



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

August 20, 2020

The Honorable Peter T. King  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative King:

I write in reply to your June 18, 2020 letter regarding the offset of payments to the New York City Fire Department (FDNY) for reimbursement related to health care provided to firefighters who are sick and injured due to the toxins they encountered at Ground Zero.

The Department of the Treasury's Bureau of the Fiscal Service is required to offset federal payments for the collection of delinquent debts owed to the United States. Agencies generally must refer delinquent non-tax debts to Treasury for this purpose. Treasury conducts offsets through the Treasury Offset Program (TOP), which matches the name and taxpayer identification number (TIN) of a payee in an agency payment file with the name and TIN of a debtor in its debt records. If there is a match, TOP takes an offset, as required by law.

Some payees—such as New York City—use a single TIN for many of their subdivisions, which can result in a payment for one component of the payee being subject to offset for a debt owed by another component of the payee. That is what happened in this case.

To address challenges that can result from the offset of payments to large entities such as New York City, Treasury has developed a program that allows such entities to receive TOP daily automated reporting, which provides a listing of debts referred to Treasury for collection and offsets that occurred during that day. This so-called "Government-to-Government" or "G2G" program provides daily reporting to the state comptroller or city offices upon request of the entity. New York City is a current participant in G2G. Treasury routinely works with New York City's Department of Finance and reached out to that office after receiving your letter. That office is now actively looking into this situation. If there are additional officials (such as officials within FDNY) who should be receiving this daily report, please let us know.

In this case, between August 2016 and May 2020, TOP took 292 offsets of payments to FDNY in the amount of \$1,983,452.98. Each of these offsets was applied to delinquent Medicare Secondary Payer debt owed to the Department of Health and Human Services' Centers for Medicare and Medicaid Services. These debts were owed by various entities within New York City that share the same TIN. We can provide your staff with detailed information about these offsets, including the addresses where required notices were sent, upon request.

Additionally, we would be happy to meet with your staff to provide an overview of Treasury's programs. If you have further questions, please contact the Office of Legislative Affairs.

Sincerely,

A handwritten signature in blue ink that reads "Frederick W. Vaughan". The signature is fluid and cursive, with the first name being the most prominent.

Frederick W. Vaughan  
Principal Deputy Assistant Secretary  
Office of Legislative Affairs