



## News Release

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### **U.S. Treasury Collects More Than \$3 Billion in Delinquent Debts for States**

The U.S. Department of the Treasury's (Treasury) Bureau of the Fiscal Service (Fiscal Service) today released its first *Fiscal Year (FY) 2012 Annual Report to the States on the Treasury Offset Program's (TOP) Delinquent Debt Collection*. The report details each state's success in collecting delinquent debts through a unique partnership with the federal government. Debts successfully recovered through TOP include delinquent child support and state income tax obligations, unemployment insurance compensation fraud debts, and more.

"The Fiscal Service is proud of the work we have done in collecting more than \$3 billion in delinquent debts for the states in 2012, including \$2.2 billion of delinquent child support," said Fiscal Service Commissioner David A. Lebryk. "The simple premise of the offset program is that Treasury should not pay those individuals or businesses that have failed to meet their government obligations without first applying that money to the delinquent obligation."

TOP is used to intercept eligible federal and state payments to delinquent debtors, in accordance with the Debt Collection Improvement Act of 1996 and other legal authorities. Federal law requires state agencies to send a notice to a delinquent debtor at least 60 days before submitting a debt to TOP. The notice must explain how the debtor may dispute a debt or enter into a repayment plan.

Due to a strong federal-state partnership, TOP recovered \$6.2 billion for federal and state agencies, including \$2.2 billion in delinquent child support debts, \$560 million in outstanding state income tax obligations, \$133 million in unemployment insurance claims, and \$53.8 million in other debts owed to states in FY 2012. Treasury is proud to partner with the U.S. Department of Labor and the U.S. Department of Health and Human Services, Office of Child Support Enforcement, to administer the TOP program. Since the implementation of TOP in 1997, the Fiscal Service has collected more than \$68 billion for federal and state agencies, including \$31.8 billion for participating states, at relatively small cost to the federal government.

“Treasury encourages states to participate in all of our offset programs,” said Commissioner Lebryk said. “In times of strained budgets, it is more critical than ever to collect overdue funds so that limited resources may be allocated to meet the important needs of our citizens.”

To view the *FY 2012 Annual Report to the States on TOP's Delinquent Debt Collection* visit [www.fms.treas.gov/debt/TOP\\_annual\\_report\\_to\\_states\\_fy12.pdf](http://www.fms.treas.gov/debt/TOP_annual_report_to_states_fy12.pdf). For more information about TOP state programs, visit [www.fms.treas.gov/debt/TOP\\_state\\_prog.html](http://www.fms.treas.gov/debt/TOP_state_prog.html).

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*The Fiscal Service is a bureau of the United States Department of the Treasury. Our mission is to promote the financial integrity and operational efficiency of the federal government through exceptional accounting, financing, collections, payments, and shared services.*

*For more information about the Fiscal Service, please visit our website, [www.fiscal.treasury.gov](http://www.fiscal.treasury.gov).*