



CSSD Policy			
Subject:	Administrative Financial Institution Data Match	Number	2015-03
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Approved By:	Benidia A. Rice, Director		Revised #3

- I. **PURPOSE:** 1) To detail when it is appropriate to seize or freeze a non-custodial parent's assets from a financial institution to pay past-due support. 2) To outline the steps to be taken to seize or freeze assets. 3) To explain the appeal process available to NCPs who object to the actions taken to freeze or seize assets.
- II. **AGENCY IMPACT:** This policy primarily affects the Enforcement Unit, the Audit and Program Management Unit, and the Policy and Training Unit.
- III. **REFERENCES:** 42 U.S.C. § 666(a)(17), Financial institution data matches; 42 U.S.C. § 666 (c)(1)(G), Securing assets; 42 U.S.C. § 666 (c)(1), Administrative action by state agency; D.C. Official Code §16-901, Definition of IV-D agency; D.C. Official Code §46-226.03(a)(7)(B), Authority of IV-D agency to seize assets; D.C. Official Code §46-201(10), Definition of IV-D agency; D.C. Official Code §46-226.03(c), Entitlement to administrative and judicial review of IV-D agency action; Davis & Assoc. v. Williams, 892 A.2d 1144 (D.C. 2006), Administrative remedies must be exhausted before judicial review is permitted; D.C. Official Code § 16-556 (b) (2005), Judgment against a financial institution; D.C. Official Code § 26-532, Obligations of financial institutions; *See Morrison v. Potter*, 764 A.2d 234, 239 (D.C. 2000) (holding that individual creditors cannot attach funds in a married couple's jointly held account); D.C. Official Code §46-226.03; and D.C. Official Code §2-510, Judicial Review.
- IV. **DEFINITIONS:**
- (a) **Account:** A demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.
- (b) **Active case:** A case in which a current support order exists requiring the obligor to make periodic payments on behalf of his or her minor child.
- (c) **Administrative process:** Process that can be done by CSSD without the intervention of the Court.
- (d) **Arrears or Arrearages:** Past due child support payments.
- (e) **Arrears Only Case:** A case without a current support order in which arrears are owed.

- (f) **Current support**: Amount of ongoing payments owed for a minor child under a support order.
- (g) **Data match**: The process of identifying assets held in financial institutions by obligors who owe child support.
- (h) **Federal Parent Locator Service (FPLS)**: The national system for locating custodial and non-custodial parents operated by the Federal Office of Child Support Enforcement. The FPLS includes two additional databases: (1) the National Directory of New Hires, which compiles information about employment, unemployment, and wages from all jurisdictions, and; (2) the Federal Case Registry, which compiles records from all jurisdictions about child support parties and orders.
- (i) **Financial institution**: A depository institution, institution-affiliated party, any Federal or State credit union, any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity.
- (j) **Funds**: Monetary assets.
- (k) **Interrogatories**: A formal set of written questions propounded by one litigant and required to be answered by an adversary in order to clarify matters of evidence and fact. (The writ of attachment sent to financial institutions includes interrogatories designed to obtain detailed information on funds in the account.)
- (l) **Joint Account**: A demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account held by more than one individual.
- (m) **Joint Account Holder**: A person who has access to a shared demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.
- (n) **Judgment Support**: A court ordered amount that reflects a set period in the past during which child support should have been paid.
- (o) **Multi-state financial institution**: A bank, credit union, benefits association, insurance company, safe-deposit company, money-market mutual fund, or similar entity that does business across state lines.
- (p) **Office of Administrative Hearings**: The District of Columbia government agency CSSD customers may contact for a hearing on CSSD's decision to seize funds.
- (q) **Order of Condemnation**: Legal documents that enforces a debt incurred by an obligor by seizing funds from a financial institution.

- (r) **Single-state financial institution**: A bank, credit union, benefits association, insurance company, safe-deposit company, money-market mutual fund, or similar entity that does business solely within the territorial limits of a state, United States territory, or the District of Columbia.
- (s) **Wage withholding**: The direct retention of ongoing support payments from the wages or earnings of an obligor ordered to pay support.
- (t) **Writ of Attachment**: Legal document that enforces a debt incurred by an obligor by freezing funds at a financial institution.

