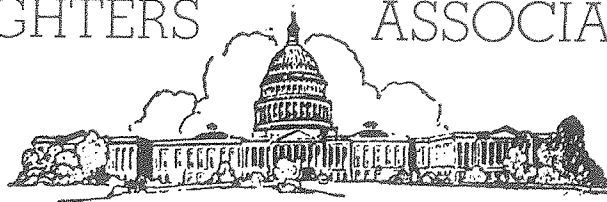


# FIRE FIGHTERS ASSOCIATION



LOCAL No. 36  
INTERNATIONAL ASSOCIATION  
of FIRE FIGHTERS



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February 12, 2016

Ms. Nani A. Coloretti  
Assistant Secretary for Management  
U.S. Department of Treasury  
1500 Pennsylvania Ave., N.W.  
Washington, D. C. 20220

**Re: Decision to reduce annuities for retired members of the District of  
Columbia Fire Department**

Dear Ms. Coloretti:

It has been thirteen (13) months since we were first notified that the Department of Treasury was in the process of reducing annuities for Firefighters in the District of Columbia.

On March 10, 2015 and again on April 6, 2015, we directed correspondence to you with the concerns of our membership and extended an offer to meet with your Department to address these issues.

Since that time, the affected members have received numerous bits of correspondence from the Department of Treasury/contractors that have errors in calculations. Some of these errors, we believe, are as a result of the contractors' inability to understand the work schedule (effective date of retirement vs. commencement date) leave accrual rates of the fire fighters, prior government service/military leave, etc.

It is disheartening to note that the errors continue and that members who have been retired for 10, 20, 30 years cannot rely on the Government to get things right.

Most recently, members have been receiving an IRS Form 1099 C. In letters that members have received from the U.S. Treasury there is a notation "ODCP is required to report waived overpayment debts in excess of \$600.00 to the Internal Revenue Service as "discharged indebtedness" on a Form 1099-C (Cancellation of Debt). Therefore, the waived portion of your overpayment will be reported as discharged debt on a Form 1099-C for the 2015 calendar year. You will receive a copy of the Form 1099-C that ODCP issues to report your discharged debt.

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Internal Revenue Code Section 108(e)(2) provides that "[n]o income shall be realized from the discharge of indebtedness to the extent that payment of the liability would have given rise to a deduction." **We encourage you to consult with a professional tax advisor about how this rule may apply to you.** The Internal Revenue Service is a Division of the U.S. Treasury and they are supposed to have the final determination on taxes. Why would you put the responsibility of determining whether actions taken by the Department of Treasury would have an impact on the employee? These actions are as a result of government mistakes. Why should the employee be financially responsible to seek professional help? Is the Internal Revenue a non-professional group? Even a novice employee of The Department of Treasury should understand that this alleged debt was in the form of TAXED salary and thus no additional burden should be placed on the employee. Is Form 1099 C being sent to retirees involved in the appeal process? Could the pensioner invoke the Statue of limitation in regards to any alleged tax burden and or recoupment? The Government has admitted, in the timeline of key events, that these mistakes began as early as 1974 (41 years ago) and in 2010 the Government States, "no timely notice of error given to retirees."

Additionally, affected pensioners have filed for reconsideration and appeals based on directions from the U.S. Treasury. In many situations, the Department of Treasury has replied through written correspondence to fire fighters stating, "This letter is to notify you that ODCP is working diligently to process your request for appeal. However, the research required to make a determination has taken longer than expected, so additional time is needed." Some members have received this same notice on more than one occasion.

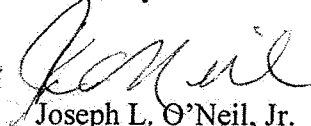
This leads to the question: Why wait until a year after the first letter, January 23, 2015, to begin research? As stated earlier, our organization offered to assist with information regarding work schedules, sick leave accrual, Cost Of Living Adjustments (COLA), etc. We are requesting that you provide our organization with copies of the materials that you are researching in regards to this matter.

The Retired Firefighters Association can provide examples of errors that the Department of Treasury has admitted to making regarding these issues since January 23, 2015.



Edward C. Smith  
President  
D.C. Fire Fighters Association

Sincerely



Joseph L. O'Neil, Jr.  
President  
Retired Firefighters Association

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cc: Congressman Jason Chaffetz

Congressman Steny Hoyer

Anita K. Blair  
Deputy Assistant Secretary for Human  
Resources & Chief Human Capital Officer

Nancy A. Ostrowski  
Director, Office of D.C. Pensions  
U.S. Department of Treasury