

Testimony of Vicki Turetsky
Senior Staff Attorney, Center for Law and Social Policy
Before the Subcommittee on Human Resources
Committee on Ways and Means
U.S. House of Representatives
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Center for Law and Social Policy
1616 P. Street, N.W.
Washington, DC 20036
(202) 328-5145 phone
(202) 328-5195 fax
www.clasp.org

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1616 P. Street, N.W., Washington, DC 20036
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Chairwoman Johnson and Members of the Subcommittee:

I very much appreciate the opportunity to testify before you today. My name is Vicki Turetsky. I am a Senior Staff Attorney at the Center for Law and Social Policy. CLASP is a non-profit organization engaged in research, analysis, technical assistance and advocacy on issues affecting low-income families. CLASP has analyzed child support issues for many years. CLASP does not receive government funds.

Most of my testimony today will focus on the proposed changes in the child support distribution rules. I am pleased to testify in strong support of the distribution provisions in the legislation sponsored by Chairwoman Johnson, H.R. 4469. Mrs. Johnson has worked on this issue for years, putting “families first” in distribution rules enacted in the Personal Responsibility and Work Opportunity Act of 1996 (the welfare reform law). The proposed legislation would build on the 1996 changes, but greatly simplify and clarify distribution for former TANF families.

CLASP also strongly supports the pass-through legislation sponsored by Mr. Cardin, H.R. 3824, which would not only would get more support to families when they leave TANF, but would distribute support to families while they are still on TANF. There is a growing consensus in the child support community that *all* child support should be paid to the family, regardless of TANF status. Full family distribution would be the simplest rule. While both bills would move the child support program toward a full family distribution policy, H.R. 3824 would get us there faster.

I commend both of you for your efforts in this area, and hope you will be able to join in bipartisan legislation that would both simplify post-TANF distribution and allow states to start paying families their child support while they are still on TANF.

The proposed changes would advance welfare reform goals.

The child support program originally was set up to reimburse federal and state welfare costs. As a condition of receiving cash assistance, welfare families must assign their rights to child support and to cooperate with the child support program. These welfare collections are not paid to the families, but instead kept by states as partial reimbursement for welfare benefits. The welfare collections are shared with the federal government and treated as government revenues. The child support program also serves non-welfare families who have requested child support services and receive all of the support collected on their behalf.

At its inception, the child support program almost exclusively served welfare families. However, the sharp decline in welfare caseloads, combined with long-term

trends, have dramatically reduced the proportion of welfare cases in the child support caseload. Today, only about 20 percent of child support cases involve families who currently receive cash assistance.

The vast majority of families in the child support caseload are low-income working families who have left welfare or who never received it. After the custodial parent's earnings, child support is the next most important income source for poor single female-headed families receiving child support. For poor families who get child support, the child support amounts to 26% of the family's budget, or \$2000 per year. When families headed by single mothers get at least some child support during the year, their poverty rate drops significantly, from 33% to 22%. The research shows that families who get regular child support are less likely to return to welfare, thus avoiding welfare costs.

These families desperately need the child support income to make ends meet. If low-income single mothers receive child support, they often can forego a second or third part-time job. In 1995, over three-fourths of the non-welfare families in the child support caseload had incomes below 250% of poverty. About half of the non-welfare families receive other forms of public assistance, such as Medicaid or Food Stamps.

Just as a job is about more than a paycheck, child support is about more than money. Child support has a dual quality, important both as cash income for the family and as a way to encourage paternal involvement. Establishing regular payment of child support appears to increase the fathers' involvement in their children's upbringing and improve child outcomes. It may also increase the availability of paternal relatives as a back-up system for child care and family emergencies. Although domestic violence is a concern to some families, many mothers report that they encourage their children's emotional relationship with their father and his family, and try to keep the father involved in the children's lives when feasible.

However, the current child support assignment and distribution rules (which determine whether the state or the family keeps support collected by the state) discourage the poorest fathers from staying connected to their children. The current rules treat child support as repayment for welfare benefits, rather than as a father's financial contribution to his children. These rules work against poor mothers and fathers who want to use their own money to support their own children. Poor fathers and mothers who want to improve their children's financial circumstances, but can not fully support their children without some public help, sometimes agree to informal contributions that by-pass the formal child support system. In addition, the child support program's welfare cost recovery focus often results in child support orders inflated by welfare and Medicaid costs, and uncollectible arrearages that sometimes drive poor fathers underground.

