

UNITED STATES DEPARTMENT OF JUSTICE  
**DEBT COLLECTION MANAGEMENT**  
**FEBRUARY 2022**



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## EXECUTIVE SUMMARY

The Department of Justice (Department) collects on court-ordered judgments, contractual agreements and settlement agreements on behalf of the Department of the Treasury (Treasury) and other federal agencies. The Department is responsible for collection from debtors who have defaulted on their responsibility to repay their debts, as well as ensuring the timely collection of current judgments and settlements. Such debts arise from the numerous Federal programs where Federal agencies loan money directly, or guarantee or ensure loans from private financial institutions. The Department also collects amounts due to the United States from fees, leases, services, overpayments, civil penalties, and other similar sources. In addition, the Department must enforce the financial judgments entered by the courts as the result of criminal litigation. The Department's efforts are conducted by the U.S. Attorneys' Offices (USAO), Private Counsel (PC) firms, and the Department's litigating divisions. The management, accounting, disbursement and reporting of these debts is the responsibility of the Justice Management Division's Debt Collection Management Staff.

In 1986, the Federal Debt Recovery Act (FDRA) provided the Attorney General with the authority to retain at least four PCs to represent the Department in its efforts to collect from federal debtors in up to ten Federal judicial districts as a pilot program to run for three years. The Debt Collection Improvement Act of 1996 (DCIA) expanded the use of PCs by stating the Attorney General has permanent authority to contract with as few or as many PCs in as many judicial districts deemed appropriate. As of the end of Fiscal Year (FY) 2021, the Department retained 24 PC offices in 26 federal judicial districts.

This Annual Civil Debt Collection Activity Report to Congress (Annual Report) provides information on civil debt collection activity by the Department for FY 2021. The Annual Report includes information on new debts referred to the Department during the fiscal year, collections made on existing debts, debts closed during the fiscal year, and the balance of outstanding civil debts as of the end of the fiscal year. The Annual Report breaks out debt information by referring agencies and shows overall statistics for debts handled by the Department and debts assigned to PCs with specific details in Appendices A and B.

## STATUTORY REQUIREMENTS

**As Required by  
31 U.S. Code § 3718 and Amended in the  
Debt Collection Improvement Act of 1996 (Public Law 104-134)**

The requirement for this Annual Report originated in 31 U.S.C § 3718, *Contracts for collection services*, which focuses on the use of contracts in retaining Private Counsel to provide legal services, including representation in negotiation, compromise, settlement, and litigation, in the case of any claim of indebtedness owed the United States. This was amended in 1996 by the DCIA.

### **Reporting Requirement**

The Attorney General shall transmit to the Congress an annual report on the activities of the Department of Justice to recover indebtedness owed the United States which was referred to the Department for collection. Each such report shall include a list, by agency, of—

- 1) the total number and amounts of claims which were referred for legal services to the Department and to Private Counsel under subsection (b) during the 1-year period covered by the report;
- 2) the total number and amount of those claims referred for legal services to the Department which were collected or were not collected or otherwise resolved during the 1-year period covered by the report; and
- 3) the total number and amount of those claims referred for legal services to Private Counsel under subsection (b)—
  - A) which were collected or were not collected or otherwise resolved during the 1-year period covered by the report;
  - B) which were not collected or otherwise resolved under a contract terminated by the Attorney General during the 1-year period covered by the report; and
  - C) on which the Attorney General terminated the Private Counsel's representation during the 1-year period covered by the report without terminating the contract with the Private Counsel under which the claims were referred.

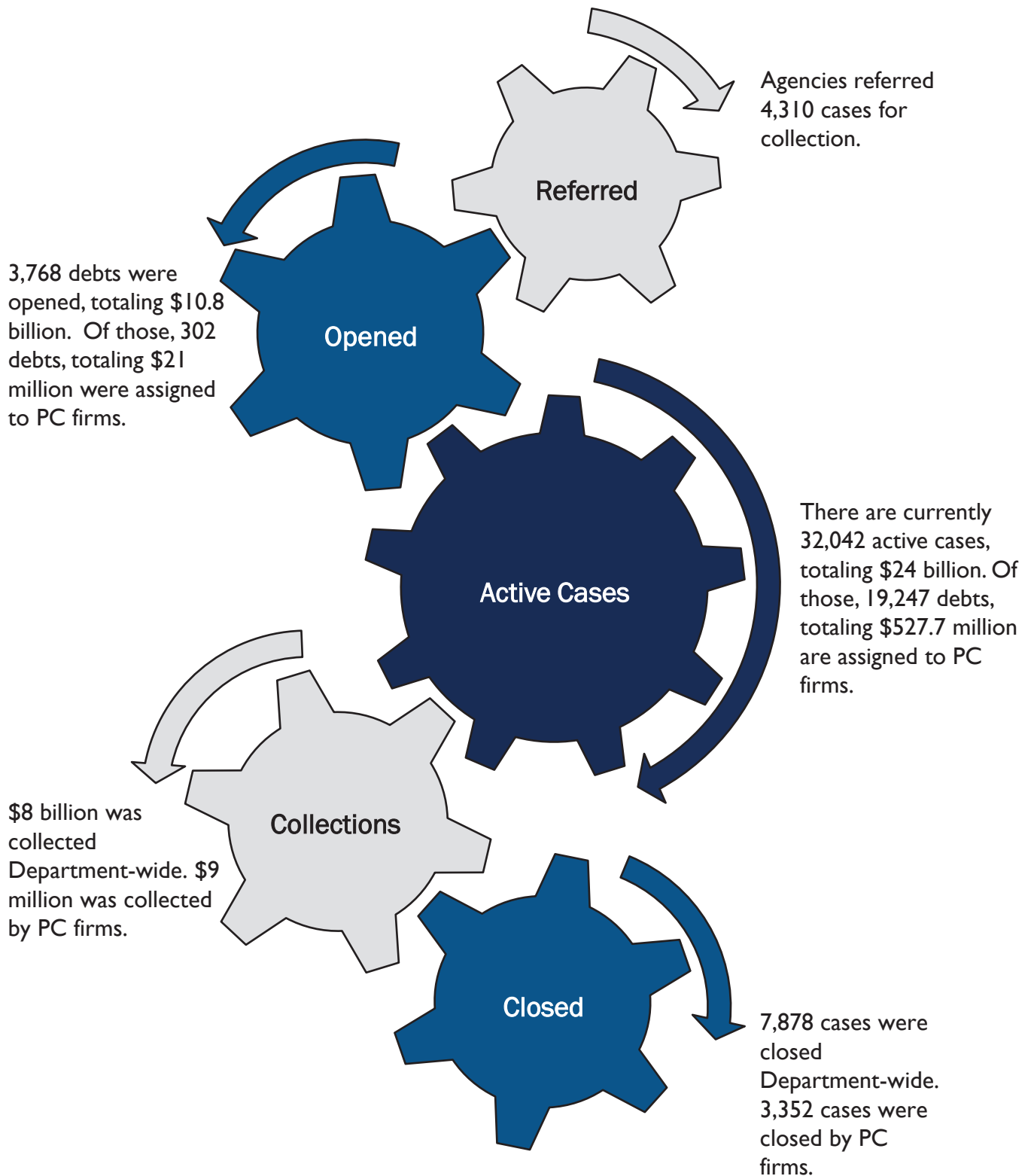
This Annual Report fulfills the statutory requirement.

