

Tax News & Views

Capitol Hill briefing. February 7, 2025

DOGE gets access to Treasury payment systems

Newly confirmed Treasury Secretary Scott Bessent afforded members of the DOGE (the Department of Government Efficiency, established in this executive order) read-only access to the Department of the Treasury's payment systems that are used to distribute money for federal government obligations, such as tax refunds, Social Security, Medicare, and others.

URL: https://www.whitehouse.gov/presidential-actions/2025/01/establishing-and-implementing-the-presidents-department-of-government-efficiency/

An official in the Treasury's Office of Legislative Affairs maintained on February 4 that the department is "committed to safeguarding the integrity and security of the [Treasury payment] systems, given the implications of any compromise or disruption to the US economy," and added that "Treasury has been undergoing a review of these systems to maximize payment integrity for agencies and the public." URL: https://prod-i.a.dj.com/public/resources/documents/treasury-doge-letter-02-04-2024.pdf

Democrats speak out

In response to access given to the DOGE at the Department of the Treasury, Reps. Ron Wyden (D-Ore.) and Elizabeth Warren (D-Mass.) urged the Government Accountability Office (GAO) on February 4 to ascertain who was granted access to the systems; how they were granted access; and the implications of this access for the "nation's economic and national security."

URL: https://www.banking.senate.gov/imo/media/doc/letter_to_gao_on_musk_and_treasury.pdf

Wyden and Warren indicated to GAO that such access has privacy implications, including under section 6103 concerning confidentiality and disclosure of taxpayer data, and further maintained that the Treasury payment systems include "personal information" about Americans who receive Social Security checks, income tax refunds and other payments from the federal government. In addition to the statements made by the two senators, all 19 Democrats on the House Ways and Means Committee on February 5 requested that the Treasury Secretary respond to questions relating to the issue of confidential taxpayer data under section 6103.

Wyden stressed a few days earlier in a letter to Bessent that, if the payment systems fail – whether "intentional or unintentional" – it could have adverse effects on American taxpayers who expect to receive an income tax refund this tax filing season which started on January 27.

URI:

https://www.finance.senate.gov/imo/media/doc/letter_from_senator_wyden_to_secretary_bessent_on_payment_syst emspdf.pdf

He also focused on Treasury's role in ensuring that the country's financial obligations are paid in a timely manner and that the "full faith and credit of the United States" is protected, particularly given the fact that the debt limit was reached at the beginning of this year. It is worth noting that the most recent suspension of the

debt limit, which was enacted in the Fiscal Responsibility Act of 2023 (P.L. 118-5), expired on January 1, 2025, but lawmakers typically would have several months after January 1 to raise or suspend the statutory debt limit, without risking default on the nation's credit while the Treasury Department uses "extraordinary measures" to pay the nation's bills. (For prior coverage, see *Tax News & Views*, Vol. 25, No. 22, June 1, 2023.)

URL: https://www.congress.gov/118/plaws/publ5/PLAW-118publ5.pdf **URL:** https://dhub.deloitte.com/Newsletters/Tax/2023/TNV/230602 1.html

House Minority Leader Hakeem Jeffries (D-N.Y.) and Senate Minority Leader Charles Schumer (D-N.Y.) in a press conference announced they have been working together on a bill to prevent unlawful access with respect to the Treasury's payment systems. Generally, the bill would deny access to special government employees who do not have to disclose conflicts of interest and require that personal tax information be included in existing privacy protections.

Republicans say Treasury – not the DOGE – controls payment systems

As part of a larger interview on tax and fiscal policy on *Fox Business* on February 5, Bessent was asked about Elon Musk and the DOGE's access to the Treasury's vital payment systems and he maintained that "at the Treasury, our payment system is not being touched." He then added that "we have more accountability, more accuracy, more traceability that the money is going where it is [supposed to be going]."

Bessent further reiterated in an interview with Bloomberg on February 6 that Treasury employees cannot change anything in the systems, and that he personally interviewed the new employees who would be monitoring the payment systems.

"When you say the DOGE team, these are Treasury employees – one of whom I personally interviewed in his final round. There is no tinkering with the system. They are on read-only. They can make no changes..." He added that "the ability to change the system sits over at the Federal Reserve," not at the Treasury Department.

Bessent further stated that Treasury employees "can make suggestions to the system, but we don't even run the [payment] systems.

He also maintained that "his staff has not tried to block any payments."

In addition, several GOP lawmakers – including Andy Barr of Kentucky and House Financial Services Committee Chairman French Hill of Arkansas – told Politico on February 3 that Bessent had reassured them in a closed-door meeting that the access for Musk and his team at the DOGE is limited and that they do not control the department's payment systems.

Trump, for his part, told reporters in the Oval Office on February 4 when asked about Musk's access to the Treasury payment systems that "Elon [Musk] can't do and won't do anything without our approval, and we'll give him the approval where appropriate, and if not appropriate, we won't." The president further stated that "if there's a conflict, then he [Musk] won't get near it."

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