

UNITED STATES DEPARTMENT OF JUSTICE
DEBT COLLECTION MANAGEMENT
MARCH 2023



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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 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) 2022, the Department retained 23 PC firms in 27 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 2022. 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.

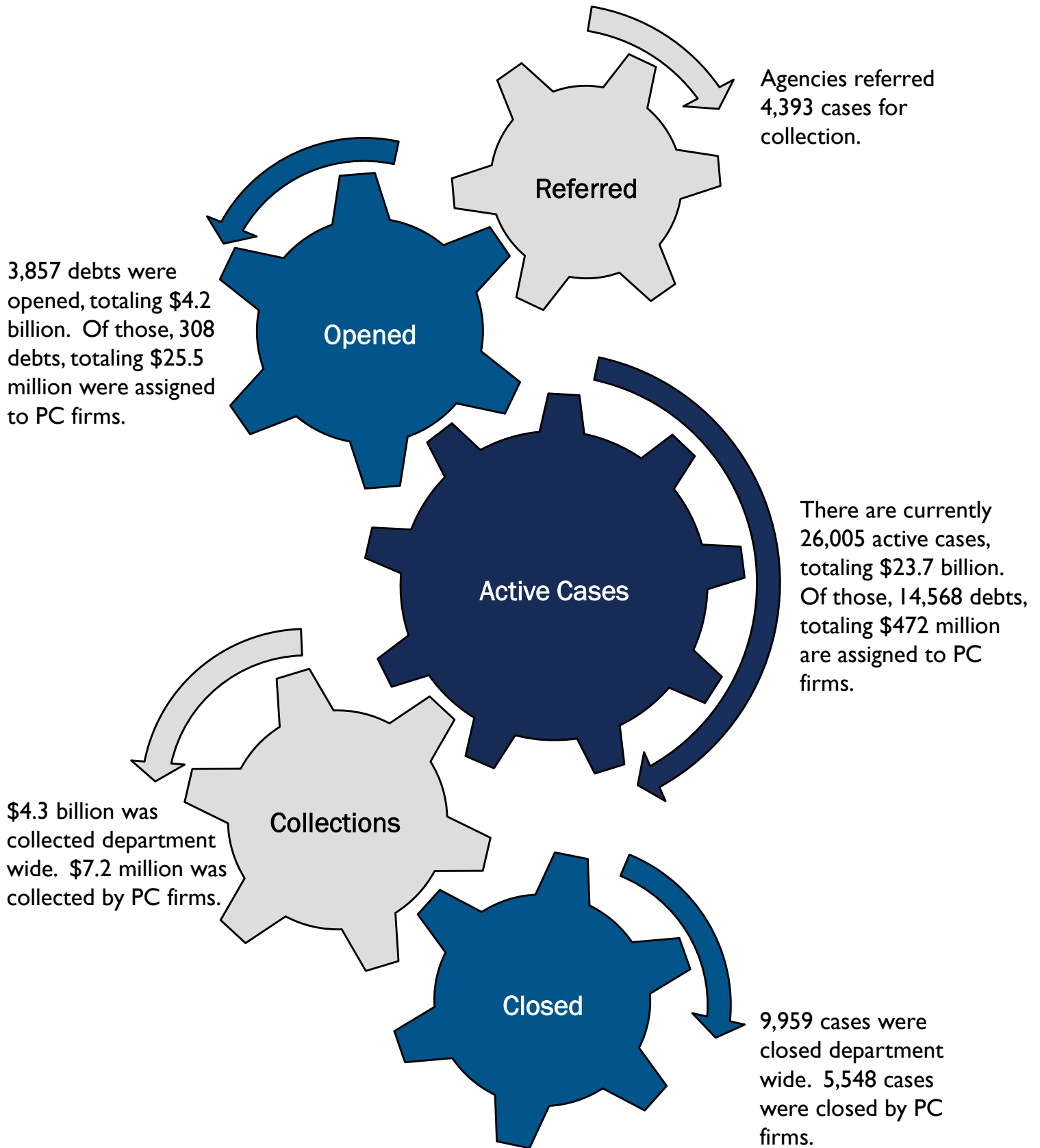
Reporting Requirement

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—

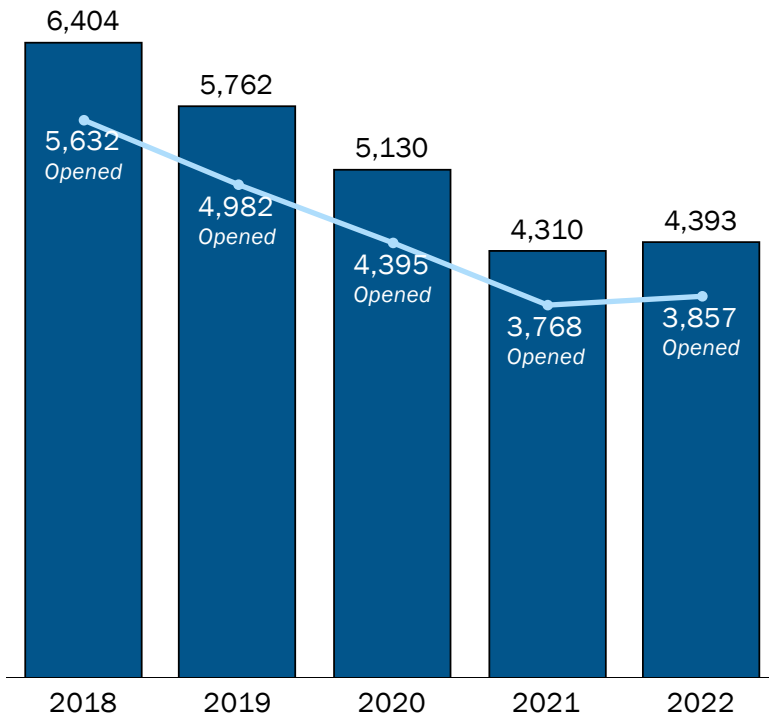