## INSIDE THE NUMBERS

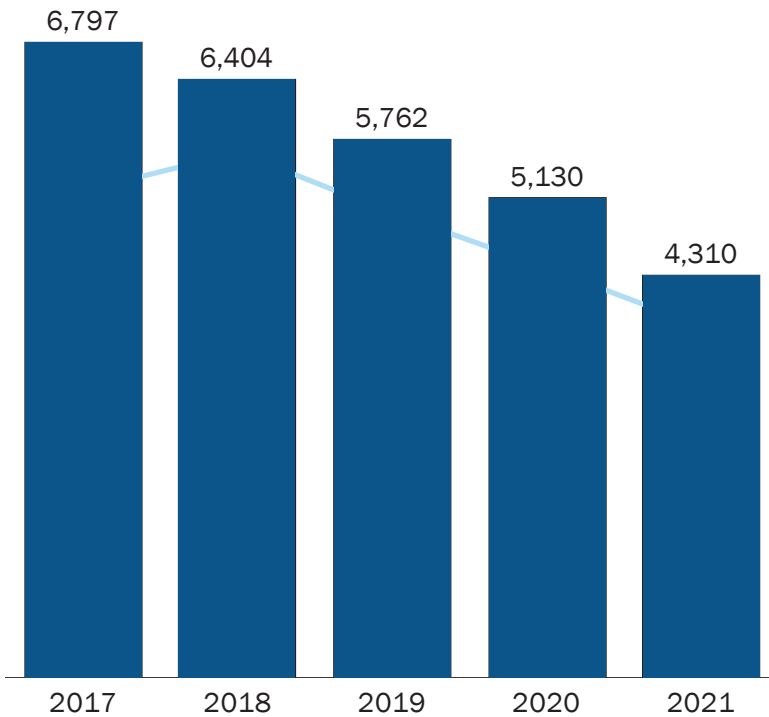
In FY 2019, the Annual Report was redesigned to provide a more useful, accurate, and detailed breakout of Department civil debt collection information. No additional changes were made in FY 2021. Key FY 2019 changes include:

- Revised methodologies for all data categories in the report to provide information that is more accurate and transparent. For example, debts subsequently closed as “opened in error” are excluded. Debt balances and counts include corrective adjustments. Additional system enhancements have also contributed to improved data quality.
- The Department refined this report by breaking out referral data into two groups, “Referred,” and “Opened.” In previous Annual Reports, the “Referred” data point only included cases “Opened” by the Department. Due to varying case processing times, there is often a delay between the time a case is “Referred” from an agency and “Opened” by the Department.
  - Referred cases are cases referred to the Department from another agency during the fiscal year.
  - Opened cases are cases opened by the Department during the fiscal year. This can include cases referred in previous fiscal years, but not opened until the current fiscal year.
- Expanded PC Program data analyses, to include trend charts and additional highlights.
- Created a new section highlighting the top eight agencies relative to the amount of money collected from those debts.
  - This section maps the identifying geographic disbursement of active cases related to a particular agency; highlights changes in debt collection numbers from the previous year; identifies the number and types of cases opened; and breaks out active case totals to show overall Department cases and those sent to PC firms.
- Consolidated appendices placing all data into two, easier to read tables for all Department wide civil debt collection activities and for PC activities.

## Fiscal Year Summary



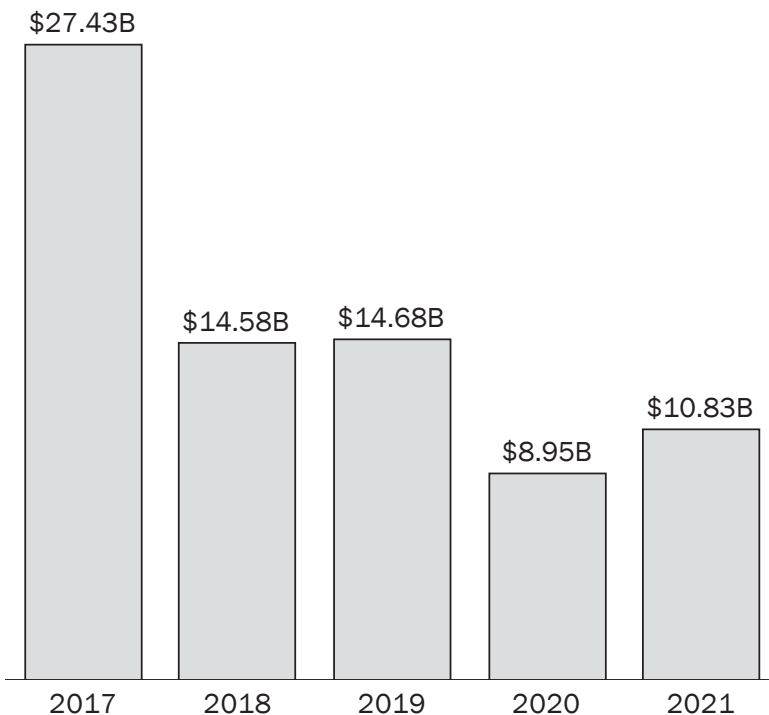
## Number of Civil Debt Referrals by Fiscal Year



The number of FY 2021 referrals decreased by 16% from FY 2020, which, in turn, resulted in 14% fewer debts opened in FY 2021. Referrals from the Department of Education (Education) remained down, with 17 referrals in FY 2021. FY 2021 referrals were also down as a result of the Coronavirus Disease of 2019 (“COVID-19”) pandemic.

