

Offsets Matter

TOP's News for State Agencies

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Treasury and FNS Celebrate More than 20 Years and \$1.3 Billion in SNAP Offsets



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which was enacted on May 22, 2008. The Food and Nutrition Act of 2008 changed the name of the federal program to the Supplemental Nutrition Assistance Program (SNAP).

USDA's Food and Nutrition Service (FNS) works with federal and state partners to minimize overpayments related to SNAP, correct mistakes, and to aggressively crack down on waste, fraud, and abuse of the system.

In 1992, FNS, in collaboration with state offices administering the Food Stamp Program, began to submit food stamp recipient debts to the U.S. Department of the Treasury (Treasury) for offset in order to recoup the overpayment of food stamp debts. Today, more than 20 years later, the collaboration with the Treasury Offset Program (TOP) continues successfully.

From January 1, 2012, to August 31, 2012, TOP offset 200,853 tax refund, federal vendor, salary, federal retirement, Social Security, Railroad Retirement, and state payments to recipients of SNAP overpayments for a total recovery of \$115.9 million. Since 1992, the federal government has collected more than \$1.3 billion in delinquent SNAP debts through offsets with Treasury.

Together, Treasury, USDA and state employees continue to work actively on behalf of the American taxpayer to protect the federal investment in SNAP and to ensure that delinquent funds are recovered and made available within SNAP's program to support those families most in need.

For more information on this program, please contact Sheila Moss of the Treasury Offset Division on (202) 874-6937 or via email at Sheila.Moss@fms.treas.gov.

The Debtor Locator Report: How to Make the Right Match in TOP Every Time

During the normal operations of the Treasury Offset Program (TOP), there are times when a match may occur between debtor and payee information, but no offset occurs. For example, the payment amount may be insufficient to pay the state debt. This can happen when the debtor owes multiple debts to federal and state agencies and the intercepted payment is applied to another debt with a higher priority. In other cases, no offset occurs because the match is a "partial match," which occurs when a TOP debtor's social security number (SSN) or employer identification number (EIN) matches the SSN or EIN of a payee, but the debtor's name does not match the payee's name.

TOP produces a report of partial matches entitled the Debtor Locator Report (DLR). The DLR provides a listing of partial matches that occurred during any given cycle which did not result in a successful offset. This report can be accessed by agencies through the TOP Web Client.

We recommend that states review the DLR and validate whether the payee and debtor are the same individual or entity. States should update the debtor names and name aliases via a batch update file, or using the TOP Web Client, if they are able to confirm the debtor and payee are the same individual or entity.

For more information on using the Debtor Locator Report, please contact Sara Garris of the Treasury Offset Division on (202) 874-6524 or via email at Sara.Garris@fms.treas.gov.

U.S. Treasury Financial Management Service

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TOP Collection Updates

State Collections (01/01/2012 - 08/31/2012)

State Unemployment Insurance Compensation Debt Collection Totals

STATE NAME	OFFSET COUNT	NET COLLECTION AMOUNT	TOTAL AMOUNT OF DEBT REFERRED	PERCENT OF DEBT COLLECTED
Alabama	4,854	\$3,557,779	\$18,241,802	19.50%
Arizona	8,470	\$5,069,977	\$74,139,100	6.84%
Arkansas	155	\$118,868	\$40,497,063	0.29%
Connecticut	1,520	\$986,228	\$22,988,347	4.29%
District of Columbia	255	\$319,415	\$8,357,867	3.82%
Georgia	146	\$102,156	\$16,269,855	0.63%
Illinois	20,638	\$34,792,463	\$152,600,612	22.80%
Louisiana	37	\$56,372	\$2,050,803	2.75%
Maryland	11,185	\$16,262,878	\$99,754,405	16.30%
Michigan	2,008	\$5,391,495	\$104,540,085	5.16%
Mississippi	22,666	\$14,420,273	\$44,064,614	32.73%
New York	28,619	\$29,331,282	\$149,260,288	19.65%
Pennsylvania	3,987	\$9,373,002	\$50,683,222	18.49%
South Dakota	103	\$62,316	\$2,154,398	2.89%
Tennessee	20	\$37,586	\$12,974,610	0.29%
West Virginia	352	\$206,409	\$4,758,009	4.34%
Wisconsin	7,928	\$11,531,230	\$77,583,148	14.86%
Total	112,943	\$131,619,728	\$880,918,228	14.94%

The Unemployment Insurance Compensation (UIC) program allows for the offset of tax refund payments to collect unemployment insurance compensation (UIC) debts due to fraud or a person's failure to report earnings

On July 2, 2012, the state of Tennessee joined the TOP Unemployment Insurance Compensation (UIC) program and has now collected \$37,586. As of August 31, 2012, Illinois has recovered the most funds at \$34.8 million. Mississippi leads the greatest percentage of UIC debt portfolio recovery at 32.73%. With tax season over, there is now a lower volume of collections, as expected. Several states, however, have still managed to increase their debt collection totals significantly. New York recently collected an additional \$386,338 and Illinois has collected \$378,379 in July and August alone.

TOP continues to encourage those states who are not yet participating in the UIC Program to contact us as soon as possible about entry to the program for the 2013 Tax Season.

For further information regarding UIC TOP, please contact Sheila Moss at (202) 874-6937 or Sheila.Moss@fms.treas.gov, or Becky Park at (202) 874-9451 or Becky.Park@fms.treas.gov.

State Reciprocal Program Collections

STATE NAME	OFFSET COUNT	NET COLLECTION AMOUNT
Kentucky	1,831	\$3,078,822
Maryland	1,671	\$1,721,926
Minnesota	289	\$551,532
New Jersey	1,876	\$2,191,216
New York	2,067	\$4,072,357
Wisconsin	619	\$1,045,677
Total	8,353	\$12,661,530

The State Reciprocal Program (SRP) allows states to enter into reciprocal agreements with Treasury to collect unpaid state debt by offset of federal non-tax payments and in return for the federal government to collect delinquent non-tax debt by offset of state payments.

New York now stands as the state with the most recovered funds through SRP with total collections of \$4.1 million. Kentucky comes in second with \$3.1 million recovered as of August 31, 2012.

As SRP participants continue to see large recovery totals through the program, TOP is encouraging those states who do not yet participate in SRP to contact us today to learn how they can be a part of this important debt collection program.

For further information regarding SRP, please contact Rose Free of the Treasury Offset Division at (202) 874-7538 or Rose.Free@fms.treas.gov.

Top 10 State Income Tax Offset Collections

STATE NAME	OFFSET COUNT	NET COLLECTION AMOUNT
California	64,574	\$64,168,750
New York	88,555	\$61,677,999
Maryland	63,020	\$61,114,870
Louisiana	39,495	\$24,162,125
Georgia	29,818	\$23,651,552
Ohio	30,196	\$23,052,973
Illinois	51,348	\$22,209,802
Alabama	61,008	\$19,006,162
North Carolina	28,610	\$17,938,080
Missouri	30,380	\$17,820,609

The State Income Tax Program allows states to refer delinquent income tax debts to TOP for offset against federal tax refund payments only.

California has now collected the most funds through the State Income Tax Program, with collections totaling \$64.2 million. New York and Maryland have the second and third largest volumes with \$61.7 million and \$61.1 million collected, respectively.

For further information regarding the State Income Tax Program, please contact Rose Free of the Treasury Offset Division at (202) 874-7538 or at Rose.Free@fms.treas.gov.



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