



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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April 11, 2003

TO: Supervisor Yvonne Brathwaite Burke, Chair  
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Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley *tm*  
Auditor-Controller

SUBJECT: **CHILD SUPPORT SERVICES LOCATE PROCESS REVIEW**

At the request of the Child Support Services Department (CSSD) and the Child Support Advisory Board, we have completed a review of CSSD's procedures for locating non-custodial parents (NCPs). The purpose of our review was to evaluate CSSD's locate process to identify areas where procedures could be improved.

**Background and Scope**

Locating NCPs' residence and employment addresses is critical to collecting child support payments. CSSD uses NCP residence addresses to serve NCPs with the papers needed to require them to make child support payments. NCP places of employment are needed to enable CSSD to issue wage assignments, so child support can be collected directly from employers. The steps CSSD takes to obtain NCPs' residence and employment addresses is called the locate process.

We reviewed documentation from CSSD's child support case management computer system, tested a sample of cases and discussed the locate process with CSSD management and staff. We also observed staff interviews with clients, reviewed relevant regulations/procedures, and compared CSSD's procedures to other jurisdictions to determine best practices.

**Review Summary**

Locating transient and uncooperative NCPs and collecting child support from them is a challenging task. CSSD must also meet complex and changing State and federal requirements, maintain the child support case management system which interacts with State and federal databases, and maintain a positive relationship with the public.

Our review indicates that a number of improvements can be made to CSSD's locate process which should assist CSSD in completing its considerable duties and improving collections from NCP's. These improvements should increase the timeliness of CSSD's locate process, improve the Department's ability to successfully locate NCPs, and collect child support payments. For example, CSSD can improve its follow-up procedures when employers do not return employment verifications and when address information provided by custodial parents (CPs) is inaccurate. In addition, CSSD needs to eliminate backlogs in updating employment information for NCPs. We also noted the Department may be able to improve its success rate in locating NCPs by searching additional databases for NCP address information.

It should be noted that the Department was already aware of many of these issues and is working with State representatives to enhance the locate process. The following are examples of our most significant findings.

### **Address and Employment Verification Procedures**

The Department's address verification procedures are not always being followed and are often not performed in a timely manner.

When the Department's database searches produce a possible NCP residence or employer address, the system is supposed to send an address verification request to the local post office or employer. If responses are not received, the system should notify CSSD staff to send a follow-up request.

We noted a number of instances where the system did not send verification letters, and instances where letters were sent but not responded to, and the system did not initiate follow-up verification letters. Further, the Department is experiencing backlogs in inputting returned employer verification forms into the child support system. Until the verifications are received and input into the child support system, the Department cannot, under its current procedures, proceed to serve NCPs required papers to initiate the collection process, and cannot issue wage assignments to garnish NCPs' wages.

We have recommended the Department investigate and correct the system problems that caused these errors, and take steps to reprioritize work to reduce the backlog. In addition, we have recommended the Department evaluate eliminating the address verification process and proceed with serving legal documents and wage assignments immediately upon receiving address information. We noted there are no legal requirements to verify addresses and the current verification procedures may not be beneficial to the locate process.

### **Staff Follow-up**

The Department's locate process is almost entirely automated. Automated database searches are conducted approximately every three months to locate NCP address and employer information. The initial data for the search is quite often obtained from the custodial parent.

We noted a number of cases from our sample have been going through the locate process for an average of two years without successfully obtaining address information. However, the Department does not have systems or procedures in place to alert case workers of cases that have potential locate problems, nor procedures for staff to follow up with CPs to ensure the initial information provided was accurate. We have recommended the Department develop locate exception reports and procedures for staff to follow up with CPs where necessary.

### **Data Base Searches**

At the time of our review, the Department's database searches for NCP locate information did not always generate timely, reliable information. Subsequent to our review, the Department began using a new nationwide database, the Federal Case Registry (FCR). The Department indicated the FCR contains more recent information than their prior database, and has aided in their locate efforts. However, the Department was unable to substantiate that FCR information is more current, and there is no mechanism in place to periodically evaluate the success of the Department's automated locate searches.