*\*Referred cases are not always reflective of the number and amount that will be opened.*

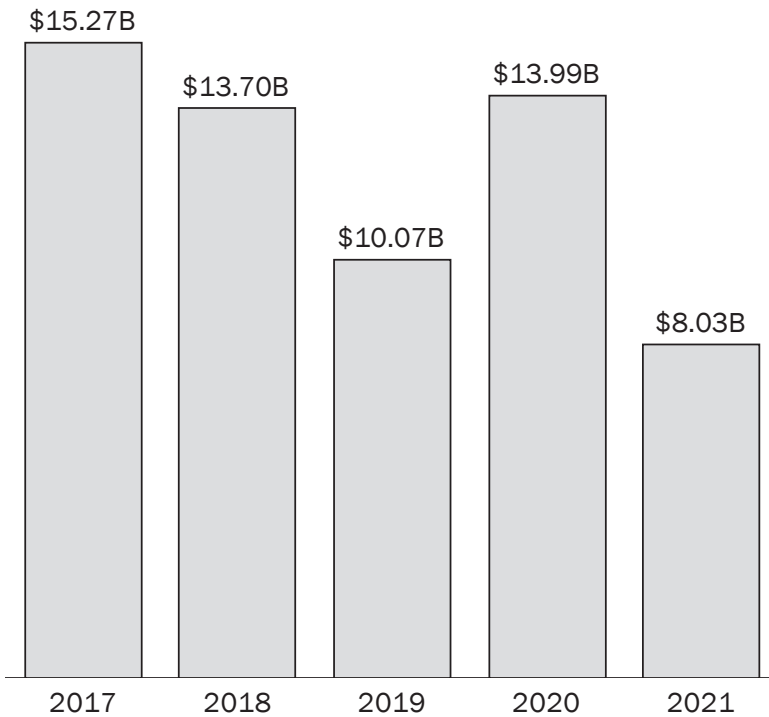
## Balance of Civil Debts Opened by Fiscal Year



The balance of debts opened has increased by 21% from FY 2020 to FY 2021. This increase is primarily due to a high dollar case opened in FY 2021.

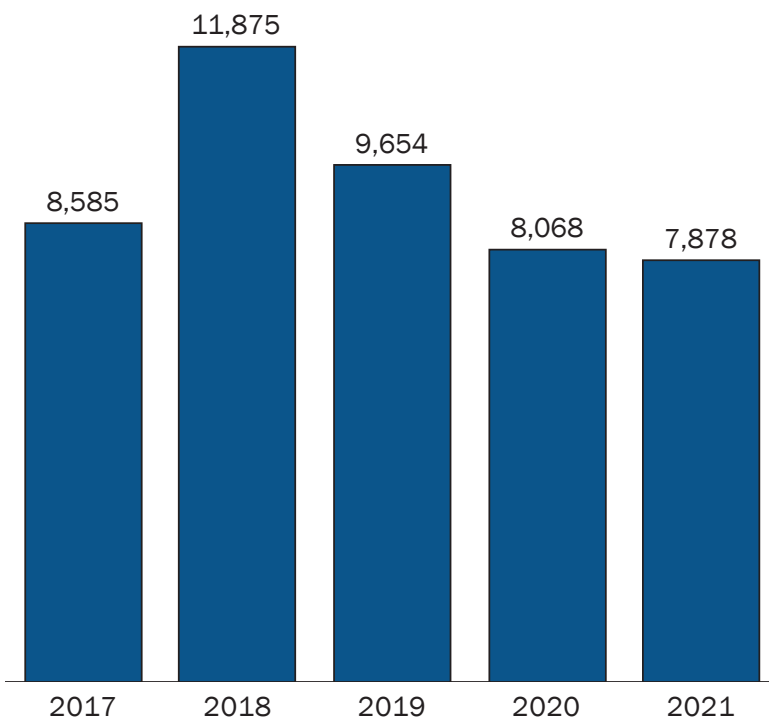
*\*\*“Opened,” refers to cases opened by the Department during the fiscal year. “Opened” cases can include cases referred to the Department in previous fiscal years.*

## Amount of Civil Debt Collections by Fiscal Year



The amount of collections decreased by 43% from FY 2020 to FY 2021. The FY 2021 decrease is due to a combination of the COVID-19 moratorium implemented in FY 2020 and fewer collections in high dollar cases.

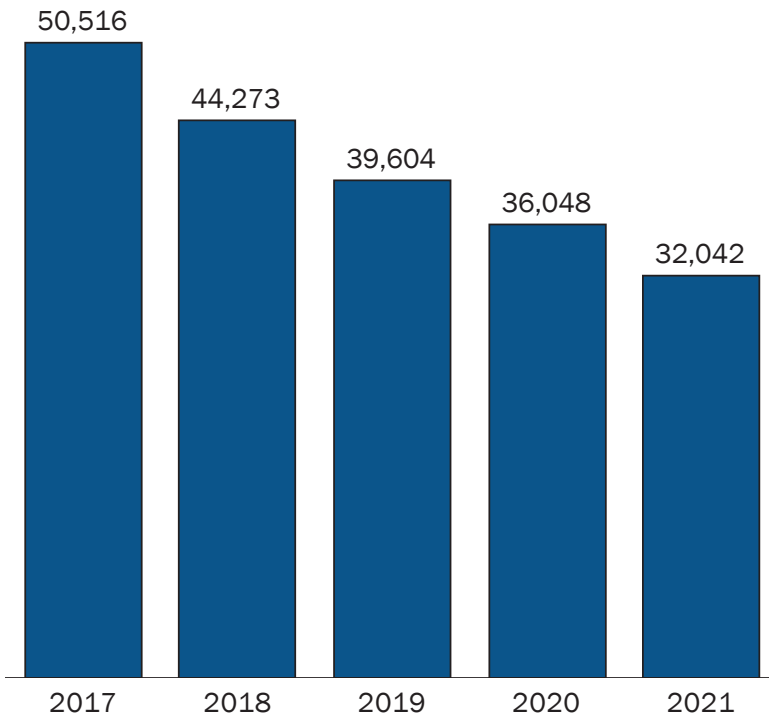
## Number of Civil Debt Closures by Fiscal Year



The number of debt closures has remained steady from FY 2020 to FY 2021.