The goals of welfare reform—to promote work and to encourage the formation and maintenance of two-parent families—are best complemented by a child support strategy that respects child support as the family's own money and as the father's financial contribution to his children. The proposed distribution provisions would substantially increase the amount of child support going to families. These provisions

(especially Mr. Cardin's approach), would help reorient the child support program toward the goals of welfare reform. The ban on using the child support system to recover Medicaid costs (in both bills), the review and adjustment provisions (in the Johnson bill), and the federal grants program to help support responsible fatherhood programs (in the Johnson bill) are also important elements that help reorient the child support program toward supporting and strengthening working families.

The proposed changes would simplify and rationalize the current system.

The changes proposed by Chairwoman Johnson and Mr. Cardin would make the child support distribution rules much easier to understand and administer. Under welfare reform, the distribution rules were amended to allow families to keep more of the child support that was owed to the family before going on welfare. In addition, the rules changed the order of payment, so that the family's debt is paid before the state debt.

Although the rules were intended to get more money in the hands of families who have left welfare, they are the uneasy result of legislative compromise between contradictory program goals of recovering welfare costs and helping families become self-supporting. The current law is based on an "on-off" approach. Under an "on-off" approach, child support owed while the family is off of welfare belongs to the family, while support owed while the family is on welfare belongs to the state. However, there are several exceptions to the basic on-off approach in the current law. As a result, the rules are difficult to understand and costly to administer.

The main exception is that support recouped from federal tax refunds are kept by the state. This amounts to more than half of the welfare arrears collected by the state. In addition, the state keeps arrears that were owed before the family received assistance if they are collected after the family starts receiving assistance. This means that families who tried to hold out the longest before going on welfare can lose all of the support owed to them if it is collected after they go on welfare. Finally, there are various phase-in exceptions for families who received welfare at some time before 2000.

The current distribution rules require states to keep track of several different kinds of support payments, depending on time, type, and collection method --assigned current support; never-assigned current support; "temporarily assigned" arrears; "conditionally assigned" arrears; "permanently assigned" arrears; "unassigned during assistance" arrears; "unassigned pre-assistance" arrears; "never assigned" arrears."

States have tried to implement them, but the current distribution rules are, frankly, unworkable. Parents, state legislators, and workers do not understand them. They are snarling up computer programs and delaying system development. They are leading to accounting, audit and litigation problems. And they are resulting in less money going to families than envisioned during welfare reform.

Simplicity, not complexity, must be the basic principle behind distribution rules. The legislation proposed by Chairwoman Johnson and Mr. Cardin each reflects a

commitment to simplify post-TANF distribution rules and to greatly increase the amount of support going to families that have left TANF. The proposed post-TANF distribution rules are simple and clear, and go a long way to addressing the problems with the current rules. However, the Johnson proposal would continue to require that families assign to the state the support owed to them while they were receiving welfare.

The simplest distribution rule is to treat all child support as support for children and income to the family. Researchers studying the Wisconsin demonstration to pass through all current support to families receiving W-2 assistance are finding important administrative advantages to a very simple distribution system. By having child support in place and budgeted for at the time of TANF exit, the child support system would help families transition off of TANF.

Distribution rules which depend on states to identify and change the family's TANF status result in administrative delays in getting support to former TANF families. Families are supposed to start getting current support as soon as their TANF benefits end. However, the child support agency sometimes retains the support improperly for months after welfare exits, because of administrative delays in identifying and changing the family's case status. Instead of stabilizing the family's income before the family leaves TANF, child support is interrupted right at the point of exit and for some months thereafter.

There may be a reluctance to move to a full family distribution system because of concern about retaining families on TANF for longer periods if they receive child support income. However, preliminary results from the Wisconsin demonstration include findings that families move off of TANF faster when they receive child support, that fathers pay more support, and that administrative costs under the waiver are not increased. Preliminary findings in a similar Vermont demonstration also include increased child support payments.

