
HOUSE RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT
AUDIT OF THE CHILD SUPPORT ENFORCEMENT AGENCY.

1 WHEREAS, the child support enforcement program implements a
2 federal/state effort to collect child support from absent
3 parents and, in Hawaii, the state agency managing the program is
4 the Child Support Enforcement Agency within the Department of
5 the Attorney General; and
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7 WHEREAS, the Child Support Enforcement Agency has a staff
8 of support enforcement officers, investigators, accountants,
9 attorneys, paralegals, and other personnel who help establish
10 and enforce orders to collect child support; and
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12 WHEREAS, the Child Support Enforcement Agency, on a case-
13 by-case basis, offers the following services:
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- 15 (1) Locating an absent parent;
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17 (2) Establishing paternity;
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19 (3) Establishing, modifying, and terminating support
20 obligations;
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22 (4) Collecting and disbursing support obligations; and
23
24 (5) Enforcing delinquent child support obligations; and
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26 WHEREAS, the Agency handles more than one hundred eleven
27 thousand active collection accounts involving more than
28 \$104,000,000 annually and agency caseworkers handle an average
29 of five hundred twenty cases each; and
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31 WHEREAS, over the years, there have been persistent
32 complaints about the inefficient operation of the Child Support
33 Enforcement Agency; and
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1 WHEREAS, for example, The Honolulu Advertiser reported on
2 April 10, 2005, that Hawaii's Child Support Enforcement Agency
3 had failed to collect more than a \$500,000 in delinquent
4 payments for parents and their children, ranking last among all
5 states in collecting overdue child support, according to federal
6 and state records; and
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8 WHEREAS, that figure would have been higher if Child
9 Support and Enforcement Agency officials did not artificially
10 improve the numbers in 2004 by shelving nearly five thousand
11 accounts worth \$11,800,000 so that those accounts were no longer
12 reported to federal regulators as delinquent; and
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14 WHEREAS, in late 2003 independent auditors found that the
15 Agency's past performance has been so dismal that it has cost
16 the State millions of dollars in federal payments that serve as
17 incentives for states to improve their child support collections
18 and distributions; and
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20 WHEREAS, parents who have custody of their children and
21 have been waiting years for the State to collect at least some
22 of the money owed to them report that the child support
23 enforcement system is broken; some parents have waited decades
24 to see any payment, while others have been forced onto welfare
25 rolls; and
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27 WHEREAS, state taxpayers absorb some of the cost of the
28 Child Support Enforcement Agency's inefficiency because, to
29 ensure that needy children are provided for even if a parent
30 reneges on child support, the State first provides welfare
31 assistance, and then attempts to collect reimbursement from the
32 responsible parent; and
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34 WHEREAS, according to the State, 2,491 of the child support
35 accounts that were shelved in 2004 involved \$5,900,000 in
36 welfare assistance paid to the custodial parents who were not
37 receiving child support from their former partners--taxpayer
38 money that the Child Support Enforcement Agency will not attempt
39 to recover; and
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41 WHEREAS, of the five thousand accounts shelved in 2004,
42 1,461 accounts involved \$5,800,000 owed to custodial parents and
43 their children by nonpaying responsible parents, averaging



1 \$3,986 per account, with one account reaching a debt of \$80,000;
2 and

3
4 WHEREAS, according to state and federal figures, in October
5 2003, child-support delinquencies in Hawaii totaled
6 \$533,340,151; and

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8 WHEREAS, for the fiscal year ending in September 2003,
9 Hawaii accounted for 53,681 cases of child-support delinquencies
10 but collected money in just forty per cent of the accounts and
11 ranks below all the other states except the District of Columbia
12 with a thirty-seven per cent collection rate; and

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14 WHEREAS, independent auditors noted that in 2001 and 2002,
15 the Child Support Enforcement Agency had to return a total of
16 \$1,600,000 in federal incentive payments, in part because the
17 agency failed to meet required collection and distribution
18 performance levels and that from 1998 to 2002, the agency had
19 not claimed \$3,700,000 in reimbursements available from the
20 federal government for certain administrative expenses; and

21
22 WHEREAS, recurring audits of the Child Support Enforcement
23 Agency have shown a pattern of similar deficiencies over the
24 years including a lack of internal financial and management
25 controls and it is imperative that the child support enforcement
26 system be corrected; now, therefore,

27
28 BE IT RESOLVED by the House of Representatives of the
29 Twenty-third Legislature of the State of Hawaii, Regular Session
30 of 2006, that the Auditor is requested to conduct a financial
31 and management audit of the Child Support Enforcement Agency;
32 and

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34 BE IT FURTHER RESOLVED that the Attorney General and the
35 Administrator of the Child Support Enforcement Agency are
36 requested to fully cooperate with the Auditor in the conduct of
37 the financial and management audit; and

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39 BE IT FURTHER RESOLVED that the Auditor is requested to
40 submit the results of the financial and management audit,
41 including any necessary proposed legislation, to the Legislature
42 no later than twenty days prior to the convening of the Regular
43 Session of 2007; and

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1 BE IT FURTHER RESOLVED that certified copies of this
2 Resolution be transmitted to the Auditor, the Attorney General,
3 and the Administrator of the Child Support Enforcement Agency.
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OFFERED BY:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

MAR 15 2006