We have recommended the Department continually evaluate the effectiveness of locate resources being utilized. In addition, we have recommended the Department research other sources of information to locate NCPs that are currently used by professional skip tracing organizations. These sources include internet yellow and white page directories, property records listings, and financial institutions.

### **Review of Report**

Department management was very cooperative during our review and actively participated in the review process. Management has recognized the need for improvement and has indicated its commitment to addressing the problem areas noted. The Department's response is attached.

Details of our findings and recommendations for corrective action are included in the attached report.

If you have any questions about this report, please contact me or have your staff contact DeWitt Roberts at (626) 293-1101.

JTM:DR:MP

Attachment

c: David E. Janssen, Chief Administrative Officer  
Philip L. Browning, Child Support Services  
Violet Varona-Lukens, Executive Officer  
Lucy Eisenberg, Child Support Advisory Board  
Public Information Officer  
Audit Committee

## **CHILD SUPPORT SERVICES DEPARTMENT LOCATE REVIEW**

### **Background**

CSSD is responsible for establishing and enforcing child support orders, collecting child support payments from non-custodial parents (NCPs), and distributing child support to custodial parents (CP). CSSD has a total caseload of over 480,000 cases throughout its six offices. In fiscal year 2001-02, CSSD collected and distributed approximately \$428 million in child support.

Locating NCPs' residence and employment addresses is critical to collecting child support payments. NCP residence addresses are used to serve NCPs with the papers needed to require them to make child support payments. NCP places of employment are needed to enable CSSD to issue wage assignments, so child support can be collected directly from employers. The steps CSSD takes to obtain NCPs' residence and employment addresses is called the locate process.

The Department maintains all case-related information on their ARS (ACSES Replacement System) computer system. ARS has address information for each case participant (parents and children), welfare status, employment information, and child support accounting information, etc. ARS also performs periodic searches of federal and State databases to locate NCP residence and employer addresses, generates legal documents for service to NCPs, and produces task lists for CSSD staff.

### **Purpose and Scope**

At the request of the Child Support Services Department (CSSD) and the Child Support Advisory Board, we have completed a review of CSSD's procedures for locating absent parents. The purpose of our review was to evaluate CSSD's locate process to identify areas where procedures could be improved. We reviewed documentation from the ARS system, tested a sample of cases and discussed the locate process with CSSD management and staff. We also observed staff interviews with clients, reviewed relevant regulations/procedures, and compared CSSD's procedures to other jurisdictions to determine best practices.

Our review was conducted in conjunction with the performance review completed by a private consulting firm, Policy Studies Inc. (PSI). PSI's review was directed by the State and focused on actions CSSD could take to improve performance outcomes and customer service.

### **Summary of Findings**

Locating transient and uncooperative NCPs and collecting child support from them is a challenging task. CSSD must also meet complex and changing State and federal

requirements, maintain the ARS case management system which interacts with State and federal databases, and maintain a positive relationship with the public.

Our review indicates that a number of improvements can be made to CSSD's locate process which should assist CSSD in completing its considerable duties and improving collections from NCP's. These improvements should increase the timeliness of CSSD's locate process, improve the Department's ability to successfully locate NCPs, and collect child support payments. For example, we noted that CSSD needs to eliminate backlogs in updating employment information for NCPs. In addition, we noted CSSD staff can improve their follow-up procedures when employers do not return employment verifications and when address information provided by CPs is inaccurate. We also noted the Department may be able to improve its locate success rate by searching additional databases for NCP address information and conducting more thorough up-front interviews with custodial parents.

It should be noted that the Department was already aware of many of these issues and is working with State representatives to enhance the locate process. The following are the detailed results of our review and recommendations for corrective action.

## **Comments and Recommendations**

### **Locate Procedures**

Every three months, ARS electronically searches federal and State databases for NCP address and employment information. If ARS locates a possible address that the system cannot verify, ARS is supposed to generate a verification request to send to the post office or employer. When the verification request is returned with a positive verification, staff update ARS with the new information. If the request is returned with a "negative" verification, staff update ARS and the system will continue the database searches.