V. **INQUIRIES**: Direct all inquiries to the Enforcement Unit, (202) 724-2316, the Policy and Training Unit, (202) 724-2131, and the Audit and Program Management Unit (202) 724-2431.

VI. **POLICY**: In certain cases when the non-custodial parent (NCP) is delinquent in paying support, the Child Support Services Division (CSSD) will check with a financial institution to see if the NCP has assets with the institution. If he or she does, and if additional criteria are met (related to the size of the arrearage owed, for example), CSSD will send a Writ of Attachment to the financial institution asking it to freeze the account. The NCP will be notified of the action and be given a chance to appeal to CSSD.

CSSD will next send an Order of Condemnation to the financial institution to seize the assets of the NCP. The NCP will be notified of the action and be given the chance to request a hearing from the Office of Administrative Hearings. After the appeal period has expired, or after any appeal is resolved, including with the D.C. Court of Appeals, the Audit and Program will be instructed to distribute the seized funds.

Joint account holders will be notified of actions taken on the accounts so that they may appeal as well.

VII. PROCEDURES:

I. Criteria

A. Writ of Attachment (i.e., “Freezing” Funds)

Information on an NCP should be sent to financial institutions to match names to accounts and “freeze” funds using a Writ of Attachment in the following situations:

- ACTIVE CASES:
 - Current support obligation – 30 days past due. The monthly current support amount was not paid in full by 30 days after payment became due. (For a monthly order payable on the 1st of the month, NCP has until the end of each month to make a payment. Not until 30 days after the end of the month is the case past due. For example, a case with payment due on 10/01/15 is not past due for FIDM purposes until 12/01/15. Even if the NCP paid this month’s current support obligation, he or she may be 30 days past due for a current support obligation due 6 months ago, making the case eligible for a Writ of Attachment.)

–OR–

- Judgment support obligation – 60 days past due.
- ARREARS ONLY CASES:
 - Total amount of arrears is greater than or equal to \$500.

B. Order of Condemnation (i.e., “Seizure” of Funds)

Upon receiving notice from a financial institution that there was a match (i.e., that the NCP has an account with the institution) and that funds were “frozen” using a Writ of Attachment, steps should be taken to seize assets in the following situations:

- If there is no active wage withholding, and the amount of funds in the financial account is greater than or equal to two months of current support, but not less than \$150.
 - Example 1 – If the monthly obligation is \$500 per month, the funds in the financial account would need to be at least \$1,000.
 - Example 2 – If the monthly obligation is \$50 per month, the funds in the financial account would need to be at least \$150.

- If there is an active wage withholding, the NCP's bank account should be seized only if the following criteria are met:
 - Amount of total arrears is greater than or equal to \$5,000 and amount of funds in the financial account is greater than or equal to \$2,500.

II. Freeze/Seize Process

Obtaining funds from an NCP's financial accounts is a two-step process. The first step involves "freezing" his/her account by filing a Writ of Attachment on it with the financial institution. After an account is frozen, the funds remain at the financial institution, but the NCP may not access the funds. The second step is to "seize" the funds in the account by issuing an order of condemnation. After an account is seized, the funds are sent by the financial institution to CSSD. CSSD then distributes the funds to pay child support arrears.

CSSD's automated system initiates the process by automatically reviewing financial information of non-custodial parents to determine if they meet the criteria for freezing accounts described above. These data matches are then reviewed for accuracy by the Enforcement Unit. The Enforcement Unit will then freeze the funds by sending a Writ of Attachment to the financial institution. The Enforcement Unit will next issue an Order of Condemnation to seize the funds where appropriate. NCPs may appeal Writs of Attachment to CSSD and orders of condemnation to the Office of Administrative Hearings.

On a regular basis, data matches are conducted with the Federal Parent Locator Service (FPLS) to see if NCPs have accounts with multi-state financial institutions that can be frozen and seized. For single-state financial institutions, CSSD matches with financial institutions doing business solely within the District of Columbia to find accounts that can be frozen and seized.

Additionally, the Federal Government has approved CSSD to freeze and seize federal Thrift Savings Plans (TSPs) of federal employees. TSPs are similar to 401(k) plans but the financial institution is the Federal Retirement Thrift Investment Board.