



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

October 8, 2020

The Honorable Bill de Blasio
Mayor of New York City
City Hall
New York, NY 10007

Dear Mayor de Blasio:

I write regarding an important matter affecting the Fire Department of New York (FDNY) that was recently brought to my attention by the New York Congressional delegation. Based on the U.S. Department of the Treasury's review of federal payments since 2004, FDNY has shouldered debts of up to \$3.92 million owed by various New York City government departments to the federal government. I agree with the New York Congressional delegation that FDNY should promptly be made whole.

By law, Treasury and Centers for Medicare and Medicaid Services (CMS) within the U.S. Department of Health and Human Services (HHS) are required to withhold unpaid federal debts from federal payments. Delinquent debts owed by various New York City government entities, such as the NYC Department of Finance, have resulted in offsets to federal payments otherwise payable to FDNY. Since 2004, \$3.92 million in federal payments to FDNY were offset to satisfy federal debts owed by NYC. In response to Congressional inquiries, Treasury has carefully reviewed this matter with CMS—the federal agency responsible for all offsets applied to FDNY since 2016. HHS has concluded that it has no authority to refund offsets to past payments to FDNY to satisfy valid NYC debts.

We agree that it is unfair to burden FDNY with the delinquent debts of other NYC government entities. The City government should directly reimburse FDNY. Treasury has provided a detailed accounting of all offsets since 2004, which should assist NYC in making the necessary repayments to FDNY. If you choose not to pursue this solution, however, Treasury and HHS will facilitate offsets against future federal payments owed to NYC, which would permit the release of funds to FDNY as such substitute offsets are made.

Thank you for your attention to this matter, and please do not hesitate to contact me. We stand ready to work with you to ensure that New York's Bravest receive every dollar that they are due.

Sincerely,

A handwritten signature in black ink that reads "Steven T. Mnuchin".

Steven T. Mnuchin

cc: The Honorable Peter T. King
The Honorable Charles E. Schumer
The Honorable Kirsten Gillibrand
The Honorable Carolyn B. Maloney
The Honorable Jerrold Nadler
The Honorable Max Rose
The Honorable Thomas R. Suozzi
The Honorable Lee Zeldin
The Honorable Kathleen M. Rice
The Honorable Gregory W. Meeks
The Honorable Grace Meng
The Honorable Nydia M. Velázquez
The Honorable Hakeem S. Jeffries
The Honorable Yvette D. Clarke
The Honorable Adriano Espaillat
The Honorable José E. Serrano
The Honorable Eliot L. Engel
The Honorable Nita M. Lowey
The Honorable Sean Patrick Maloney
The Honorable Paul D. Tonko
The Honorable Elise M. Stefanik
The Honorable Anthony Brindisi
The Honorable Joseph D. Morelle
The Honorable Brian Higgins
The Honorable Chris Jacobs
The Honorable Antonio Delgado
The Honorable Alexandria Ocasio-Cortez
The Honorable John Katko
The Honorable Tom Reed II
The Honorable Andrew Cuomo