We reviewed a sample of 33 cases to assess how CSSD staff and ARS process information returned from databases, evaluate the resources used for the locate process and determine if locate searches were conducted timely.

### **Address Verification Procedures**

As discussed earlier, if an ARS search produces a possible NCP address match, the system is supposed to send an address verification request to the local post office. If the local post office does not respond, ARS should notify CSSD staff to send a follow-up request. Our review indicates that the Department's address verification procedures are not always being followed and are often not performed in a timely manner.

#### ◆ Residence Address Verification

For 12 of the 33 cases sampled, ARS locate searches produced an unverified residence address. Our review indicates that 11 of these 12 cases were not processed properly. Specifically:

- In four cases, ARS did not send the initial address verification letter. CSSD management indicated this may be due to ARS programming problems.
- In five cases, CSSD received a response to the verification requests after an average of 14 months. However, CSSD staff did not send the required follow-up verification requests until an average of 11 months after the initial requests were sent.
- In two cases, more than 30 days passed before staff sent the second post office verifications (46 and 126 days, respectively).

When post office verification letters are not received after 30 days, ARS alerts CSSD staff to send second verification letters. However, we noted that if staff do not send the second letter within 30 days, ARS automatically deletes the tasks from staffs' task lists.

CSSD should require ARS programmers to investigate why post office verification letters were not sent in all cases and take corrective action. In addition, management should ensure that follow-up verification letters are sent, either by programming ARS to automatically generate follow-up letters, or by ensuring that ARS does not delete follow-up tasks and Family Support Officers (FSOs) send the letters out as required.

#### **Recommendations**

##### **Department management:**

- 1. Require ARS programmers to investigate why post office verification letters were not sent in all cases and take corrective actions.**
- 2. Evaluate modifying ARS to automatically generate follow-up residence address verification letters after 30 days, or ensure ARS does not delete follow-up tasks and staff send follow-up letters as required.**

#### ◆ Employment Address Verification

For 18 of 33 cases from our sample, ARS locate searches produced an unverified employer address and, therefore, an employment verification letter should have been sent. We noted that 13 of these 18 cases were not processed properly. Specifically:

- In four instances, ARS did not send an employment verification letter. Department management indicated this was due to an ARS programming problem and staff erroneously changing the employer status to “verified”.
- In two instances, ARS sent the initial employment verification letter, but the response was never received and a follow-up request was never sent. These two verifications have been outstanding since November and December 2001, respectively.
- In one instance, ARS sent the initial employment verification letter and a response was received from the employer in July 2001. However, CSSD staff did not enter the response into the system until October 2002.
- In six instances, CSSD staff did not send the second employment verification letters until an average of 96 days, 36 days later than CSSD’s procedures require.

If the status of the first employment verification is not updated within 60 days, ARS is supposed to initiate a second form. However, the system does not initiate any further action if the employer does not respond to the second form. In addition, the Department does not have methods to determine which cases have second verification forms outstanding.

Subsequent to our review, the Department indicated that it programmed ARS to automatically remind FSO’s to contact employers if the status of the second employment verification form is not updated within 30 days. However, as with residence verifications described above, if FSOs do not complete these tasks within 30 days, they will drop from their task lists.

To help ensure employer information is updated timely, the Department management should require its ARS programmers to investigate the reason why employer verification letters were not sent and to initiate corrective actions as appropriate. In addition, the Department should develop procedures for staff to identify and follow-up on all cases where employers do not respond to verification letters.

### **Recommendations**

#### **Department management:**

- 3. Require ARS programmers to investigate the reason why employer verification letters were not sent and to initiate corrective actions as appropriate.**
- 4. Remind staff to ensure that employment verification information is entered timely into ARS.**

**5. Develop procedures for staff to identify and follow-up on all cases where employers do not respond to verification letters.**

**Employer Verification Backlog**

We noted that at each of its field divisions, the Department is experiencing a backlog in inputting returned employment verification forms into ARS. We observed the backlog at three divisions in November 2002. We noted per a departmental inventory report that Divisions II, III, and V had backlogs of approximately 270 forms, 11,000 forms, and 20,000 forms, respectively.