It is our position that all of the money should be distributed to the family, regardless of TANF status. How that child support income is treated in the TANF program (whether it reduces the TANF grant or is disregarded) should be left to states to decide. While there are a number of reasons to support a disregard policy, the main point of a full-family distribution policy is simply to treat all of the child support as family income. A full distribution policy (with or without a disregard) would help families transition off of welfare. It would increase family income once off TANF by encouraging parents to pay through the formal system. It would simplify and rationalize program administration. And it would help change the culture of the child support program by eliminating its cost recovery focus.

The welfare cost recovery mission of the child support program is obsolete.

State child support administrators, advocates, and other members of the child support community are increasingly questioning the fundamental cost recovery premise of the child support program. This program has much potential to help low-income

families. However, it has an albatross around its neck-- the mandate to recover welfare costs. While welfare cost recovery seemed like a good deal to states in the beginning, there is increasing evidence that it has actually weakened the program's ability to attract adequate resources to the program. From the start, the program was sold to state legislatures as a "money maker." In some states, the political imperative to produce state revenues has forced child support to make do with a too-meager budget and staff.

Its cost recovery role has also undercut the visibility and status of the child support program within the human services community. Even though the child support program now serves several times as many families as the TANF program, closely fits the goals of welfare reform, and is a key income support program for low-income working families, the child support program sometimes has trouble getting a seat at the welfare reform table. The program is often seen only as a limited reimbursement program—a program to make money from, not a program to help families. In order to attract new resources and realize its potential, the message of the child support program has to change. For this to happen, state legislators have to make sense of the program, and the distribution rules make this hard to do.¹

The proposed distribution provisions in both the Johnson and Cardin legislation represent very positive and exciting steps forward for families and the child support program. State financing options would help states make this transition. To move to a full distribution system, however, both federal and state shares of retained collections should go to families. In the long run, eliminating the program's reliance on declining welfare collections and moving the program to a more stable state appropriations basis will help stabilize and even increase program funding. In the short run, expanding family distribution policies mean divesting retained welfare collections now used by states to help pay for TANF MOE expenditures or (in a third of states) child support program costs.

Expanded access is inconsistent with welfare reform and program improvements.

Expanding access to IV-D data and tools to unregulated, and often predatory, private child support collection companies will hurt, not help families who need child support. The Appendix incorporated into this testimony cites complaints alleging abusive, deceptive, and unfair practices by private child support collectors. Unlike private collectors that pursue consumer debt, these companies are not regulated under the Fair Debt Collection Practices Act, 15 U.S.C. 1692. Unlike private companies performing contractual work for IV-D agencies, they are not subject to state oversight and controls. Yet the proposed provisions would turn over vast amounts of data and legal authority to these companies and eviscerate current confidentiality and due process protections for

¹ The answer to the problem of strengthening child support program capacity is not, as Supportkids.com proposes, to fragment and weaken the program further by expanding the access of non-IV-D clerks of court and unregulated private collectors to divert program resources. The answer is to simplify the message and mission of the child support program so that state legislators can begin to see this program as a key program to advance welfare reform goals. Simplifying distribution will help increase the political standing of the program.

parents, contrary to Congressional promises to preserve the confidentiality of new child support data bases. They would divert public resources for private profit, allow private companies to cream the most lucrative cases from the public system, and claim credit and fees for work performed by the IV-D system.

Expanding access to IV-D data and tools by clerks of court raises a somewhat different set of problems. IV-D structural and work load considerations weigh against expanding this access to non-IVD public agencies. Over the last several years, many IV-D programs have successfully consolidated and streamlined their procedures to improve their performance. Some of these programs include clerks of court who have entered into cooperative agreements with the state and perform as IV-D agencies.

However, some states with locally-elected clerks of court have had difficulty maintaining sufficient political clout to manage the program, resulting in a fragmented state system, weakened political support for the IV-D program, and limited resources committed to the program. Several of these states have had difficulty implementing a statewide computer system and state disbursement unit. Whereas the IV-D program mostly serves low-income families entering through the welfare system, the clerks of court mostly serves better-off families who have entered the system through divorce proceedings and often can afford a private attorney. Given the demographic differences in the caseloads, we are concerned that limited IV-D resources would be diverted away from the low-income families who are in greatest need of public services.