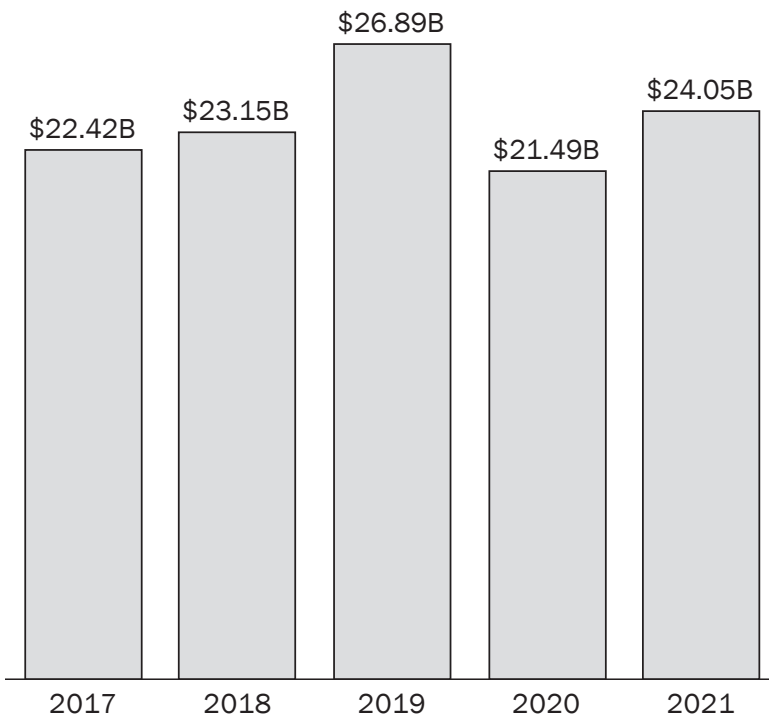


## Number of Active Civil Debts by Fiscal Year



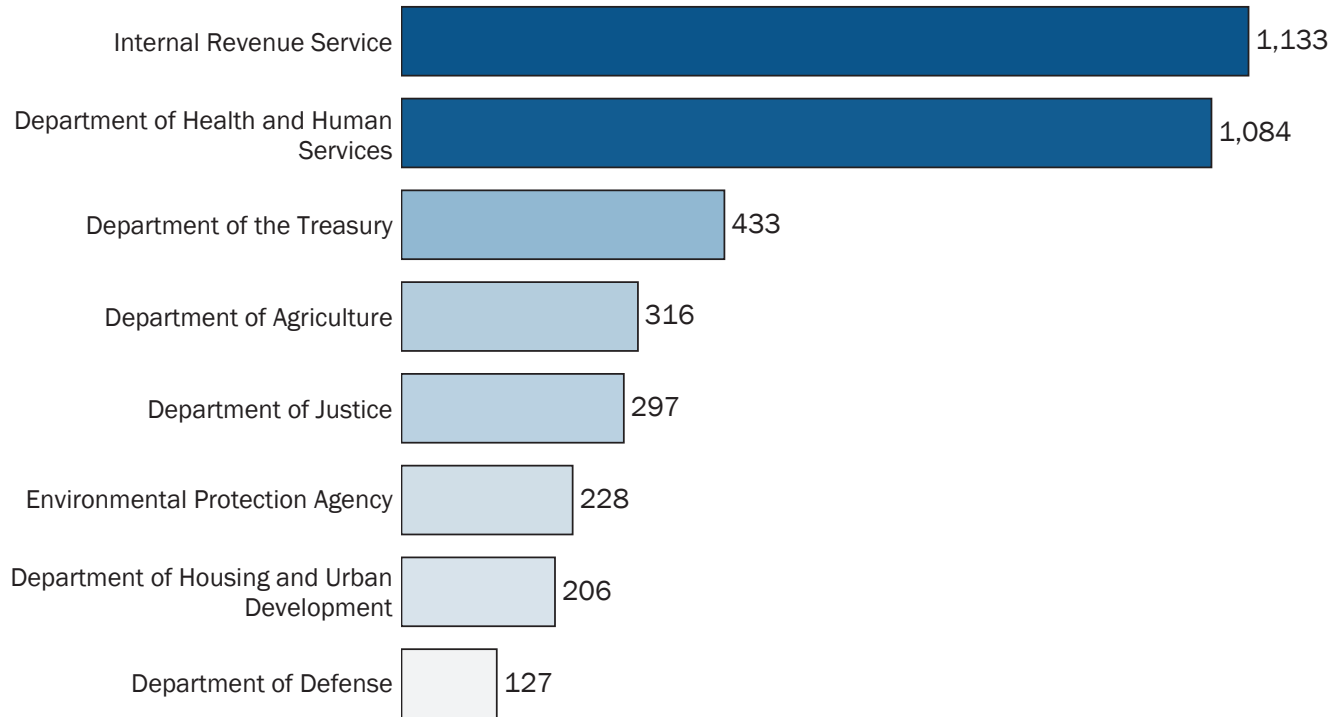
The number of active civil debts continues to decrease each year. The number of debts decreased by 11% from FY 2020 to FY 2021. This is a direct result of fewer referrals and improved collection practices resulting in an increased number of closures.

## Balance of Active Civil Debts by Fiscal Year

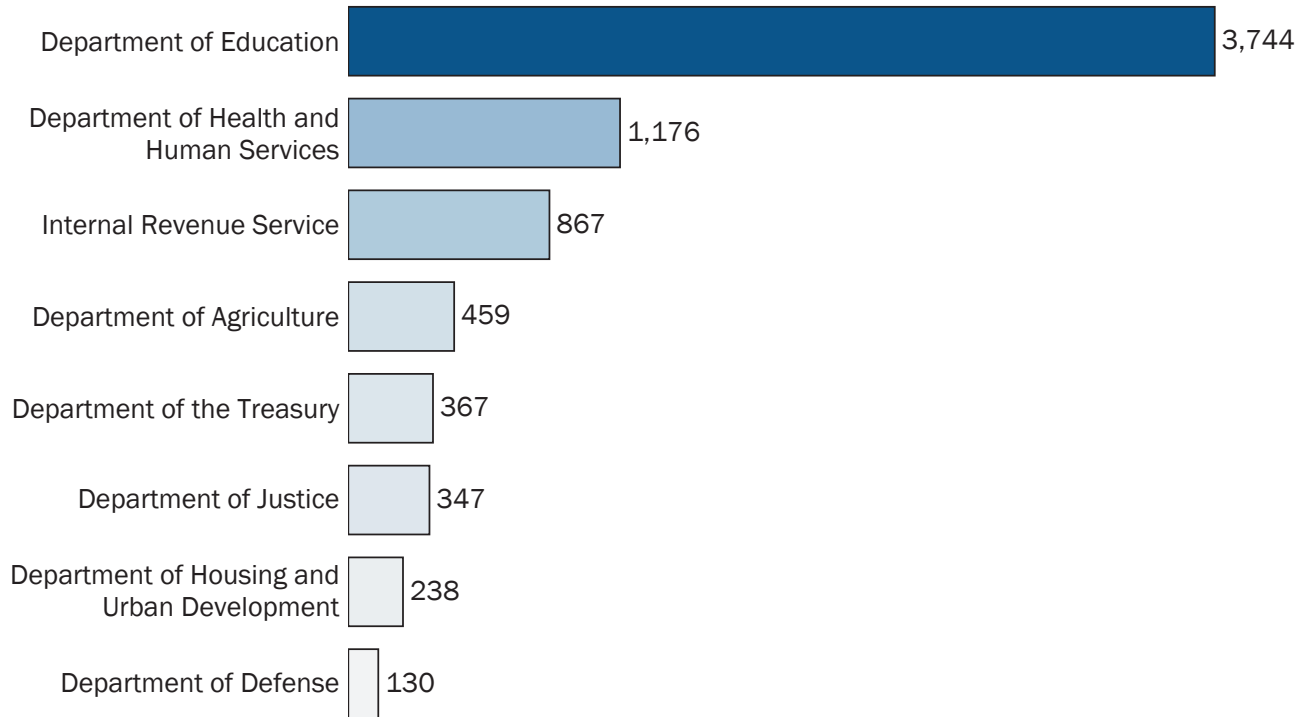


The balance of active civil debts increased by 12% from FY 2020 to FY 2021. This increase is primarily due to a high dollar case opened in FY 2021.