We reviewed a sample of 45 unprocessed forms from these three divisional offices. Forty of the 45 forms were received an average of 110 days prior to our review. We were unable to determine how long the remaining five forms had been outstanding because they were not date stamped upon receipt.

We reviewed the employers' responses on the 45 forms and noted that in seven instances (16%), the employer indicated the NCP was currently employed at the firm. Therefore, wage assignments could have been issued and collections begun, or the Department could have served the employer with a summons and complaint (S&C).

For the remaining 38 forms:

- In 31 instances, the employer indicated the NCP previously worked at the firm but has since left.
- In seven instances, the employer responded that the NCP never worked at the firm.

This information can affect future searches and is important for updating the Department's files.

The Department indicated the backlog is the result of staffing problems, customer correspondence processing deadlines, and that processing employer verification forms has been classified as a low priority because they can be time consuming to input.

The employment verification forms are critical to collecting child support payments from employers. Therefore, Department management should ensure the proper priority is placed on the timely processing of returned employer verification forms.

**Recommendation**

**6. Department management ensure the proper priority is placed on processing the returned employment verification forms.**



## **Need for Address Verifications**

The Department should evaluate eliminating the address verification processes altogether. We believe the Department could benefit from proceeding with serving documents needed to collect child support and issuing wage assignments to employers immediately upon receiving address information from databases.

We noted that there are no legal requirements to send the post office or employer verification letters when ARS locates an unverified address. Our testwork indicates that verifying the residential address before sending documents needed to collect child support may not be beneficial to the locate process. In addition, a November 2002 Department study noted that, in 15 of 35 instances (43%), the post office did not respond to verification letters. Further, as noted above, inputting employer verifications is time-consuming and is creating delays in issuing wage assignments.

By eliminating residence and employer address verifications, the Department may be able to serve NCPs quicker and increase the chances of successful service. In addition, the Department may be able to reduce staff workload, and most importantly, begin collecting on wage assignments sooner. The Department indicated they are considering conducting a pilot of serving NCPs' with child support demands and issuing wage assignments without waiting for address verifications.

### **Recommendation**

- 7. Department management evaluate whether it should eliminate the address verification process and proceed with serving documents needed to collect child support and issuing wage assignments immediately upon receiving address information.**

## **ARS Database Searches**

The Department's ARS database searches do not always generate reliable NCP locate information. At the time of our review, the Department utilized the California Parent Locator Service (CPLS) database, Federal Parent Locator Service (FPLS) database, and various credit agencies for locate searches. ARS periodically accesses these databases until the NCP can be found. Of the three databases, the Department uses CPLS most often.

CPLS is a service that accesses multiple databases including databases from the Department of Motor Vehicles, Employment Development Department, and California Franchise Tax Board. We noted these databases contain information that can be outdated. For example, the DMV database is only updated every one to four years, the FTB database is updated annually, and the EDD database is updated quarterly.

Subsequent to our review, the Department indicated they stopped using CPLS and FPLS for locate searches and began using the Federal Case Registry (FCR), which is

similar to CPLS but operates on a nation-wide level. The Department indicated the databases within FCR (Federal Bureau of Investigations, Social Security Administration, Internal Revenue Service, etc.) contain more recent information and has aided in their locate efforts. However, the Department was unable to substantiate that FCR information is more current and there is no mechanism in place to periodically evaluate the success of the Department's automated locate searches.

We consulted a professional skip tracing organization to gain an understanding of the resources they use to conduct their locate searches. They indicated sources such as the Internet (Yellow Pages directories, White pages directories, reverse directories, military directories, and property records listings), financial institutions, and the Chamber of Commerce are also valuable options. The Department should research these resources and determine if they may be useful to incorporate into the locate process.