- (1) the total number and amounts of claims which were referred for legal services to the Department and to Private Counsel under subsection (b) during the 1-year period covered by the report;
- (2) the total number and amount of those claims referred for legal services to the Department which were 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.

Fiscal Year Summary



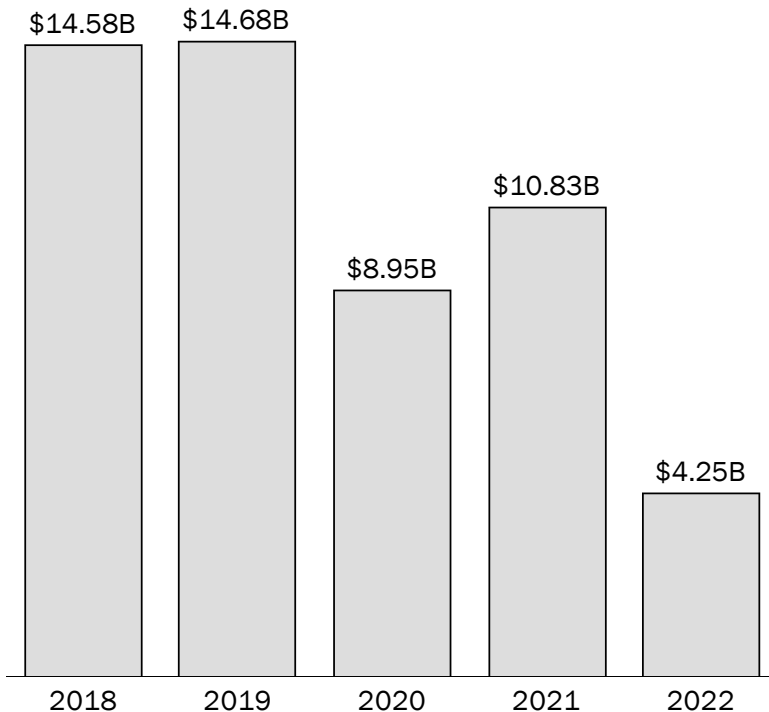
Number of Civil Debt Referrals by Fiscal Year



The number of FY 2022 referrals increased by 2% from FY 2021, which, in turn, resulted in a 2% increase in debts opened in FY 2022.

