevent wage withholding for HHS employees who owe child support, the OIG came up with the following recommendations:

- HHS should assign a senior departmental official with the responsibility of making sure the Department is in compliance with the Executive Order;
- OCSE should assist States in the effective use of the National Directory of New Hires which will facilitate the discovery of delinquent federal employee-obligors;
- OCSE should further assist States on the issuing of wage withholding orders for Indian Health Service employees; and
- The Program Support Center, the division of HHS responsible for payroll deductions for child support payments, should increase withholding accuracy by “ensuring review of all withholding entries, expanding the entry form, formalizing the forwarding process of income withholding orders from local offices and tracking receipt of employee verification letters and income withholding orders not acted upon.”

It is important that these recommendations be followed so that the children of federal employees receive the timely child support to which they are entitled.