

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



October 6, 2014

CSSIN LETTER: 14-09

ALL IV-D DIRECTORS
 ALL COUNTY ADMINISTRATIVE OFFICERS
 ALL BOARDS OF SUPERVISORS

Reason for this Transmittal

- State Law or Regulation Change
 Federal Law or Regulation Change
 Court Order or Settlement Change
 Clarification requested by One or More Counties
 Initiated by DCSS

SUBJECT: PRIVATE COLLECTION AGENCIES - SAFEGUARDING INFORMATION

This letter provides local child support agencies (LCSAs) with guidance on safeguarding confidential child support information from private collection agencies (PCAs). It supersedes CSSIN Letter 10-01 and Attachment, dated January 27, 2010.

On December 29, 2010, the federal Office of Child Support Enforcement (OCSE) issued the "Final Rule: Safeguarding Child Support Information" in an action transmittal (AT-10-12). The final rule prohibits PCAs from accessing protected, confidential IV-D child support information. Protected information includes a participant's name and social security number; and contact information for a participant and a participant's employer.

Family Code (FC) sections 5610 – 5616 require:

- PCAs to establish direct deposit accounts with the California State Disbursement Unit (SDU).
- PCAs to include specific provisions and disclosures in all contracts for services, such as information that a PCA is not a governmental agency.
- PCAs to notify LCSAs prior to initiating collection activities.
- PCAs to notify the Department of Child Support Services regarding the portion of each collection retained as a fee.
- PCAs to maintain records of all child support collections for the duration of the contract, plus four years and four months after the last collection.
- Every court order for child support issued on or after January 1, 2010, to contain a separate monetary judgment against the obligor to pay a fee that is not more than 33 1/3 percent of the total amount in arrears and not more than 50 percent of the fee charged by a PCA.

FC sections 5610 - 5616 prohibit:

- PCAs from charging fees on the collection of current support if a custodial parent received current support payments during the six months prior to the execution of a contract for services.
- PCAs from retaining fees from collections that are primarily the result of the actions of a governmental entity.
- PCAs from collecting or attempting to collect child support in violation of consumer debt collection provisions under the "Rosenthal Fair Debt Collection Practices Act" (Civil Code sections 1788.10 – 1788.16).
- PCAs from making false representations regarding the amount of support owed.

PCA Misrepresentations:

OCSE Dear Colleague Letter 09-22 "Private Collection Agencies and Redirection of Payments," dated August 14, 2009, advised that some PCAs have instructed employers, through the use of income withholding forms with the appearance of official documents, to redirect child support payments away from the SDU to the PCA. Any collection action by a PCA that gives the appearance of being issued by a government agency is unlawful under Civil Code section 1788.16 and is punishable as a misdemeanor with up to six months incarceration in county jail and/or a fine of up to \$2500.

If you have any questions, please contact the Policy and Program Branch at (916) 464-5883.

Sincerely,

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VICKIE K. CONTRERAS
Deputy Director
Child Support Services Division