



May 25, 2016

Barbara J. Schott, CPA
County Auditor
Harris County
Harris County Administration Building
1001 Preston, Suite 800
Houston, Texas 77002

Dear Ms. Schott,

Attached is the 2015 Harris County Court Cost Review performed by the Office of the Attorney General Child Support Division's Program Improvement section.

The review was conducted under provisions of the Texas Family Code and other Texas Codes related to Title IV-D services to determine whether the county submitted Title IV-D service invoices in accordance with state and federal guidelines during the review period. Program Improvement examined a random sample of Harris County billings submitted to the Child Support Operations Processing section during July 1, 2013 through December 31, 2013.

You may contact Stella Castro, Project Lead for this project, by phone (512) 460-6555 or email at stella.castro@texasattorneygeneral.gov with questions or requests for additional information. Additionally, I am available by phone (512) 460-6598 or email at ronald.reed@texasattorneygeneral.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ron Reed", is written over the word "Sincerely,".

Ron Reed
Program Improvement Manager

cc: Chris Daniel, Harris County District Clerk
Alan Rosen, Harris County Constable Precinct 1
Christopher E. Diaz, Harris County Constable Precinct 2
Ken Jones, Harris County Constable Precinct 3
Mark Herman, Harris County Constable Precinct 4
Phil Camus, Harris County Constable Precinct 5
Heliodoro Martinez, Jr., Harris County Constable Precinct 6
May Walker, Harris County Constable Precinct 7
Phil Sandlin, Harris County Constable Precinct 8

**COURT COST REVIEW
HARRIS COUNTY**

MAY 2016



**OFFICE OF THE ATTORNEY GENERAL
CHILD SUPPORT DIVISION
PROGRAM IMPROVEMENT SECTION**

Contents

Background	1
Authority	1
Selection Process	1
Purpose	2
Standards	2
Review Period	3
Procedures	3
Summary Results	4
Findings, Recommendations and Responses	4
Conclusion	6

2015 Court Cost Review Harris County

Background

The federal Social Security Act, Title IV, Part D (Title IV-D) allows federal reimbursement (currently set at 66 percent) for the cost of services associated with the child support program. Title 45, Code of Federal Regulations (45 CFR), Part 304, Federal Financial Participation, outlines allowable costs. The Texas Family Code enumerates the specific fees the Office of the Attorney General (OAG) Child Support Division (CSD) may be charged. Section 231.205 further specifies that the IV-D agency is liable to the county entity for 66 percent of these specified fees, and that the county is responsible for paying the remaining 34 percent.

Authority

The Program Improvement section performed this review under the authority of Mara Friesen, Deputy Attorney General for Child Support (IV-D Director). All work was conducted at the direction of Ronald Reed, Manager of Program Improvement. The staff members assigned was Stella Castro, Project Lead, Edna Torres, and Sandra Dunaway.

Selection Process

Program Improvement staff members initially met with CSD's Government Contracts and Operations Processing section to develop a work plan for conducting Court Cost Reviews during state fiscal year (SFY) 2015. In SFY 2014, Harris County billed the OAG a total of \$769,791.¹ Based on past or current billing concerns and Program Improvement's Desk Review findings in Harris County's financial statements, Harris County was recommended for a review.

¹ This dollar figure includes all county entities, such as the District Clerk, Sheriff, and/or Constable offices.

Purpose

Program Improvement conducted the review to determine compliance with the Texas Family Code, as well as any other state or federal law related to Title IV-D services. The review included determining if:

- billed fees and charges were related to an action by the OAG for a specific billing date, child support case number and court cause number;
- the county maintained legal documents relating to fees and charges according to the Office of the Attorney General Records Retention Schedule 2013 Recertification, 1.1 99A Automated County Referral Reports;
- payments by other parties for fees and charges already billed to the OAG resulted in a credit;
- the county's operating procedures and internal controls ensured that the OAG was only billed for legitimate Title IV-D fees and charges; and
- the county was in compliance with Operations Processing's County Reimbursement Instructions for Title IV-D Child Support Enforcement Filing and Service Fees (County Reimbursement Instructions).

Note: Program Improvement defines "reimbursement" as the repayment, refund or compensation for money spent or losses incurred.