Conclusion

The distribution provisions of the Johnson and Cardin legislation (and the responsible fatherhood and review provisions of the Johnson bill) would build on the reforms in the 1996 law, and set a clear direction for the child support program. These provisions would put families front and center of the child support program. They would put families first in child support distribution. They would help poor fathers to begin paying monthly support payments and connect with their children. They would help the child support program become more parent-friendly and service-oriented. They would help states further automate and streamline their activities.

However, the expanded access provisions of the Johnson legislation send an entirely inconsistent message to states and families, with potentially devastating results. These provisions would allow the child support program to be used as a money maker for private collection companies. They would put the fee claims of private collectors ahead of support payments to families. They would sanction and extend the abusive practices used against fathers. They would fragment and distort IV-D program operations. We strongly oppose the expanded access provisions and urge you to strike them from otherwise very positive legislation that builds on welfare reform and helps families support their children.

Appendix: Complaints About the Practices of Private Collectors

Complaints About Abusive and Unfair Practices

"Recently we began receiving calls from [a private collection company]. He was leaving messages for one of our employees.... When [our employee] was not able to contact [the company representative], he started getting rude via the phone to myself and my clerk. "He 'ordered' me to withhold from [our employee's] wages.... He told my clerk that if I didn't comply with his order that our business license would be pulled. When he was told that he must comply with F.D.C.P.A. not to call again, he stated that there were no laws regulating what he did." *Source: Letter from an Arizona concrete company dated May 20, 1998.*

"In the spring of 1994, Lester Brown's neighbors began receiving 'Wanted' posters. These posters referred to Mr. Brown as a 'Dead Beat Parent,' stated how much unpaid child support he allegedly owed, and claimed that he "has plenty of money to spend on himself but has never paid one dime of child support." A few months later a 'Wanted' poster with Mr. Brown's picture was mailed to his home, accompanied by the threat that the poster would be "mass mail[ed]" to his neighbors if he did not pay off his child support debts." *Source: Brown v. Child Support Advocates, 878 F. Supp. 1451, 1452 (C.D. Utah 1994).*

"The collection agency...has harassed our son...called his home at 6:00 a.m., called him at work, and threatened him with jail." *Source: Letter from a mother of a Texas noncustodial parent, filed with the Texas Attorney General's Office and dated Oct. 23, 1998.*

"They demanded \$11,000.00 or they would put me in jail. I proposed a payment plan that would allow me to current and pay all the arrearage payments. They responded with threats, disgust, and harassment. They called me names and have gone as far as to boldly state that they want to destroy me personally and professionally." *Source: Complaint filed by a Texas noncustodial parent with the Texas Attorney General's Office, dated April 10, 1988.*

"In March 1998, [a private collection company] called me and said she was to collect child support....I told my mother about the phone call and she talked to [the company representative], which ended in my parents paying her \$2,000 on their credit card....On Aug. 19, 1998, [the company representative] made a call to my parents in another attempt to collect back child support. She apparently told my mother that if [\$4,200.00] was not paid by Aug. 21st, that I would be arrested....She went directly to my parents because she had gotten money from them before. They are in their 70's and are being harassed emotionally, verbally over the phone. They are not physically well right now, due partly to all this....My parents, without my consent, are charging \$3100 today on their credit card....[The company representative] has used threatening, abusive, and emotional tactics in order to try and collect a debt. Since I have refused to pay any thing to a collection agency, she has gone to my parents and harassed them, before all this, she called my church and left a message for my pastor. This has caused a lot of stress to my family, my parents, and myself." *Source: Complaint filed by a California noncustodial parent with the Texas Attorney General's Office, dated Aug. 31, 1998.*

"[My client] again contacted me to discuss the harassing nature of [the company representative.] At this time I asked her for his phone number so I could call him to attempt to get him to cease and desist in his obnoxious and illegal behavior. I had previously, in my initial conversation with [my client], instructed her to tell [the company representative] never to call or contact them again[.] [S]he informed me that she had so instructed him and he completely ignored her and repeatedly had continued to harass them over this matter....[The client] repeatedly asked them to stop harassing them, to no avail. I then instructed him to never make any telephone or written communications with [my clients] again on this matter. He told me...that he would do as he pleased and he hung up on me. Within five minutes after he terminated our conversation, he called [my clients] and further harassed them on the phone and taunted them about how an attorney would do them no good.... Since that date, he has again called and continued to harass [my clients.]" *Source: Letter from attorney for Ohio noncustodial parent's wife, filed with the Texas Attorney General's Office and dated March 16, 1999.*

