



## North Carolina Department of Health and Human Services Division of Social Services

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Michael F. Easley, Governor  
Carmen Hooker Odom, Secretary

Pheon E. Beal, Director  
(919) 733-3055

August 1, 2005

### **DEAR COUNTY DIRECTOR OF SOCIAL SERVICES**

**ATTENTION: Work First Program Managers and Supervisors**

**SUBJECT: DHREJ NON-COOP WITHOUT IVD SANCTION**

The North Carolina Department of Health and Human Services and the Division of Social Services received notification on June 22, 2005 by the federal Office of Family Assistance that the state of North Carolina is under a significant financial penalty for non compliance with federal regulations. It was determined North Carolina was out of compliance with federal regulations which require states to enforce sanctions against appropriate individuals who failed to cooperate with the state child support agency (IV-D).

Findings from the Office of the State Auditor for SFY 2003 and 2004 indicated that county departments of social services in North Carolina are not imposing sanctions in a timely manner on those clients who were identified as non-cooperative by their local Child Support Enforcement office. The current penalty imposed is \$2,231,951, which will equate to reductions of 1 percent of the state's total Block Grant. If this penalty is imposed the county block grant line item will be reduced accordingly, thus each county will receive less TANF federal funding. The penalty for subsequent findings can run as high as 5 percent of the TANF grant.

North Carolina will enter into a corrective action plan that, if approved by Health and Human Services, will allow the state to avoid paying the penalty. The corrective action plan is due in Atlanta by August 22, 2005. This plan will only be deemed effective if the state does not have similar findings in SFY 2006. To that end the Division has already begun implementing some portions of the proposed plan.

Effective immediately, every county department of social services in North Carolina must give priority to the work list that is transmitted daily from the child support office. It is imperative that actions to impose the requested IV-D sanction be taken immediately. Work First Program Representatives have already been instructed to make this action a priority in their assigned counties. Work First Compliance Monitors will pull an increased sample of cases, according to county size, from that county's DHREJ NON-

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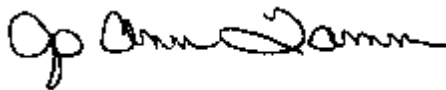
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COOP WITHOUT IVD SANC report during their annual monitoring visit. For those cases where a sanction is appropriate and the county has not applied that sanction within the allowable time frames, a County Responsible Overpayment will be imposed.

It is imperative that counties take quick action, using the most recent DHREJ NON-COOP WITHOUT IVD SANC report available. As the Division moves forward with the development of the corrective action plan, counties will be kept apprised of the status of the plan and related issues. Now that we are all aware of the problem and working together to correct the situation, this issue can be resolved in a timely fashion.

If you have any questions please contact your Work First Field Representative, or David Atkinson, the Local Support Operations Manager. Mr. Atkinson can be reached at [David.Atkinson@ncmail.net](mailto:David.Atkinson@ncmail.net), or by calling (919) 733-7831.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo Ann Lamm". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jo Ann Lamm, Chief  
Family Support and Child Welfare Services

cc: Pheon Beal  
Sherry Bradsher  
Family Support and Child Welfare Services Managers  
Work First Field Representatives  
Work First Compliance Monitors

**FSCWS-32-05 Revised**