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

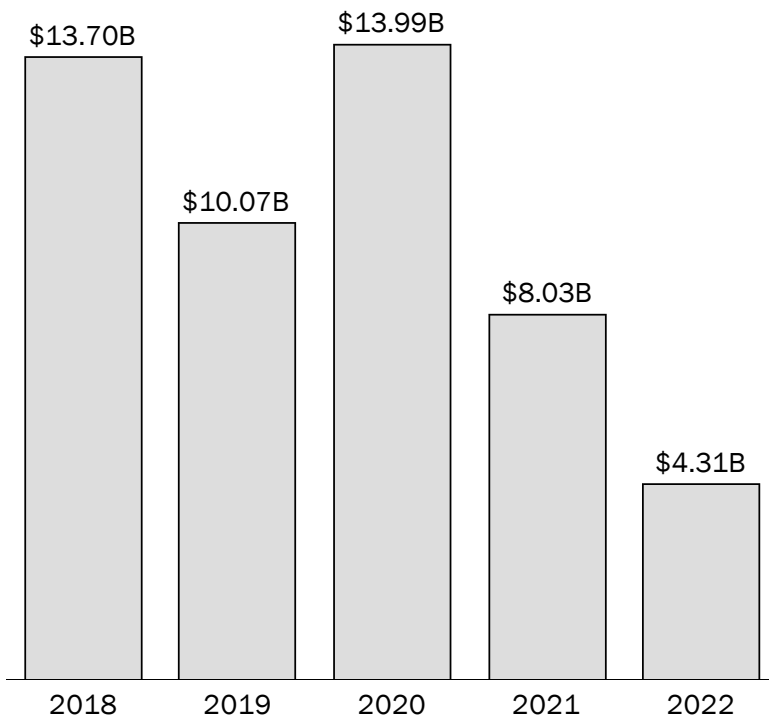
Balance of Civil Debts Opened by Fiscal Year



The balance of debts opened has decreased by 61% from FY 2021 to FY 2022. This decrease is primarily due to fewer high dollar cases being opened in FY 2022.

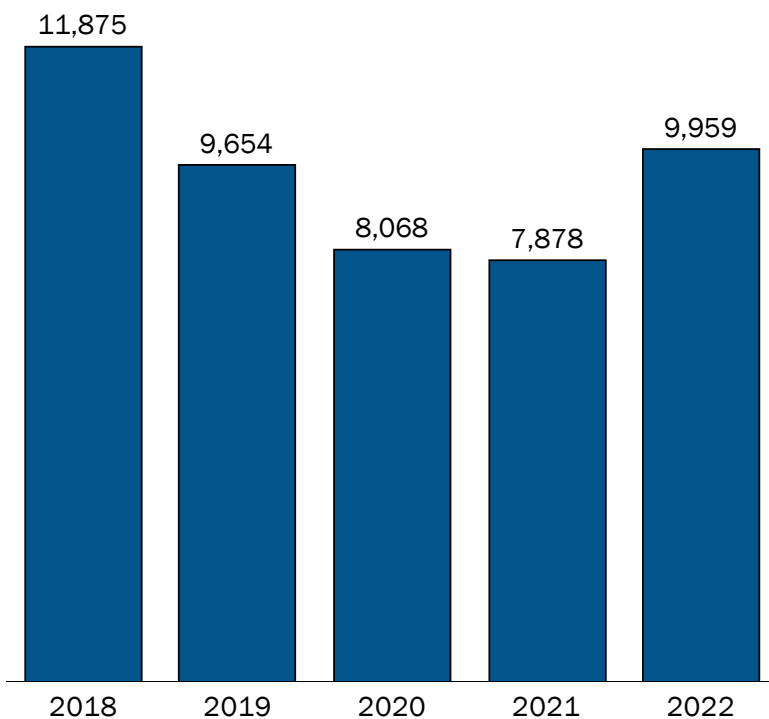
**"Opened," refers to cases opened by the Department during the fiscal year. "Opened" cases can include cases referred to the Department in previous fiscal years.