The Department should consider researching additional resources that may contain or have access to more recent information, with quicker response times. PSI recommended that the Department work with the DMV and EDD to obtain online, real time access to their files as a means of obtaining the most up-to-date information and reducing the response time. We agree with PSI's recommendation and encourage the Department to pursue other sources of information to locate NCPs.

### **Recommendation**

- 8. Department management periodically evaluate the effectiveness of locate resources being utilized, and research other sources of information to locate NCPs.**

### **Supplemental Locate Vendors**

The Department does not have a mechanism in place to monitor and evaluate the success rate of its supplemental locate vendors. During fiscal years 1999-00 and 2000-01, the Department experimented with using supplemental locate vendors. The Department provided these vendors with existing cases for which minimal locate information had been obtained. The vendors utilized their automated resources and were paid based on the number of cases for which they obtained new information.

In September 2001 and January 2002, the Department conducted a study to determine the effectiveness of the information provided by the vendors. According to Department staff, based on their review of 62 cases, the Department determined that the service provided by the vendors was not beneficial. CSSD staff stated that most of the information provided by the vendors duplicated information the Department had already obtained through other locate sources and in some instances, the vendors provided erroneous information. As a result, the Department did not renew the contracts.

The Department provided informal documentation of their study, however, staff indicated an overall success rate for the vendors was never determined. Further, the Department did not establish mechanisms to evaluate the success of the supplemental locate vendors on an on-going basis.

The Department recently indicated they have modified the scope for locate assistance and are planning to re-bid for supplemental locate vendors. The Department should develop written procedures to be used to monitor and evaluate the success of its locate vendors on an on-going basis.

### **Recommendation**

- 9. Department management develop written procedures to monitor and evaluate the success of supplemental locate vendors on an on-going basis.**

### **Family Support Officer Follow-Up**

As indicated, the Department's locate process is almost entirely automated. We noted several areas where the Department can improve locate procedures through increased FSO involvement.

Fourteen of the 33 (42%) cases we reviewed have been going through the locate process for an average of two years without obtaining NCP residence and/or employer addresses. We noted the Department does not have systems or procedures in place to alert FSOs of cases that have potential locate problems and, therefore, no follow-up is being done. The FSO follow-up could help identify additional NCP address or employer information and ensure that ARS is conducting locate searches based on accurate data. The following are examples.

- In three instances, the Department received NCP address or employer information in time periods ranging from October 1998 to October 2001. In each case, shortly after receipt of the information, the Department verified that the NCP was no longer at the address or employer. To date, no new address or employer information has been received. The FSO could follow-up with the CPs to determine if they are aware of current residence or employment information.
- In one instance, the Department received information in February 2002 that the NCP recently quit their employer. To date, there has been no new information regarding the NCP's employment. The FSO could follow-up with the previous employer to determine if they have any information on new employment for the NCP.

In addition, in six instances the CP appeared to have provided inaccurate information, or the information was recorded/entered incorrectly. As a result, ARS has not been able to correctly search the databases for the NCP. We noted that the Department did not

contact the CP in writing as required by California Family Code 17401 for any of these six cases.

We spoke with FSO caseworkers regarding the above cases and they agreed that follow-up may have been beneficial. Normally, staff would act upon these issues only if they were brought to their attention through customer correspondence.

To improve the effectiveness of the locate process, the Department should develop monthly exception reports to alert FSOs of problem cases such as those described above, and require staff to follow-up on cases where appropriate. In cases where it appears the CP provided inaccurate information, the Department should ensure it complies with Family Code 17401 by sending notices to CPs.

### **Recommendations**

#### **Department management:**

- 10. Develop monthly exception reports to alert FSOs of cases that are experiencing locate problems, and require staff to follow up on cases where appropriate.**
- 11. Comply with Family Code 17401 by sending notices to CPs when they provide inaccurate information.**

### **Initial Custodial Parent Interviews**

The locate process typically begins with an interview of the CP at a Department of Public Social Services (DPSS) office. DPSS staff prepare required documents for aid, and enter certain information into DPSS' Los Angeles Eligibility Automated Determination and Reporting (LEADER) system before referring the client to CSSD staff who are stationed in DPSS offices. Staff from CSSD's Co-Locate Units then interview CPs to obtain as much information as possible regarding the NCP. CSSD staff also enter the interview information into LEADER which is then sent electronically to ARS.

