



Highlights of [GAO-08-100](#), a report to congressional committees

Why GAO Did This Study

Recognizing the importance of child support, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 requires that if a parent with child support obligations files for bankruptcy, a bankruptcy trustee must notify the relevant custodial parent and state child support enforcement agency so that they may participate in the case. The act also required GAO to study the feasibility of matching bankruptcy records with child support records to assure that filers with child support obligations are identified. GAO therefore (1) identified the percent of bankruptcy filers with obligations nationwide, (2) examined the potential for routine data matching to facilitate the identification of filers with child support obligations, and (3) studied the feasibility and cost of doing so.

GAO interviewed child support enforcement and bankruptcy officials at the federal level and in six states. GAO also conducted a nationwide test data match and reviewed national bankruptcy filings for people with support obligations in Texas for an indication of whether filers are failing to provide this information.

What GAO Recommends

To improve the current trustee notification system, the executive and judicial branch entities responsible for bankruptcy case trustees should take steps to address the needs of state agencies for full SSNs to better identify bankruptcy filers; these entities agreed.

To view the full product, including the scope and methodology, click on [GAO-08-100](#). For more information, contact Kay E. Brown at (202) 512-7215 or BrownKE@gao.gov.

BANKRUPTCY AND CHILD SUPPORT ENFORCEMENT

Improved Information Sharing Possible without Routine Data Matching

What GAO Found

Nationwide, about 7 percent of individuals who filed for bankruptcy between October 17, 2005, and October 17, 2006—the first year of the bankruptcy act implementation—were noncustodial parents with child support orders. They, in turn, represented about one-half of 1 percent of the 9.9 million noncustodial parents with orders to pay child support. While these proportions are small, they represented 45,346 adults and at least as many children.

Routine data matching might identify individuals who have not reported their child support obligations. However, GAO estimated from a random sample file review that 98 percent of noncustodial parents nationwide with orders in Texas had volunteered this information when they filed. (The results could be higher or lower in other states.) Another potential benefit would be to reduce the workload for state child support agencies by providing positive identification of bankruptcy filers with orders under the states' purview by comparing the full social security numbers (SSNs) of individuals in both bankruptcy and child support databases. This would help address the current situation state agency officials described, in which significant numbers of the notices they receive from bankruptcy trustees included only partial SSNs of the named person, imposing additional work on staff to make a positive identification in their databases. For bankruptcy case trustees participating in the U.S. Trustee Program, we found this to be the case, even though program guidance—covering 84 of the 90 bankruptcy districts—calls for case trustees to provide full SSNs in notices sent to state agencies. These notices are not part of any public record and trustee program officials said this use of the full SSNs is consistent with executive branch policies designed to guard privacy. For the remaining six districts, administered under a separate program, no guidance has been developed.

A data matching system is technically feasible, but it would be a complex and costly undertaking, and would involve addressing some statutory and policy considerations. Regarding notifying state agencies of the match results, federal child support enforcement officials said that their national automated system could disseminate this data after modifications to federal and state systems. However, a data matching system would not offer a comprehensive alternative to the trustee notification system, because it would not transmit information to custodial parents. Regarding cost, bankruptcy and child support enforcement officials said that the development and implementation of an automated interface between two separate databases is a complex and costly undertaking, requiring modifications to each, with many steps required to assure that the matching system is developed and deployed without critical flaws and allowing for the secure exchange of data. Also, bankruptcy officials cited some statutory and policy considerations to releasing their own data or to performing a data match. It would also duplicate a portion of the current trustee notification process. In view of these findings, instituting a data matching system may not be warranted, especially if the case trustees can provide full SSNs of bankruptcy filers when notifying state agencies.