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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 93 LCM-167

Date: November 30, 1993

Division: Economic Security

TO: Local District Commissioners

SUBJECT: Private Child Support Collection Agencies

ATTACHMENTS: None

The purpose of this LCM is to provide guidance to districts regarding private companies which offer child support collection services, insofar as such companies do business with individuals who are in receipt of child support enforcement services from the social services districts pursuant to Title IV-D of the Social Security Act.

Contractual relationships between private child support collection companies and IV-D child support enforcement clients pose significant problems in a district's administration of the IV-D program. These problems arise principally from the stringent confidentiality requirements imposed upon the State and the social services districts in their administration of the IV-D program, and from the potential conflict between a private company's claim for a fee or commission and any assignment of support rights which has been made by the custodial parent to the State and the social services district as a condition of eligibility for public assistance.

Under State and federal regulations, data contained in an individual's Title IV-D child support record is confidential. Such information may be disclosed only under the narrow conditions delineated in 18 NYCRR section 347.19. Requests for case-specific information from private companies do not meet the regulatory criteria which permit disclosure of client-specific information. Moreover, the provisions of the State's Personal Privacy Protection Law ("PPPL") do not require the disclosure of this information to such companies. Consequently, no client-specific information may be released to private collection companies. Concomitantly, the Support Collection Unit (SCU) should not comply with requests from child support clients to send monies collected by the SCU to the client at an address which is "in care of" a private collection services company.

In the event a IV-D client who is not in receipt of public assistance ("non-ADC client") desires to enter into a contractual arrangement with a private collection company, the SCU should advise the non-ADC client that s/he may continue to receive Title IV-D child support enforcement services and enter into contracts with private collection companies, but that the SCU is precluded by State and federal law from disclosing client-specific information to such a company. If the non-ADC client insists that the SCU forward any collections to an address identified as being that of a private collection company, the SCU should advise the non-ADC client that any support payments which are paid to the SCU pursuant to court order must be disbursed directly to the non-ADC client by the SCU. The client may arrange to have support payments sent to a private collection company only if the support order is payable directly to the client rather than to the SCU.

With respect to IV-D clients who are in receipt of public assistance ("ADC client") and who desire to enter into a contractual arrangement with a private collection company, the SCU must advise the ADC client that such an arrangement is completely incompatible with the ADC client's assignment of support rights to the social services district and the SCU's concomitant enforcement of those rights, and that the ADC client must not enter into such a contractual arrangement. An ADC client's execution of such a contractual arrangement should be construed as being a failure to assign support rights to the social services district.

Please share this LCM with your Child Support Enforcement Coordinator. If you require any additional information in this regard, please contact your OCSE County Representative at 1-800-342-3012.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Economic Security