Amount of Civil Debt Collections by Fiscal Year



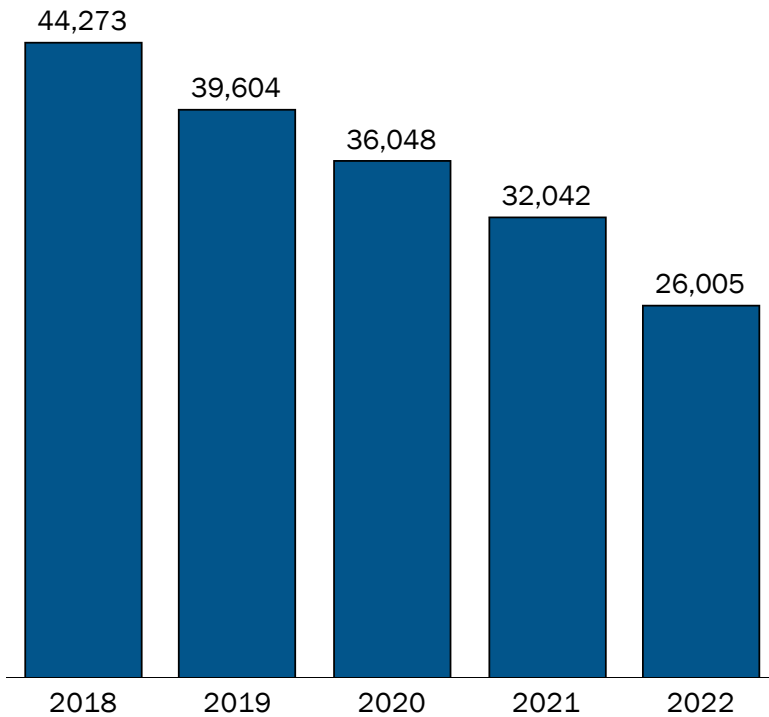
The amount of collections decreased by 46% from FY 2021 to FY 2022. The FY 2022 decrease is due to fewer collections in high dollar cases.

Number of Civil Debt Closures by Fiscal Year



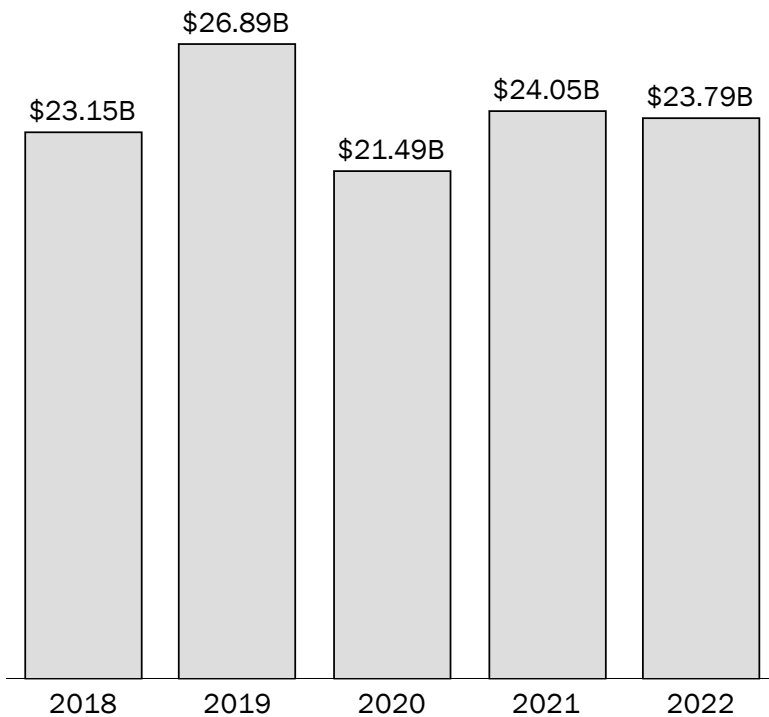
The number of debt closures increased by 26% from FY 2021 to FY 2022. The FY 2022 increase is due to the U.S. Department of Education's (Education) Fresh Start initiative announced on April 6, 2022.

