**NATIONAL COUNCIL OF CHILD SUPPORT DIRECTORS**

**October 2012 Executive Committee Meeting**

October 18, 2012

Present:

Benidia Rice – President

Laurie McGrath – Vice President

Sharon Santilli – Treasurer

Dan McDonald – Past President

Region 1 - Jerry Joy

Region 2 - Terrlyn Smock

Region 3 - Charles Hayward

Region 4 – Ann Coffin

Region 5 – Jeffrey Aldridge

Region 6 – Lisa Andry

Region 7 – Trisha Thomas

Region 8 – Brenda Lyttle

Region 9 – Louise Bush

Region 10 – Wally McClure

Committee Chairs

Alisha Griffin

Other Attendees:

Jim Fleming

Joe Finnegan and Kylie Claycomb for Secretary Carol Eaton

President Rice called the meeting to order at 3:00PM ET. The first order of business was the approval of the September 2012 minutes. Brenda Lyttle made a motion to accept the minutes and Jerry Joy seconded the motion. The minutes were approved unanimously.

**TREASURER’S REPORT**

Treasurer Sharon Santilli gave the report for September 2012 as shown below. She mentioned that on a go forward basis we would be paying a merchant service fee of $9.95 per month that would give us a vehicle for conference registration at a lower cost than the services we have purchased in the past. She mentioned that the assistance of Arkansas’s Mary Smith had been invaluable in resolving some OCSE conference payment issues.

Chuck Hayward moved to accept the Treasurer’s report and Dan McDonald seconded the motion which was agreed to unanimously.

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| **TREASURER'S REPORT** | | |
| **Activity September 1 – September 30, 2012** |  |  |
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| Checking Account Balance as of 8/31/12 $69,387.77 |  |  |

**Deposits (electronic and check)**

Total Deposits 0

**Checks Written & Electronic Debits**

9-4-12 $20.00 (Merchant Services Fee)

Total Debits $ 20.00

Bank of America Balance as of September 31, 2012 $69,369.77

**Pending Items**

Registrations: + $4,200.00

**Monthly OCSE Call**

1. OCSE Website – A new website was rolled out recently and OCSE is not happy with how it is working. In particular, the search engine seems to be impaired. Vicki Turetsky indicated that they are working on resolving the issue.
2. IRS issues – Fraud/Disclosure/Audits
   1. OCSE has been meeting with the IRS and has asked them to hold states harmless for fraud that is identified more than 30 days after the offset. The IRS has not committed to this yet. They did indicate that there are additional fraud prevention enhancements expected for 2013. A report by the US Inspector General estimated that the IRS will issue over $21B in fraudulent refunds over the next 5 years despite the planned enhancements. Vicki reiterated that it is not the duty of child support agencies to investigate tax fraud. She indicated that Senator Cornyn of Texas has recently written to IRS about this issue in support of child support agencies.
   2. The IRS has developed a new matrix related to disclosure and OCSE received a copy of it recently. Commissioner Turetsky is concerned about this new matrix which is more restrictive than past policy. The new policy apparently limits sharing of FTI between states to CSEnet and Quick. They did indicate that since negotiations between the IRS and OCSE are ongoing, any IRS findings on the matrix will not require Corrective Action Plans.
   3. OCSE is interested in hearing from states that feel that IRS Audit reports are taking too long to be issued. Apparently, OCSE just received the final report for a 2008 audit. Benidia Rice asked that any states who wished to provide feedback on this let her know.
3. Information Security – OCSE has issued a draft of a new IT security policy which Benidia forwarded to the group. She reported that Vicki explained that while OCSE does not want to create additional burdens for states, they do want to have clear policies. Under the draft proposal states will need to have independent reviews of their IT security. IRS, SSA and other existing reviews can be used to meet this requirement. Additionally, OCSE expects to do 2-3 audits per year. She indicated that the recent CA breach and the accompanying notification delays made it clear that such a policy was needed. Benidia reported that OCSE would be willing to hold a webinar to allow states to comment on the proposal and she asked whether directors thought that would be effective. Several indicated that they thought a webinar would be helpful. Benidia asked each regional rep to gather comments that could be discussed at a webinar and set a November 15 deadline for submission of the comments. There was a discussion of whether the standards in the draft were going to be overly bureaucratic and a duplication of effort.

**American Payroll Association Call**

President Rice asked Jim Fleming to report on a recent call that he, Laurie McGrath and Carol Eaton had with OCSE and the APA. Jim explained that he had been invited to discuss concerns over new polices by Talx that required fees and adherence to FCRA guidelines for states using their employment verification services. During the call he, Carol and Laurie explained thatthey were not willing to work with verification vendors if there was a charge since IVD agencies are entitled to the information for free and the employers were already paying a fee to the vendor. Additionally, the directors pointed out to the APA that the states on the call and likely other states as well, would not be able to adhere to FCRA notification requirements without incurring significant time and expense. Jim reported that employers raised questions about the volume of VOEs by some states and were interested in further discussions with child support agencies. He suggested that President Rice consider adding a vehicle for this to the agenda for the next annual conference. She indicated that she would be able to do this if the Board were interested in it.

Jim and Laurie suggested that we draft a letter that OCSE could send to the Consumer Financial Protection Bureau (CFPB) asking for clarification about when FCRA applied to VOEs and other child support inquiries. Massachusetts and New Jersey each believe there is room for an exception for VOEs and IWOs in existing regulations but the recent DCL and research from other states reached a different conclusion. Laurie McGrath agreed to chair a workgroup and Alisha Griffin, Jim Fleming, Chuck Hayward and Ann Coffin agreed to participate.

**Committee Reports**

**Medical Support**

Alisha Griffin indicated that a meeting was scheduled for October 26th and that the group was working on an agenda that could be used in the regional medical support discussions that OCSE has planned for after the election.

**Old Business –** SB 1383: Alisha Griffin has distributed a draft letter supporting 4 aspects of the bill. The offices of senators Menendez and Grassley have indicated that a letter of support from NCCSD would be very helpful. Benidia asked that each region send comments on the letter to Alisha by November 12, 2012 through the regional representatives.

**New Business** –

None