Standards

Program Improvement applied the following standards in conducting the review:

- Texas Family Code, Chapter 110, Court Fees;
- Texas Family Code, Chapter 231, Title IV-D Services, §231.202, *Authorized Costs and Fees in Title IV-D Cases* and §231.209, *Payment for Services Not Affected by This Subchapter*;
- Texas Administrative Code, Title 1, Part 3, Chapter 55, Child Support Enforcement, Subchapter G, Rule §55.151, *Authorized Costs and Fees in IV-D Cases*; Rule §55.152, *Billing for Costs and Fees in IV-D Cases*; and Rule §55.153, *Monitoring and Auditing for Costs and Fees in IV-D Cases*;
- Texas Government Code, Chapter 51, Clerks, Subchapter D, *District Clerks*, §51.317, *Fees Due At Filing*;
- Texas Government Code, Chapter 441, Libraries and Archives, Subchapter L, *Preservation and Management Of State Records And Other Historical Resources*;
- Texas Local Government Code, Chapter 118, Fees Charged by County Officers, §118.131, *Fees Set by Commissioners Court*;
- Texas Rules of Civil Procedure, Rule 24 Duty of Clerk and Rule 107 Return of Service;
- Title 45, Code of Federal Regulations (45 CFR), Part 92, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Tribal Governments*, Part 303, *Standards for Program Operations*, and Part 304, *Federal Financial Participation*;

-
- *County Reimbursement Instructions for Title IV-D Child Support Enforcement Filing and Service Fees Manual; and*
 - *Office of the Attorney General Records Retention Schedule 2013 Recertification, 1.1 99A Automated County Referral Reports.*

Review Period

The review period was July 1, 2013 through December 31, 2013. Harris County did not submit billings for SFY 2014; therefore Program Improvement had to select the latest billings on file for Harris County which were SFY 2013.

Procedures

In conducting the review, Program Improvement:

- reviewed copies of all Title IV-D Child Support Court Costs Processing Forms (billing forms) submitted by the county during the review period;
- examined the billing forms to ensure they met the requirements of the County Reimbursement Instructions;
- selected random sample documents from the total billings for further review;
- transcribed billing information from billing forms onto review tally sheets;
- reviewed the District Clerk billings using the Harris County computer system; and
- obtained and reviewed hard copy documents from the Harris County Constables Precincts 1, 2, 3, 4, 5, 6, 7, and 8.

An entrance conference was conducted via telephone on March 9, 2015. Program Improvement sent a formal engagement letter to the Harris County Auditor on May 8, 2015, informing them of the upcoming review, providing the time frame for the review period and exchanging contact information. All fieldwork was remotely performed via computer and hard copy documents. Questions and/or concerns were communicated via telephone and email.

After verifying the billings, Program Improvement:

- analyzed results to determine compliance with review criteria;
- recorded review findings and summarized results;
- verified questionable findings with the County Auditor, the District Clerk, and the Constables.
- developed recommendations based on review results; and
- drafted the final report.

Summary Results

Program Improvement staff members analyzed a total of 380 sample billings from the Harris County District Clerk's office and the Harris County Constables. Below is a summary of the results:

- Of the 300 samples selected from the Harris County District Clerk billings, 264 (88 percent) were verified and 36 (12 percent) could not be verified using documents found in the Harris County computer system or hard copy documents provided by the Harris District Clerk's Office.
- Of the 80 samples selected from the Harris County Constables billings, 72 (90 percent) were verified and 8 (10 percent) could not be verified using hard copy documents provided by the Harris County Constables.

Program Improvement has a 95 percent confidence level that the results of this limited review falls within ± 5 percent of a complete review's outcome conducted with the same scope and time parameters.

Findings, Recommendations and Responses

The 36 incorrect samples from the Harris County District Clerk's Office consisted of 11 New Suits, 36 Citations, 33 Precepts to Serve, 3 Motions, and 23 Service Fees. The list below details the findings and recommendations:

Finding #1: The Harris County District Clerk's Office billed the OAG twice for six New Suits (\$50 each), one Motion (\$15), six Citations (\$8 each), and four Precepts to Serve (\$8 each) fees thereby causing duplicate payments on samples 28, 40, 42, 43, 44, 45, and 46.

Recommendation: The Harris County District Clerk's Office should ensure billings are not duplicated and credit the OAG \$395.