We observed FSOs interview five potential CPs in the Pomona Co-Locate Unit and noted CSSD staff do not always request information from the CP regarding the NCP's whereabouts. In addition, we noted staff do not always input all of the information obtained, or inform the CP of the locate process.

- For all five interviews, we noted the FSOs did not enter certain information into LEADER's data screens. For example, we observed that the FSOs did not complete the "Last Known" screen, which specifies when the CP last heard from the NCP, the NCP's last telephone number, and last known address. We also noted the FSOs did not complete the "Resource" screen, which identifies any vehicles, properties or bank accounts owned by the NCP. This information is critical to the locate process.

- For two interviews, the FSO did not explain to the CP the purpose and importance of the numerous disclosure forms that must be signed, several of which are important to the locate process. For example, staff did not explain the Request for Support Services form on which CPs acknowledge they are requesting the Department to locate the NCP. On this form, CPs also declare under penalty of perjury they will notify the Department as soon as they become aware of any relevant information relating to the NCP or his whereabouts. By more thoroughly explaining the forms, the Department may be able to obtain more complete information.
- For two interviews, FSOs did not ask open-ended questions in gathering information on the NCPs whereabouts and physical description. Instead, questions were often presented to the CP in a multiple choice format. For example, we noted one interviewer asked, “Does the NCP have dark, medium, or light colored hair?” In these situations, we noted the CPs appeared to provide minimal information. By asking more open ended questions such as “What color hair does the NCP have?” FSOs may be able to obtain more complete information.

According to the Department, the initial interview with the custodial parent is the best opportunity to obtain information vital to the locate process and ultimately can have a significant impact on the Department’s ability to collect child support. The Department also indicated that due to staffing problems, many case workers are rotated in to conduct interviews that may not have the appropriate training. To improve the initial interview process, the Department should ensure staff are trained to complete all relevant screens in LEADER, and appropriately inform CPs of the purpose of the forms and how the information on the forms will be used. In addition, the Department should ensure staff receive interviewing skills training, and ask open-ended questions where feasible.

### **Recommendations**

#### **Department management:**

- 12. Ensure co-locate FSOs complete all relevant screens in LEADER.**
- 13. Ensure co-locate FSOs appropriately inform the CP of the purpose of all documentation that must be signed and how the information will be used.**
- 14. Train FSOs with appropriate interviewing skills, such as asking open-ended questions.**



Philip L. Browning  
Director

COUNTY OF LOS ANGELES

## Child Support Services Department



April 11, 2003

TO: J. Tyler McCauley  
Auditor-Controller

FROM: Philip L. Browning  
Director

SUBJECT: **RESPONSE TO AUDITOR-CONTROLLER'S LOCATE PROCESS REVIEW**

The Child Support Services Department (CSSD), after considerable interaction with your audit team, has reached general agreement regarding your audit findings. I am pleased to report that my department is already in the process of implementing the majority of your audit recommendations.

The focus of the audit findings addresses the need to more effectively locate non-custodial parents and collect child support from them. In addition to your office, we are working closely with our partners at the California Department of Child Support Services and the Franchise Tax Board to maximize utilization of several new locate tools now available to us. Probably the most impressive and lucrative tool is the Federal Case Registry. As a result of tapping into this relatively new resource, we have been able to increase the total amount of child support collections by \$15,361,465 compared to this time last year. This amount represents a 7.2% increase. Our work with these partners and continued consultation with your staff will assist us in our work to further increase our collections.

As stated, we are in general agreement with your recommendations and will continue to work closely with your audit team and the Child Support Advisory Board on ways to maximize my department's performance in the area of locating non-custodial parents and collections.

If you have any questions or require further information, please call me or your staff may contact Lori Cruz, CSSD Deputy Director for Branch operations at 323-889-3410.