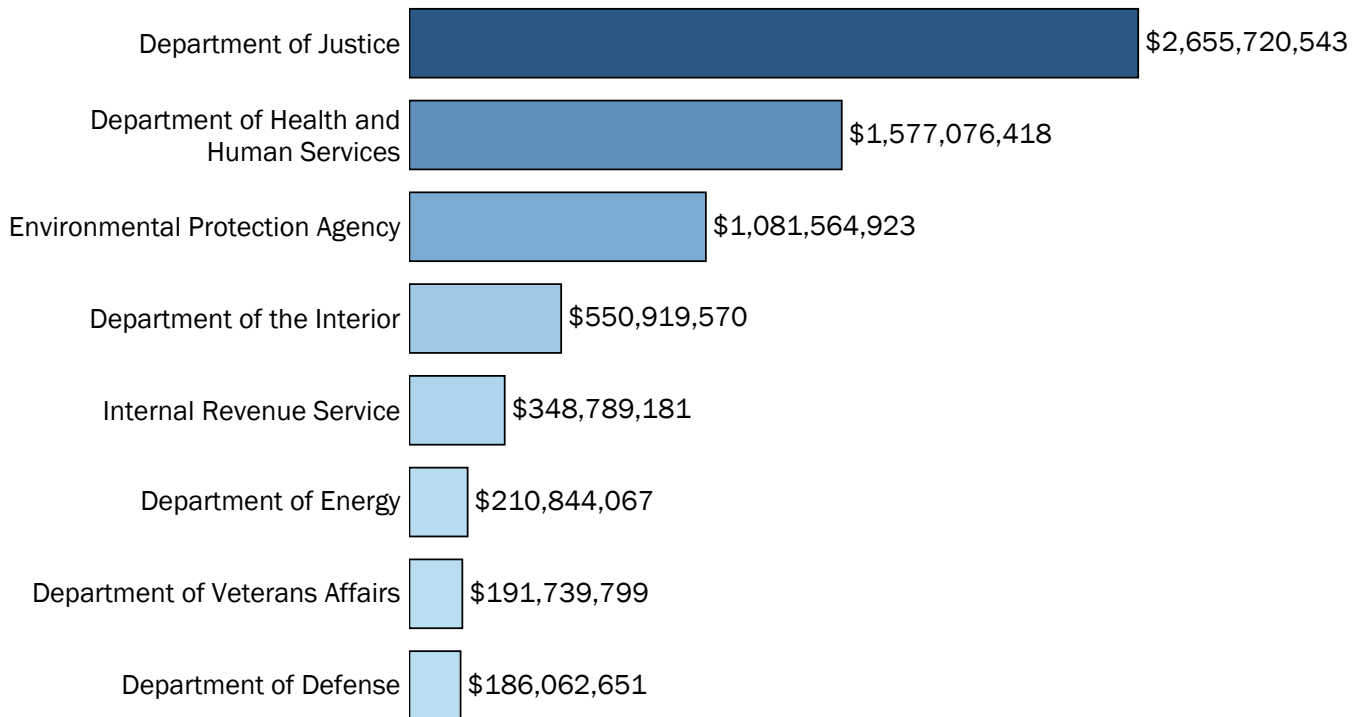
## Top Eight Agencies by Number of Referrals



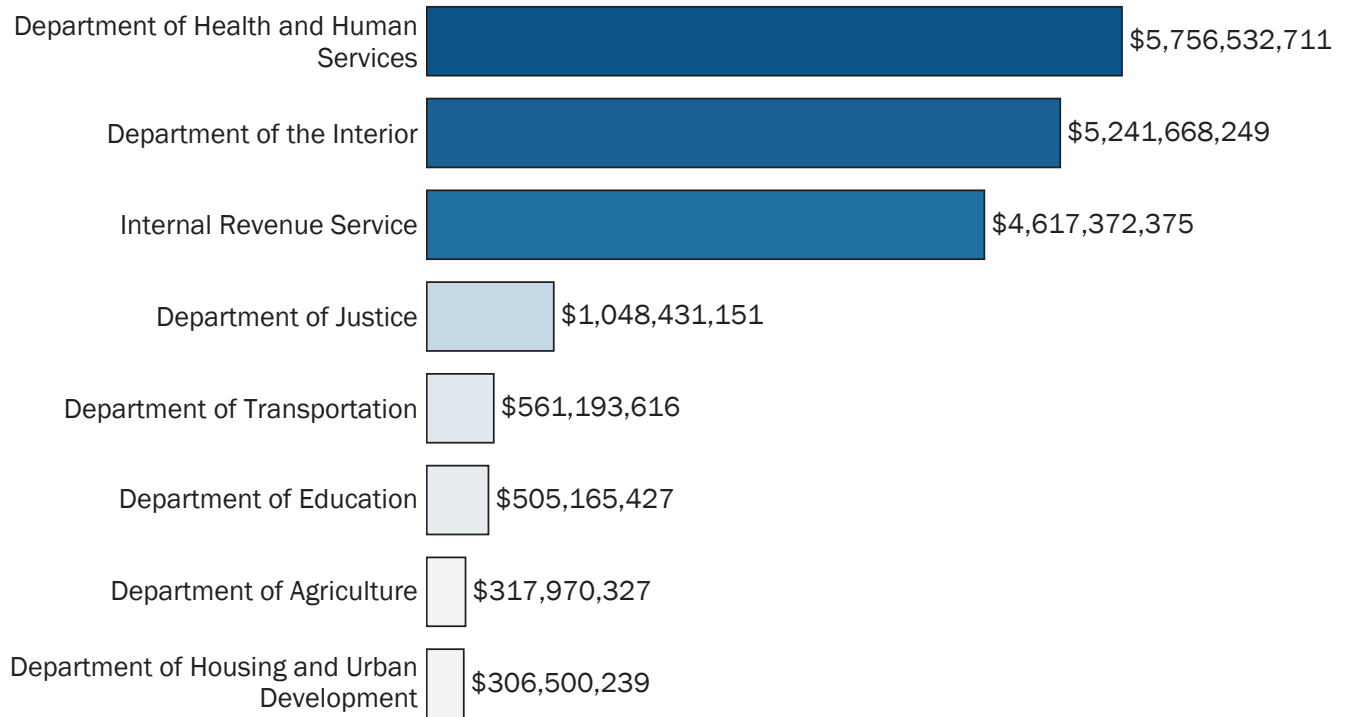
## Top Eight Agencies by Number of Cases Closed



