



United States  
General Accounting Office  
Washington, D.C. 20548

Accounting and Information  
Management Division

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December 31, 1998.

The Honorable William V. Roth, Jr.  
Chairman  
The Honorable Daniel Patrick Moynihan  
Ranking Minority Member  
Committee on Finance  
United States Senate

The Honorable Bill Archer  
Chairman  
The Honorable Charles B. Rangel  
Ranking Minority Member  
Committee on Ways and Means  
House of Representatives

Subject: Child Support Enforcement: Information on Federal and State Databases

The Child Support Enforcement Program was established in 1975 to help strengthen families and reduce dependence on welfare by helping ensure that the responsibility for supporting children was placed on parents. The states operate programs to locate noncustodial parents, establish paternity, and obtain support orders, along with enforcing collections of court-ordered payments. The Office of Child Support Enforcement (OCSE) within the Department of Health and Human Services' (HHS) Administration for Children and Families oversees these state-administered child support enforcement programs.

To facilitate the efficient collection of child support payments, the Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This act required HHS to establish, within an expanded Federal Parent Locator Service (FPLS) system, a National Directory of New Hires by October 1, 1997, and a Federal Case Registry of Child Support Orders by October 1, 1998. The purpose of the National Directory is to provide a nationwide repository of state new hire information, quarterly employment wage information, and unemployment insurance information that will enable state child support offices to more effectively locate noncustodial parents, establish paternity and child

support orders, and enforce such orders through wage withholding. The purpose of the Case Registry is to provide a national database of basic information on child support cases reported by the states to facilitate interstate case processing. The act also required each state to establish a State Directory of New Hires.<sup>1</sup> States are to submit information to HHS' National Directory from their state directories of new hires or from other state-maintained databases.

Section 405(b) of the Child Support Performance and Incentive Act of 1998 (Public Law 105-200) requires us to report by December 31, 1998, on the purposes and manner in which the information maintained in the FPLS (including the Case Registry and the National Directory) and the State Directory of New Hires had been used. Further, Public Law 105-200 requires us to examine whether these databases have adequate safeguards to protect the privacy of individuals.

To meet this legislative requirement, we evaluated federal laws and regulations on the use of data from the Case Registry and the National Directory. We also interviewed OCSE and Social Security Administration officials on the operation and use of these systems. In addition, we interviewed child support enforcement officials in six states (Florida, Michigan, Minnesota, New York, Ohio, and Pennsylvania) about their use of the information contained in the State Directory of New Hires. These states were among those with the highest number of child support cases and/or new hires. With respect to safeguards, in order not to duplicate ongoing reviews in this area, we documented the nature and findings of a relevant review performed by a public accounting firm hired by the Social Security Administration's Office of the Inspector General. This work, which included an assessment of the computer controls at the Social Security Administration (which houses the FPLS), was performed as part of the audit of the Social Security Administration's fiscal year 1998 financial statements. We reviewed the work performed by the public accounting firm, which was performed using our Federal Information System Controls Audit Manual. We also identified a safeguards review of OCSE led by the Internal Revenue Service that is not yet completed. We interviewed Internal Revenue Service personnel about the nature of this review.

#### PURPOSE AND MANNER IN WHICH INFORMATION FROM THE CHILD SUPPORT DATABASES IS USED

The FPLS, including the National Directory and the Case Registry, is housed on the Social Security Administration's mainframe computers at its National Computer Center in Baltimore, Maryland. The National Directory began

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<sup>1</sup>The state systems were required to be implemented by October 1, 1997, unless the state already had a new hire reporting requirement in place, in which case the implementation date was extended to October 1, 1998.

operation on October 1, 1997, and, according to OCSE, all states are providing new hire data to the system. Also, according to HHS, the Case Registry began operation on October 1, 1998, and most states are providing data to this system.

Under the expanded FPLS, information transmitted from the state directories of new hires or from other state-maintained databases to the National Directory and the Case Registry will be automatically compared and matches provided to the appropriate state electronically. According to an OCSE official, matches from the expanded FPLS under the new process were sent to the states in December 1998. Therefore, insufficient data currently exist on the nature and extent of states' use of OCSE-provided information. However, OCSE plans to continue to provide matches to the states from the expanded FPLS on a regular basis.

According to OCSE officials, another use of the expanded FPLS is OCSE staff accessing it to assist states in their queries. In addition, officials stated that information from the expanded FPLS is provided to other users—primarily the Social Security Administration, which receives information from the National Directory—as authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. A Social Security Administration official told us that it uses information from the National Directory to determine if individuals who are receiving Supplementary Security Income have unreported income.

In addition to information from the expanded FPLS, states use their State Directory of New Hires to assist in child support enforcement. According to officials in six states, information from their systems is used to send wage withholding notices to employers and, in most cases, update state child support case files. Updating case files assists caseworkers in locating parents, establishing paternity, and establishing or amending child support orders. The states reported other uses of the State Directory of New Hires information, namely, (1) three states used the information to assist in determining welfare eligibility, (2) three states used the information to help identify potential welfare fraud, (3) two states used the information to help identify potential unemployment insurance fraud, (4) three states used the information to help identify potential workers' compensation fraud, and (5) one state used the information to help identify potential Medicaid fraud.

#### SAFEGUARDS OVER THE CHILD SUPPORT DATABASES

The Social Security Administration, which houses the expanded FPLS, has known weaknesses in the security of its information systems. In November 1998, a public accounting firm under contract to the Social Security Administration's Office of the Inspector General, reported that the Social Security Administration had made noteworthy progress in addressing information protection weaknesses raised previously but that the Social Security Administration's systems environment remained threatened by weaknesses.

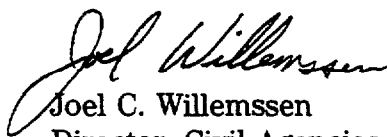
General areas of reported weaknesses were (1) the entitywide security program and associated weaknesses in local area networks and distributed systems security, (2) mainframe security in controlling access to sensitive information, (3) physical access controls, and (4) the certification and accreditation of certain general support and major application systems.<sup>2</sup> Recommendations were made to the Social Security Administration to address these issues, which cover both operational security and privacy concerns. In commenting on a draft of this letter, OCSE's Director of Program Operations stated that OCSE will continue to work with the Social Security Administration to ensure that expanded FPLS data are handled securely and that there is no unauthorized use.

In another review, the Internal Revenue Service contracted with the National Security Agency to evaluate OCSE's security of tax data in the expanded FPLS. This review is ongoing.

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On December 22, 1998, OCSE's Director, Division of Program Operations, provided oral comments on a draft of this letter. This official generally agreed with the facts presented and provided technical comments, which we have incorporated as appropriate.

If you have any questions concerning this letter, please contact me at (202) 512-6253 or by e-mail at *willemsenj.aimd@gao.gov* or Linda Lambert, Assistant Director, at (202) 512-9556 or by e-mail at *lambertl.aimd@gao.gov*.



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(511253)

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<sup>2</sup>These and other related reported weaknesses are discussed in Social Security Accountability Report For Fiscal Year 1998.

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