Harris County Response: *The Harris County District Clerk's Office agrees that duplicate billings did occur for the noted samples. Due to ongoing efforts to resolve systematic conflicts which arose with mandatory e-filing and subsequent restructuring of filing fee groups, credits will be issued to the OAG for samples 40, 42, and 43 on the billing for September 2014 and credits for samples 28, 44, 45, 46 will appear on the billing for February 2016. It is our ambition to resolve, sync and restore outstanding billing invoices as soon as possible.*

Finding #2: The Harris County District Clerk's Office billed the OAG for 5 New Suits (\$50 each), 2 Motions (\$15 each), 30 Citations (\$8 each), 29 Precepts to Serve (\$8 each), 22 regular Service Fees (\$70 each), and 1 Capias Service Fee (\$75); but was unable to provide documentation to support the billings for samples 9, 20, 24, 25, 27, 30, 120, 121, 125, 130, 138, 146, 160, 164, 190, 196, 200, 215, 216, 218, 219, 222, 226, 235, 236, 237, 244, 245, and 300. The OAG *did verify* the billings using TXCSES.

Recommendation: The Harris County District Clerk's Office should maintain documentation for a full fiscal year plus five additional years (FE+5), in accordance with the OAG Records Retention policy (2013) requirements, to correctly confirm billings.

Harris County Response: *The Harris County District Clerk's Office is maintaining documentation in accordance with the OAG Records Retention policy requirements. In addition, with the new e-filing process, documentation is being maintained electronically.*

Finding #3: The Harris County District Clerk's office did not bill the OAG for 40 Service fees (\$70 each) which were issued and were either shown as unexecuted or Harris County failed to bill for the service fees for samples 16, 69, 70, 80, 84, 87, 127, 158, 167, 170, 171, 172, 177, 180, 189, 217, 224, 239, 241, 269, 270, 271, and 272.

Recommendation: The Harris County District Clerk's office may want to review documentation for the referenced samples and submit the billings to the OAG for payment, as appropriate.

Harris County Response: *The Harris County District Clerk's Office does not have the detail regarding the referenced samples. Please provide the relevant case numbers and document types and the Harris County District Clerk's Office will research to potentially bill for the allowable service fees.*

OAG Response: *The OAG sent the documentation for the 40 Service fees (\$70 each) which were issued and were either shown as returned unexecuted or in which Harris County failed to bill for the service fees on March 7, 2016.*

The 8 incorrect samples from the Harris County Constables consisted of 10 service fees. The list below details the findings and recommendations:

Finding #1: One service fee (\$70) was billed to the OAG by the Harris County Constables; however, the Return of Service was not completed and no documentation was provided to confirm service was attempted or executed for sample 41. The OAG *could not verify* the billings using TXCSES.

Recommendation: The Harris County Constables should ensure the OAG is billed only for legitimately performed services and issue a credit for \$70 to the OAG.

Harris County Response: *Harris County Constable Precinct 5 agrees that a refund is due for sample #41. The credit will appear on the billing for February 2016.*

Finding #2: Nine service fees (\$70 each) were billed to the OAG by the Harris County Constables; however, the Return of Service was not completed and no documentation was provided to confirm service was attempted or executed for samples 20, 27, 28, 29, and 30. The OAG *did verify* the billings using TXCSES.

Recommendation: The Harris County Constables should maintain documentation for a full fiscal year plus five additional years (FE+5), in accordance with the OAG Records Retention policy (2013) requirements, to correctly confirm billings.

Harris County Response: *The Harris County Constables are maintaining documentation in accordance with the OAG Records Retention policy requirements.*

Conclusion

Program Improvement's review of court costs for Harris County includes the Harris County District Clerk's Office and the Harris County Constables. The OAG recommends that the Harris County District Clerk credit the OAG a total of \$395 and the Harris County Constables credit the OAG a total of \$70.

The Harris County District Clerk's Office will be crediting the OAG on the September 2014 and February 2016 billings as soon as they resolve, sync and restore outstanding billing invoices.

The Harris County Constables Office credited the \$70 on the February 2016 billing received by the OAG on March 8, 2016.

Due diligence requires Harris County to implement all recommendations contained in this report to ensure that future OAG billings are for legitimate Title IV-D filing fees and service charges only.