

Report in Brief

Date: June 2022

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided qualifying individuals with stimulus payments. The CARES Act allows for the collection of stimulus payments to settle child support debt. In fiscal year 2019, California had one of the least cost-effective child support programs in the nation. Because of the significant impact that intercepting stimulus payments could have had on paying down past-due child support, we focused our audit on whether California had policies and procedures to ensure that the State child support program collected and disbursed stimulus payments and income tax refunds under the Federal Tax Refund Offset (FTR Offset) program.

Our objective was to determine whether California collected and disbursed stimulus payments and income tax refunds under the FTR Offset program in accordance with Federal and State requirements.

How OIG Did This Audit

We selected a simple random sample of 115 noncustodial parents, with 133 FTR Offsets, totaling \$144,262, and reviewed documentation for each sampled noncustodial parent to determine whether the State possessed a copy of required documents and ensured the State accurately and timely disbursed FTR Offset payments to custodial parents and updated the noncustodial parents' arrears balances.

California Collected and Disbursed Stimulus Payments and Income Tax Refunds Under the Federal Tax Refund Offset Program in Accordance With Federal and State Requirements

What OIG Found

California collected and disbursed stimulus payments and income tax refunds under the FTR Offset program in accordance with Federal and State requirements during our audit period. For all 115 noncustodial parents sampled, we found California collected and disbursed \$144,262 in FTR Offset payments.

Specifically, California complied with Federal and State requirements by having in its records a copy of the support order and modifications that specifies the date of issuance and amount of support. California maintained a copy of the payment record and provided written notices of the FTR Offset to noncustodial parents. In addition, California accurately and timely disbursed FTR Offset payments to custodial parents and updated the noncustodial parents' arrears balances.

What OIG Recommends and California Comments

This report contains no recommendations. In written comments on our draft report, California concurred with the results of our audit.