"They obtained information about myself and my company by not only misrepresenting themselves to a credit agency, but out and out lying regarding their intentions....But in doing this, they have damaged my credit report, as I am in the process of buying a home and the mortgage company keeps getting these reports of me applying for extension of credit, which I have not done, and it further delays the progress of my closing, and interfering with my life." *Source: Letter from a wife of a noncustodial parent, filed with the Texas Attorney General's Office and dated Aug. 26, 1997.*

Complaints About False, Deceptive and Misleading Representations

“Child Support Advocates (CSA), a private child support collection agency, then employed other harassing techniques including ‘numerous harassing telephone calls.’ All of this occurred after Mr. Brown had received a letter ‘formatted to give the appearance of a court document’ from CSA, causing his attorney to inform CSA that all further correspondence should come to his office.” *Source: Brown v. Child Support Advocates, 878 F. Supp. 1451, 1452 (C.D. Utah 1994).*

“Please find enclosed a copy of the documents my client received from “Child Support Enforcement.” She believed that this was an attempt by the State to collect child support and as you can see from the forms, it appears reasonable that my client believed this was an official child support collection case by the State[.] I believe that the collection actions by the “Child Support Enforcement” company are, at the very least, misleading and lacking in the statutory language to collect a private debt.” *Source: Letter from an attorney for an Oklahoma noncustodial parent, filed with the Oklahoma Attorney General Office and dated Jan. 21, 1999.*

“[My client] states that the Division of Child Support Enforcement of Virginia (DCSE) [the public child support agency] was not able to collect the monies owed to date and sought my help...After reviewing her paper work it turns out that she was not working with DCSE but with a corporation by the name of Child Support Enforcement located in Austin, Texas...As you can see the corporation sent her forms which, to the normal citizen, would appear to make one think that Child Support Enforcement (CSE) is a government agency. However, they are charging unconscionable fees for said collection. The use of this name appears fraudulent and misleading.” *Source: Letter from attorney for a Virginia custodial parent, filed with the Texas Attorney General’s Office and dated June 5, 1998.*

“The manner in which [the company representative] spoke was convincing to us, to think she was a governmental agency.” *Source: Letter from a Texas noncustodial parent, filed with the Texas Attorney General’s Office and dated Aug. 31, 1998.*

“Her legal question...concerned harassing phone calls she was repeatedly receiving from [a private collection company]. Also she was receiving written correspondence from him of a threatening nature[.] [T]he letterhead is entitled “Child Support Enforcement Division.” I believe, based upon my conversations with [the client] that the [company representative] was strongly implying, if not outright representing, that he was an agent of the Child Support Enforcement Division of the Texas Attorney General’s Office. When I made initial contact with [the client], she was of the opinion that the Attorney General’s office was responsible for these threatening calls and other communication...I very strongly inquired of him if he was a private collections form or if he was a representative of the Child Support Enforcement Division of the Texas Attorney General’s Office. He refused to answer my question and wanted my Bar card number. ...He, although asked repeatedly by me this question, wholly refused to answer same.” *Source: Letter from attorney for Ohio noncustodial parent’s wife, filed with the Texas Attorney General’s Office and dated March 16, 1999.*

Complaints About Contractual Practices and Unreasonable Fees

“The reason for this complaint is that these people keep 50% of the money until the administration is paid off, and then they keep 33% of the amount each time its received there after, until when ever they want... This is an outrageous fee that [the private collection company] receives and for what service that they don’t even provide.” *Source: Complaint filed by Texas custodial parent with the Texas Attorney General’s Office, dated March 30, 1998.*

