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# Congress of the United States

## U.S. House of Representatives

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JANICE MAYS,  
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April 15, 2014

The Honorable Jack Lew  
Secretary  
United States Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

The Honorable Carolyn Colvin  
Acting Commissioner of Social Security  
Social Security Administration  
6401 Security Boulevard  
Woodlawn, MD 21207

Dear Secretary Lew and Acting Commissioner Colvin,

Recent media reports indicate that since 2011, the Department of the Treasury (Treasury) has been intercepting and seizing taxpayers' federal and state tax refunds to satisfy decades-old debts to the government. While we support efforts to ensure the accuracy of federal benefits and taxation, including the recapture of overpayments, we find it disturbing that, in many cases, taxpayers received benefits as children and are now being forced to repay delinquent debts linked to those benefits, incurred by the parents or others who managed the funds. According to an April 10, 2014 article in *The Washington Post*, Treasury "has intercepted \$1.9 billion in tax refunds already this year - \$75 million of that on debts delinquent for more than 10 years." Further, the article also states that the Social Security Administration (SSA) has found 400,000 taxpayers who together owe \$714 million in debts more than 10 years old.

It appears Treasury and the SSA are acting in accordance with the law to recover these delinquent debts. However, if the media reports are correct, the manner in which these debts were collected is seriously troubling and may reflect a lack of due process afforded to taxpayers whose refunds were seized. While it is undeniable that government collection of overpayments in a responsible and judicious manner saves American taxpayers money, it is difficult to justify the practice of seizing innocent Americans' tax refunds to pay debts resulting from benefits they may or may not have received when they were children, with little or no notice or evidence documenting the overpayment.

On April 14, 2014, Acting Commissioner Colvin rightly stopped further referrals to the Treasury Offset Program pending a review of the SSA's responsibility under current law.

Treasury and the SSA need to provide a full explanation to this Committee and the American people as to how their implementation of the law may have led to unjust and outrageous results. To that end, please provide the information listed below by April 29, 2014.

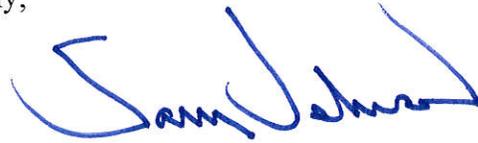
1. The justification and process Treasury and the SSA use to seek repayment from adults who were child beneficiaries when their parent was overpaid, but whose parent is now deceased. For this purpose, we are interested in information on the process used to seek repayment involving overpayments of any duration, including those that are less than 10 years old.
2. The process by which individuals being sought for an overpayment are contacted, including the system or data bases used by the SSA and/or Treasury to make sure there is proper notice, including supporting evidence, to provide due process to the taxpayer. If a notice is sent and returned or sent to a noncurrent address, describe the due process afforded an uninformed taxpayer when their tax refund is held back to satisfy repayment.
3. If any Social Security or Supplemental Security Income beneficiary believes they have been incorrectly assessed with an overpayment under this program, the process by which they receive an explanation or the available options to resolve the overpayment and/or the tax refund offset.
4. Whether Acting Commissioner Colvin's decision to halt referral of debt collection ten years or older pending a review of procedures was made with Treasury's approval and whether Treasury will take part in the pending review. Also, whether Treasury is continuing to collect ten year or older debts from other agencies.
5. An estimate as to the number of individuals with delinquent debts owed to the SSA affected by the elimination of the 10-year statute of limitations, the estimated revenue recovered since that time, and the projected revenue to be collected over the next ten years.

Thank you in advance for your assistance in this matter. If you have any questions, please contact the Subcommittee on Oversight staff at 202-225-5522 or the Subcommittee on Social Security staff at 202-225-9263.

Sincerely,



CHARLES BOUSTANY  
Chairman  
Subcommittee on Oversight



SAM JOHNSON  
Chairman  
Subcommittee on Social Security