

	INDIANA DEPARTMENT OF CHILD SERVICES TITLE IV-D POLICY MANUAL	
	Chapter 12: Enforcement	Effective Date: 1/4/19
	Section 3.5: Hoosier Lottery Winnings	Version: 1.0 Revision Date: 1/4/19

BACKGROUND

Federal law mandates that state child support agencies have procedures in place to secure assets in cases in which there is a support arrears by intercepting or seizing periodic or lump sum payments from other state agencies.¹

Indiana’s state lottery commission was established to supervise and administer the operation of the Indiana state lottery.² Indiana Code includes provisions to withhold delinquent child support obligations from lottery winnings.³

POLICY

CSB shall identify to the Lottery Commission each child support obligor who owes past due child support on a Title IV-D case.⁴ The Lottery Commission utilizes the same file that CSB maintains for reporting to the Indiana State Department of Revenue all obligors with total arrears (among all Title IV-D cases) of \$150.00 or more.⁵

Before the payment of a prize of more than \$599.00, the Lottery Commission verifies whether the prize winner is reported as owing at least \$150.00 in child support arrears. If the prize winner is identified as owing past due child support, the Lottery Commission shall deduct the amount of the arrears from the winnings, up to the total amount of the prize claim.

If a prize winner owes multiple debts subject to interception of lottery winnings, past due child support obligations will be paid out of the winnings first.⁶ The Lottery Commission shall pay any balance of the prize money to the prize winner after deduction of the past due child support and all other outstanding debt owed to a state agency.⁷

CSB follows the child support rules of distribution when applying the winnings to the obligor’s case(s).

REFERENCES

- [IC 4-30-3-1](#): State lottery commission; creation; composition; authority; duties

¹ 42 U.S.C. § 666(c)(1)(G)

² IC 4-30-3-1

³ IC 4-30-11-11

⁴ IC 4-30-11-11(b)

⁵ CSB-LTR-5-29-99

⁶ IC 4-30-11-11(c)

⁷ *Id.*

- [IC 4-30-11-11](#): Prize winners with outstanding debt to state agency, on tax warrant list, or owing past due child support; offset
- [IC 4-33-2-5.8](#): “Delinquent”
- [IC 4-33-4-27](#): Withholding delinquent child support from winnings; fee; notice; priority of order over other claims
- [IC 4-35-2-3.5](#): “Delinquent”
- [IC 4-35-4-16](#): Withholding delinquent child support from winnings; fee; notice; priority of order over other claims
- [IC 31-25-4-2](#): “Delinquent”
- [42 U.S.C. § 666](#): Requirement of statutorily prescribed procedures to improve effectiveness of child support enforcement – Expedited Procedures – Securing Assets

PROCEDURE

Each week CSB electronically reports to the Lottery Commission, through the State Department of Revenue, each obligor in a Title IV-D case who owes more than \$150.00 in past due child support.

Claims for lottery prizes up to \$599.00 may be submitted to and winnings paid by individual lottery ticket retailers. If an individual wins a lottery prize of more than \$599.00, the claim must be submitted directly to the Lottery Commission. Upon receipt of a claim for lottery winnings, the Lottery Commission verifies whether the prize winner is listed on the State Department of Revenue’s file.

The Lottery Commission gives the prize winner/obligor an initial notice at the time the prize claim is presented to the Lottery Commission, after the prize winner/obligor is determined to owe past due child support. The provided notice instructs the obligor to contact CEU for further information about the lottery intercept. CEU provides the obligor with the appropriate county contact information in the event of a dispute with the amount of arrears.

The Lottery Commission subsequently contacts CSB to verify the prize winner/obligor’s arrears balance. Upon verification, the Lottery Commission sends a final letter to the prize winner confirming the amount of lottery winnings intercepted and again providing CEU’s contact information.

The Lottery Commission transmits the deducted amount to the state Auditor’s office, instructing the state Auditor to forward the withheld cash winnings to CSB.⁸ The intercepted prize winnings will then be forwarded to CSB within 30 days. Intercepted winnings received by CSB are immediately processed and applied to the obligor’s child support arrears balance.

If necessary, the lottery prize interception process can be stopped by placing a stop on the ARST line on the Enforcement Screen in ISETS. However, ARST stop code is the same code used to stop the interception of state taxes. The use of ARST to stop the interception of lottery prizes will also result in a stop of the interception of state taxes.

Because there is no automated review of the STOP, when the Title IV-D Prosecutor enters a STOP, they are strongly encouraged to also calendar a review of the STOP. Thus, if the Title

⁸ IC 4-30-11-11(c)
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IV-D Prosecutor does not manually calendar a review of a STOP, the STOP will remain indefinitely which could result in one (1) or more automatic administrative enforcement actions not occurring.

FORMS AND TOOLS

1. [Administrative Enforcement Matrix](#)
2. [Contact Information for Centralized Enforcement Unit \(CEU\)](#)

FREQUENTLY ASKED QUESTIONS

N/A

RELATED INFORMATION

Chapter 14: Payment Processing