“I feel that this company is really taking advantage of people like me. While I realize that I should have made sure I totally understood the contract, which I thought I did, I believe they misrepresented themselves. I believe that the entire agreement is very deceptive...[The private collection company] is taking 50% of my daughter’s child support...They’re stating that they’re getting the amount that’s late, but what I want to know is: **if they are currently collecting the late part of what he owes me, what happens to the portion that he should actually be paying me now[.]** I basically want to say that they are very misleading and are not being of a service to anyone of than themselves.” *Source: Complaint filed by Texas custodial parent filed with the Texas Attorney General’s Office, dated May 21, 1997.*

“I sent a request to [the private collection company] to help me try to collect past due child support...When I asked this agency...to represent me and before I signed the enclosed document sent to child support of Hawaii, I called and asked [the private company] “Does this document mean you can intercept child support they [the public agency] have

already intercepted? I was told no, they were not allowed to take money from an active court order and lead me to believe they...be would be trying to get unpaid child support from my ex-husband directly, or at least from his insurance co. Recently [the private company] began taken the child support that [the public agency] got from his [paycheck]. Also they may have intercepted his tax returns plus ones small payment he made on his own to [the public agency.] So far this agency has done me no good whatsoever. They have only managed to help themselves & pay themselves for their services with money I would have gotten without their help, from [the public agency]. I am worse off financially now with their help. If this is all they are able to do for me I'd like them to stop helping me & return my contract. If they continue to take current support paid to [the public agency] and putting it toward arrears he owes which is over \$11,500.00 at this point he will never catch up and they [the private company] will continue indefinitely to take my child support and take out their cut first which they have not earned at all." *Source: Complaint filed by Texas custodial parent with the Texas Attorney Generals' Office, dated July 9, 1997.*

"In the 4 year time I was on this contract they collected \$16,000.00 which means they went 3000 over the amount. I would like to have that money back. Can you help? Please help us. Please help us. Please Please help us." *Source: Complaint filed by Texas custodial parent filed with the Texas Attorney General's Office and dated Nov. 3, 1998.*

"I was contacted by the [private collection company] in regards to my child support....They explained that payments to me would be arriving soon and that they alone were responsible for me getting back support payments. Based on this information, they further stated that I owed a 35% fee on all monies paid since they were the ones to collect it. Since at that time I had a collection agreement with them...I did pay them a 35% fee...As it turns out, it was DCSE [Arizona public agency] that collected the money, not [the private company.]" *Source: Letter sent to Arizona Department of Economic Security, dated Oct. 29, 1999.*

"Signing the [private collection company] contract was a HUGE mistake. About one month after I signed the...contract, [the public agency] found Brian and began enforcing my support order...I have asked [the private company] to terminate my contract and they refuse to do so. ...This particular problem is just one of many that I am having with [the private company]. I am in the process of seeking legal counsel in both the states of Arizona and Texas." *Source: Letter sent to Arizona Department of Economic Security, dated June 2, 1999.*

"I was amazed that [the private company] had initiated all this paperwork in a remarkably short amount of time, when in fact, everything had already been initiated and finalized [by the public agency]. [The private company] had collected 35% of my support checks for the past two years...." *Source: Letter sent to Arizona Department of Economic Security, dated April 6, 2000.*

Complaints About Lack of Verification, Accessibility, and Accountability

"Plaintiff heard nothing from CSE for three years, except for an annual letter informing her that no settlement had been reached on her behalf.... Plaintiff told Schultz [disbarred attorney employed by CSE] that she did not wish to settle her claim, which by then had reached an aggregate sum of almost \$32,000, for only \$10,000. Schultz pressured Plaintiff to settle...Plaintiff called Schultz to inform him that she would not accept the offer...Plaintiff received a check from CSE in the amount of [\$6,700.00]...Plaintiff contacted CSE repeatedly, but was informed by...the receptionist that everyone refused to speak with her." *Source: Plaintiff's Petition in McDaniel v. Child Support Enforcement, Inc., Cause No. 99-05098 in the District Court of the 353rd Judicial District in Travis County, Texas, filed April 30, 1999.*

"The only reason I went to this agency they told me they worked hand and hand with the Attorney General office, whenever they need information from them. What I want is for these people to let me know in full details how much back pay is it left to pay. And I want a statement from them when its paid....And after it's paid out I want them to turn my case back over to the Attorney General's office to the state of Texas. I want to close out for good with C.S.E. I went to these people in 1996 and all I have done is lost a lot of money. I am a poor hardworking divorce mother who's just trying to make ends meet the best I can....who are these people..." *Source: Complaint filed by Texas custodial parent with Texas Attorney General's Office, dated July 18, 1998.*

