

ACTION MEMORANDUM FOR SECRETARY GEITHNER

THROUGH: RICHARD L. GREGG
ACTING FISCAL ASSISTANT SECRETARY

JEFFREY A. GOLDSTEIN
UNDER SECRETARY for DOMESTIC FINANCE

FROM: DAVID A. LEBRYK

SUBJECT: Report to the President: Implementation of Executive Order 13019 (Supporting Families: Collecting Delinquent Child Support Obligations)

Recommendation

That you sign and forward the attached letter to the President.

_____ Approve _____ Disapprove _____ Let's Discuss

Background

Executive Order 13019 requires Treasury to report annually to the President on the collection of delinquent child support obligations.

As authorized by the Omnibus Budget Reconciliation Act of 1981, Treasury has been intercepting federal tax refund payments to collect delinquent child support since 1982. The Debt Collection Improvement Act of 1996 (DCIA) authorizes Treasury to intercept certain federal non-tax payments to collect delinquent child support obligations, a process known as administrative offset.

Executive Order 13019 instructs Treasury, in consultation with the Department of Health and Human Services (HHS), to implement the DCIA provisions related to child support collection. In addition, the Order requires the Attorney General to issue due process guidelines for federal agencies to deny direct and indirect loan assistance to delinquent child support debtors whose payments are subject to administrative offset.

The attached letter to the President details the efforts and accomplishments of Treasury and HHS in implementing the Order.

Attachment

Tab 1: 2009 Annual Child Support Letter to the President

Tab 2: Executive Order 13019 - Supporting Families: Collecting Delinquent Child Support Obligations

The President
The White House
Washington, DC 20500

Dear Mr. President:

Through this letter, I am pleased to provide the Department of the Treasury's annual report of compliance with Executive Order 13019 – *Supporting Families: Collecting Delinquent Child Support Obligations*. In fiscal year 2009, Treasury continued to collect substantial amounts of delinquent child support debts through its Treasury Offset Program (TOP).

TOP collects delinquent child support debts by intercepting federal payments, a process known as “offset.” Treasury has been offsetting federal income tax refunds to collect delinquent child support debts since the early 1980s. A key objective of the Executive Order, issued on September 28, 1996, is to collect delinquent child support obligations through the offset of non-tax federal payments. Treasury and the Department of Health and Human Services work jointly and with states and territories to further this goal.

In fiscal year 2009, Treasury collected approximately \$2.19 billion in delinquent child support debts through offset. Of this amount, \$2.05 billion was collected from tax refund payments, including \$30.1 million from the 2008 economic stimulus payments, and \$115.1 million was collected from offsets of federal non-tax payments, including \$109.4 million from the 2009 economic recovery payments. Since the issuance of the Executive Order 13019, more than \$22 billion has been collected through TOP from more than 22.8 million offsets to assist in the collection of past-due support owed to children and families.

Treasury remains strongly committed to collecting delinquent child support obligations through the use of offset of both federal tax refunds and non-tax payments. We will continue to support the important goal of carrying out the provisions of Executive Order 13019.

Sincerely,

Timothy F. Geithner

cc: The Honorable Kathleen Sebelius