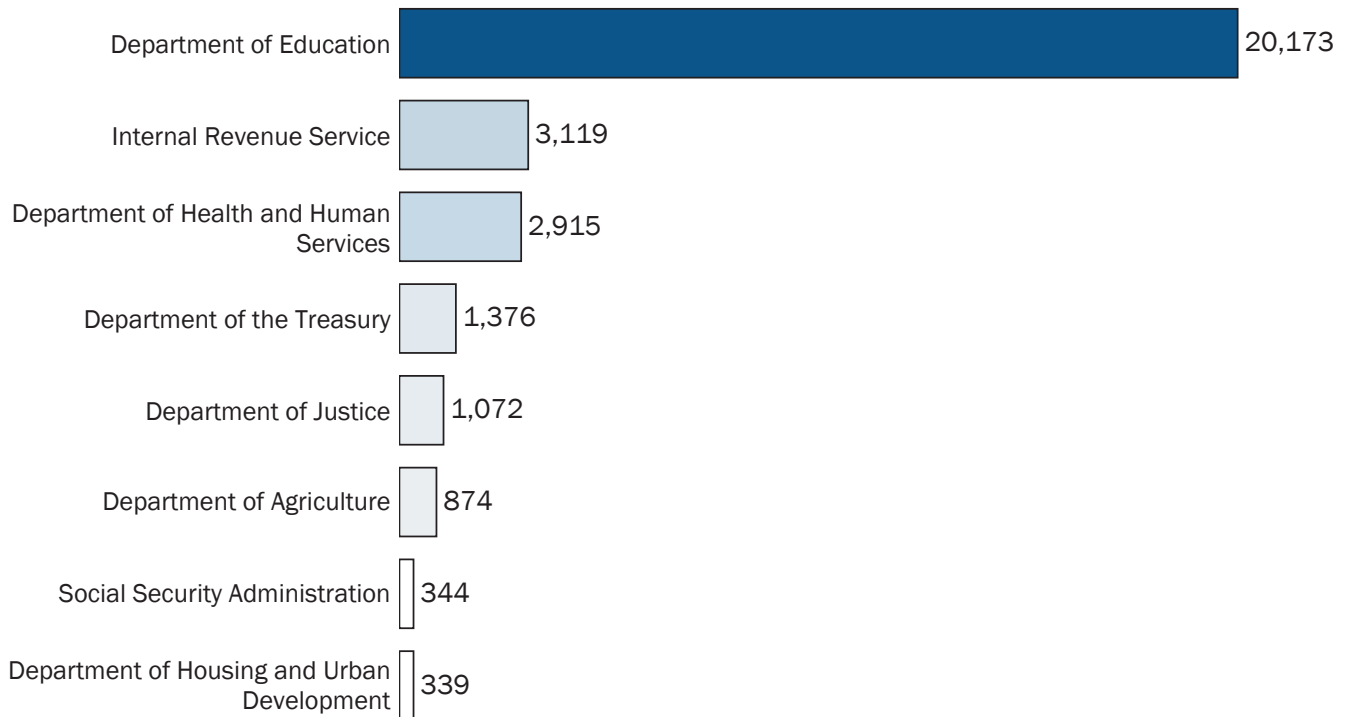
## Top Eight Agencies by Amount Collected



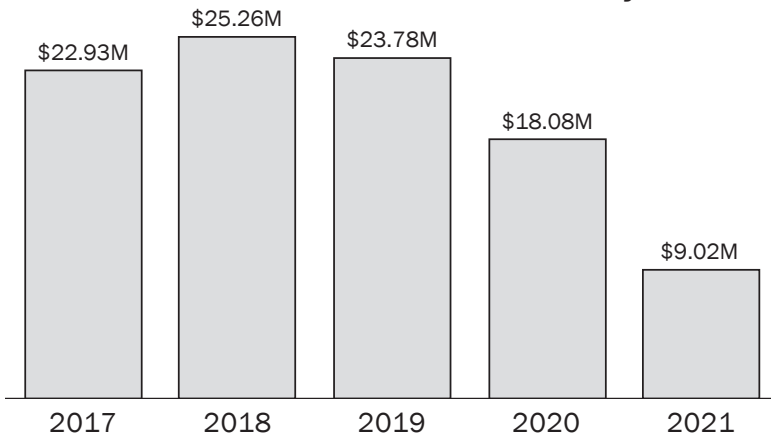
## Top Eight Agencies by Balance of Active Cases



## Top Eight Agencies by Number of Active Cases

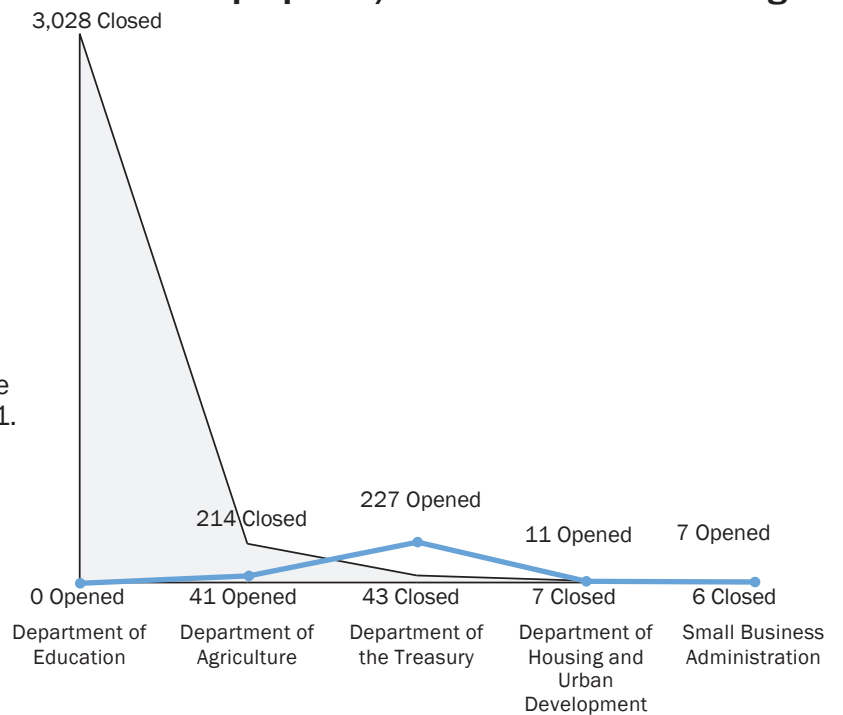


## Private Counsel Civil Debt Collections by Fiscal Year



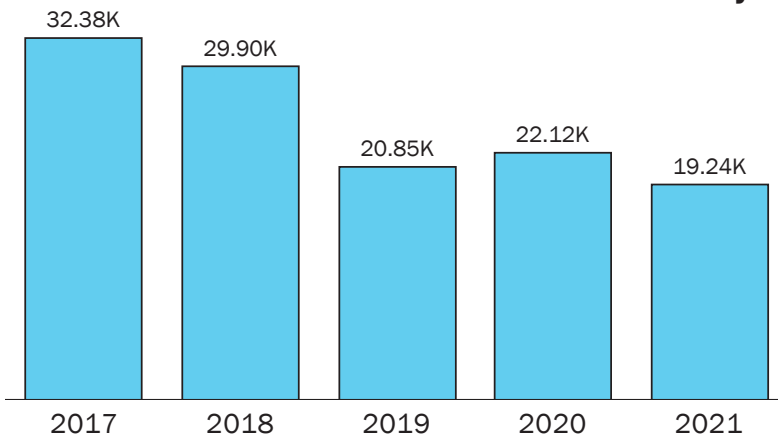
Private Counsel (PC) collections decreased this fiscal year by 24%. This decrease is largely due to the COVID-19 debt collection moratorium implemented in FY 2020.