"[The private company] refuses to cancel my contract....They have not satisfied my repeated requests to furnish info about my account & how things are handled. They haven't by feedback from NCP been professional or courteous in the approach to NPC...[They] put me off by telling me I need to speak with supervisor who is never available." *Source: Complaint filed by Texas custodial parent with Texas Attorney General's Office, dated July 20, 1999.*

"They shouldn't be taking my money. They have not done anything on this case like they said." *Source: Complaint filed by Texas custodial parent with Texas Attorney General's Office, dated May 12, 1997.*

"They were not suppose to take any of that money, as a matter of fact this check should not have been mailed to this agency from the Attorney General's office. This agency will not respond to me or the Attorney General's Office by returning our calls....I do not want their services." *Source: Complaint filed by Texas custodial parent with Texas Attorney General's Office, dated Sept. 30, 1997.*

"Also the last check they sent me, I could not cash because an authorized signature was on it[.] I called about it and they said we will send you another on the next day. That did not happen until one month later. That one too was not authorized to cash." *Source: Complaint filed by Texas custodial parent, dated Nov. 3, 1998.*

"However, the agency fails to inform the 'debtor' that they are attempting to collect a debt as required by state and federal consumer law. When asked how they verified that my client in fact owed any debt, there was no response." *Source: Letter from an attorney representing an Oklahoma noncustodial parent, filed with the Oklahoma and Texas Attorneys General Offices and dated Jan. 21, 1999.*

"Our research revealed that the Missouri employer was garnishing wages based on the [federal form] issued by a [private collection company], not the IV-D agency. I have not been able to determine the basis on which Mr. ____'s wages were subject to attachment. It does not appear that any current support is due, and any past due support would have been very minimal. In fact, it is not clear what authority [the private company] has to issue an order to compel an employer to withhold[.]" *Source: Letter from Mary Ann Wellbank, Montana IV-D Administrator to private collection company, dated March 10, 2000.*

Confusion Created By Multiple Collectors

"Please help me get this situation straightened out. When [the private collection company] contacted me, they told me to stop sending payments to both you and the Clerk of the Court.... At the present time I am having difficulty even making payments, so finding out that they weren't even being handled properly really hurts.... I will not make any more payments until I find out who to make payments to, and have some official, legal documentation from the State of Arizona clarifying that your office is the correct place to send payments." *Source: Letter from noncustodial parent to the Arizona Department of Economic Security, dated February 21, 1998.*

"It is possible there are too many private companies hoping to cash in on the child support bonanza as we have gotten complaints and demands from [an attorney] in Texas and [the attorneys] purporting to represent a phony company calling themselves Child Support Enforcement Company and the Utah Department of Human Services representing the enforcement arm of Utah.... In any event we do not owe nor intend to make payment to you unless and until we have proof of a formal assignment form from Arizona Welfare and termination of Central Clearing House." *Source: Letter from Utah attorney to a private collection agency, dated March 21, 1997.*

"My problem is, I will never know how much money is being sent from the Attorney General's Office to the independent organization. I am very concerned about this, because to be quite honest, I am not sure that I trust this independent organization. My question to you is, would you please send me a copy of the monetary transactions that **have been** made and **will be** made in the future from you to the independent organization?" *Source: Letter from custodial parent, filed with the Texas Attorney General's Office and dated May 5, 1998.*

"In communicating with Plaintiff, Defendant made several false representation including, but not limited to: 1) attempting to collect on a debt that is not owed to the alleged creditor, rather it is a child support arrearage owed to the State of Michigan; 2) not verifying the validity of the debt; 3) informing Plaintiff that it would be sending an income withholding order to Plaintiff's place of employment for collection on this debt, and there is already an income withholding order in effect from the Friend of the Court in Wayne County, Michigan." *Source: Plaintiff's Complaint in Child Support Network, Inc. v. UAW-GM Legal Services Plan., Case No. 60454 (U.S. District Court, ED, filed Nov. 30, 1998).*