## Private Counsel Top Opened/Closed Case Ratio Changes



In FY 2021, PCs received no new cases from Education, however, PCs closed 3,028 existing ED cases. Department of Agriculture referrals dropped by 47% in FY 2021. Department of the Treasury referrals dropped by 20.7% in FY 2021.

## Private Counsel Number of Active Civil Debts by Fiscal Year

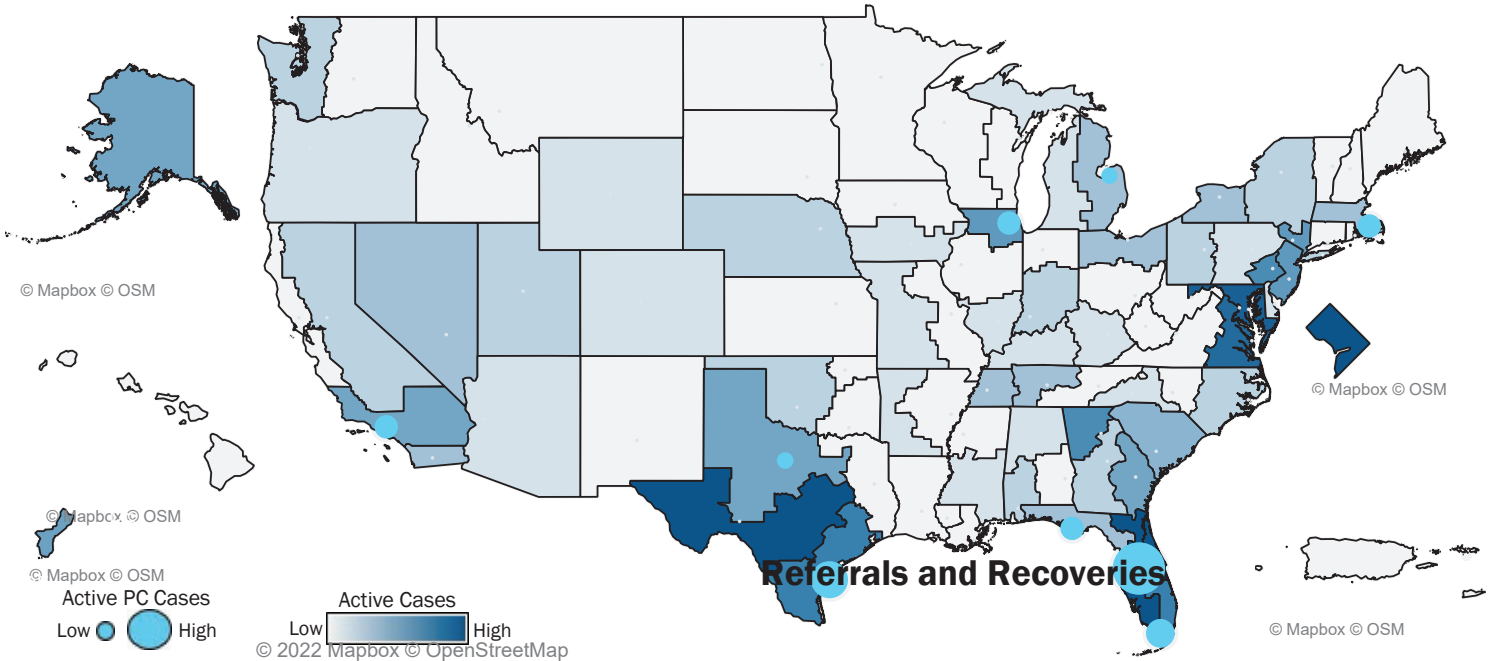


The PC active debt count decreased this fiscal year by 13% due to fewer cases being assigned to PCs in FY 2021.

## DEPARTMENT OF DEFENSE

**\$186,062,651**  
Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**127**  
Debts Referred  
FY Change: ▼-2.3%

**127**  
Debts Opened  
FY Change: ▼-2.3%

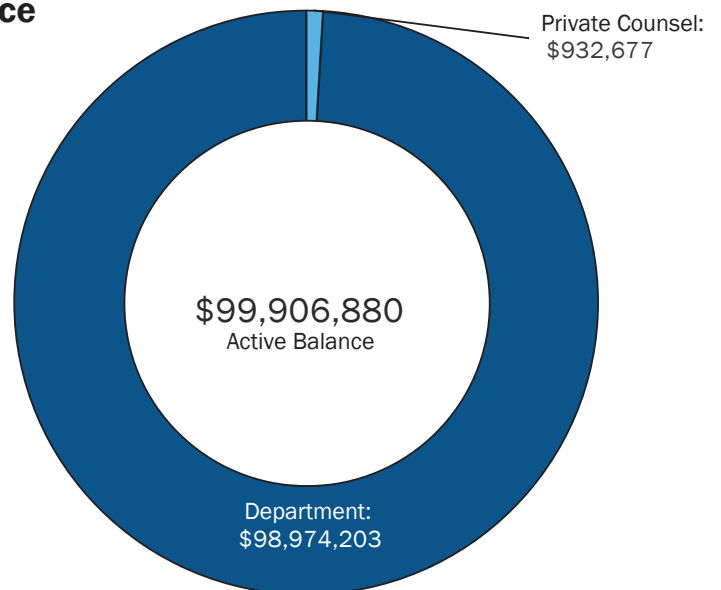
**130**  
Debts Closed  
FY Change: ▼-10.3%

**236**  
Debts Active  
FY Change: ▼-0.4%

### Top Debt Types Opened



### Active Balance



















# DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO  
CONGRESS FY 2021

## Appendix A: Department-wide Statistics

Agency	Collections	Debts Closed	Referrals	Debts Opened	Opened Balance	Active	Active Balance
Administrative Office of the US Courts	\$1,726	1	1	1	\$22,500	4	\$1,062,981
Agency for International Development	\$7,531,388	1	1	1	\$6,934,500	3	\$1,313,363
Agency for State Collection	\$0	0	0	0	\$0	1	\$305,346
All Other Independent Agencies	\$123,736,378	9	13	12	\$124,718,562	9	\$4,410,449
Amtrak	\$43,250	0	1	1	\$393,250	2	\$354,700
Commodity Futures Trading Commission	\$525,711	11	13	13	\$21,974,011	99	\$174,134,166
Consumer Product Safety Commission	\$12,000,000	0	1	1	\$12,000,000	3	\$25,850
Corporation of National & Community Service	\$44,084	2	2	2	\$68,636	2	\$25,700
Department of Agriculture	\$94,897,296	459	316	259	\$129,893,413	874	\$317,970,327
Department of Commerce	\$4,364,692	2	17	4	\$4,433,863	9	\$50,281,166
Department of Defense	\$186,062,651	130	127	127	\$142,529,295	236	\$99,906,880
Department of Education	\$14,169,196	3,744	17	16	\$15,861,018	20,173	\$505,165,427
Department of Energy	\$210,844,067	5	12	12	\$210,936,920	19	\$6,688,981
Department of Health and Human Services	\$1,577,076,418	1,176	1,084	1,084	\$4,646,747,399	2,915	\$5,756,532,711
Department of Homeland Security	\$52,589,737	42	61	53	\$53,900,058	146	\$180,437,058
Department of Housing and Urban Development	\$140,277,968	238	206	183	\$272,738,381	339	\$306,500,239
Department of Justice	\$2,655,720,543	347	297	362	\$2,638,096,735	1,072	\$1,048,431,151
Department of Labor	\$7,694,397	18	17	17	\$25,369,790	63	\$39,119,119
Department of State	\$157,376	1	1	1	\$93,894	3	\$10,561,633
Department of the Interior	\$550,919,570	29	70	38	\$126,475,166	78	\$5,241,668,249
Department of the Treasury	\$27,922,656	367	433	424	\$63,518,528	1,376	\$298,249,599
Department of Transportation	\$12,103,664	21	25	22	\$10,252,810	66	\$561,193,616
Department of Veterans Affairs	\$191,739,799	85	65	66	\$190,214,624	178	\$31,762,980
Environmental Protection Agency	\$1,081,564,923	116	228	107	\$1,143,752,632	262	\$262,337,769
Equal Employment Opportunity Commission	\$0	0	1	1	\$521,058	5	\$856,743
Export/Import Bank of The U.S.	\$1,180,211	1	1	1	\$100,000	11	\$15,925,857
Federal Communications Commission	\$4,557,353	9	6	6	\$6,172,051	75	\$37,478,905
Federal Deposit Insurance Corporation	\$6,301	1	0	0	\$0	5	\$4,996,675
Federal Housing Finance Agency	\$0	0	2	2	\$52,809	6	\$68,609
Federal Reserve System	\$4,880	0	0	0	\$0	2	\$50,341

# DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO  
CONGRESS FY 2021

## Appendix A: Department-wide Statistics

Agency	Collections	Debts Closed	Referrals	Debts Opened	Opened Balance	Active	Active Balance
Federal Trade Commission	\$135,718,543	1	9	9	\$136,332,263	26	\$52,556,106
General Services Administration	\$23,692,822	6	6	6	\$29,213,098	12	\$8,976,207
Government Accountability Office	\$0	0	1	1	\$1,732,136	1	\$1,732,136
Government Printing Office	\$0	0	0	0	\$0	2	\$103,027
Internal Revenue Service	\$348,789,181	867	1,133	778	\$680,303,550	3,119	\$4,617,372,375
Miscellaneous Agencies	\$120,533	1	1	1	\$120,533	2	\$42
Multiple Agencies	\$506,952,584	12	3	18	\$77,876,410	37	\$4,166,713,685
National Aeronautics and Space Administration	\$1,220,263	5	2	2	\$0	10	\$8,825,675
National Archives and Records Service	\$0	0	0	0	\$0	1	\$23,726
National Endowment of The Arts	\$3,000	0	0	0	\$0	1	\$47,500
National Science Foundation	\$667,831	5	3	3	\$399,702	7	\$768,353
National Security Agency	\$422,253	0	0	0	\$0	1	\$0
National Transportation Safety Board	\$0	0	0	0	\$0	1	\$8,833
Office of Personnel Management	\$6,055,929	19	4	4	\$5,895,031	18	\$1,625,546
Railroad Retirement Board	\$252,828	14	12	12	\$559,088	149	\$5,214,766
Securities and Exchange Commission	\$503	0	0	0	\$0	2	\$48,459,163
Small Business Administration	\$11,423,121	66	84	85	\$13,695,129	167	\$122,604,820
Smithsonian Institute	\$1,802	0	0	0	\$0	2	\$308,038
Social Security Administration	\$748,216	52	19	18	\$1,076,411	344	\$17,178,329
State/County/Municipal Authorities	\$60,000	0	0	0	\$0	5	\$1,486,521
Tennessee Valley Authority	\$200,000	1	1	1	\$200,000	0	\$0
U.S. Army Corps of Engineers	\$1,261,238	6	7	7	\$1,601,350	20	\$11,980,682
U.S. Courts	\$1,765	2	0	0	\$0	30	\$113,890
U.S. International Development Finance Corp..	\$142,076	0	1	1	\$225,719	1	\$83,644
U.S. Postal Service	\$33,008,391	6	6	6	\$32,369,174	47	\$29,543,664
U.S. Trade and Development Agency	\$0	0	0	0	\$0	1	\$123,188

# DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO  
CONGRESS FY 2021

## Appendix B: Private Counsel Statistics

Agency	Collections	Debts Closed	Opened And Referred To PC	Opened Balance	Active	Active Balance
Commodity Futures Trading Commission	\$11,314	0	1	\$220,560	6	\$1,211,047
Department of Agriculture	\$2,297,007	214	41	\$8,805,948	286	\$47,545,105
Department of Defense	\$39,379	2	0	\$0	27	\$932,677
Department of Education	\$2,322,795	3,028	0	\$0	16,995	\$316,657,377
Department of Health and Human Services	\$1,111,499	32	0	\$0	814	\$90,838,233
Department of Homeland Security	\$0	0	0	\$0	2	\$312,616
Department of Housing and Urban Development	\$1,780,773	7	11	\$2,778,538	115	\$16,310,784
Department of Justice	\$100	0	2	\$11,167	9	\$610,406
Department of Labor	\$0	0	2	\$159,847	5	\$262,478
Department of the Treasury	\$713,641	43	227	\$7,381,285	782	\$40,101,928
Department of Transportation	\$50,651	4	5	\$132,221	16	\$1,360,697
Department of Veterans Affairs	\$9,590	12	1	\$53,719	82	\$4,925,206
Environmental Protection Agency	\$0	0	0	\$0	2	\$80,522
Export/Import Bank of The U.S.	\$7,800	0	0	\$0	1	\$567,747
Federal Communications Commission	\$12,552	1	3	\$54,051	13	\$213,387
General Services Administration	\$0	1	0	\$0	0	\$0
Internal Revenue Service	\$0	0	0	\$0	1	\$66,116
Railroad Retirement Board	\$0	0	0	\$0	2	\$30,837
Small Business Administration	\$629,814	6	7	\$1,401,442	28	\$3,697,021
Social Security Administration	\$30,377	2	2	\$40,817	55	\$1,811,665
U.S. Courts	\$663	0	0	\$0	3	\$10,507
U.S. Postal Service	\$0	0	0	\$0	3	\$153,861



UNITED STATES DEPARTMENT OF JUSTICE  
**DEBT COLLECTION MANAGEMENT**  
[justice.gov/jmd/debt-collection-management-staff](https://justice.gov/jmd/debt-collection-management-staff)