Number of Active Civil Debts by Fiscal Year



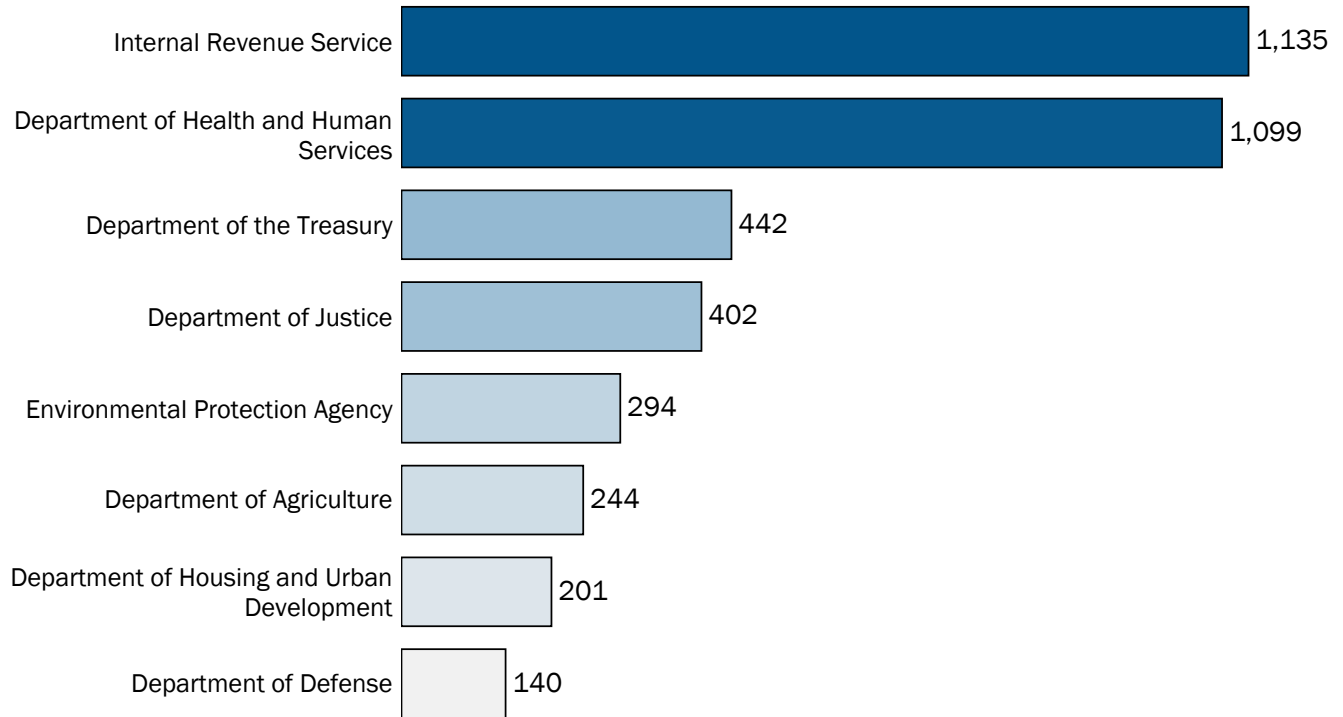
The number of active civil debts continues to decrease each year. The number of debts decreased by 19% from FY 2021 to FY 2022. The FY 2022 decrease is largely due to Education's Fresh Start initiative announced on April 6, 2022.

Balance of Active Civil Debts by Fiscal Year

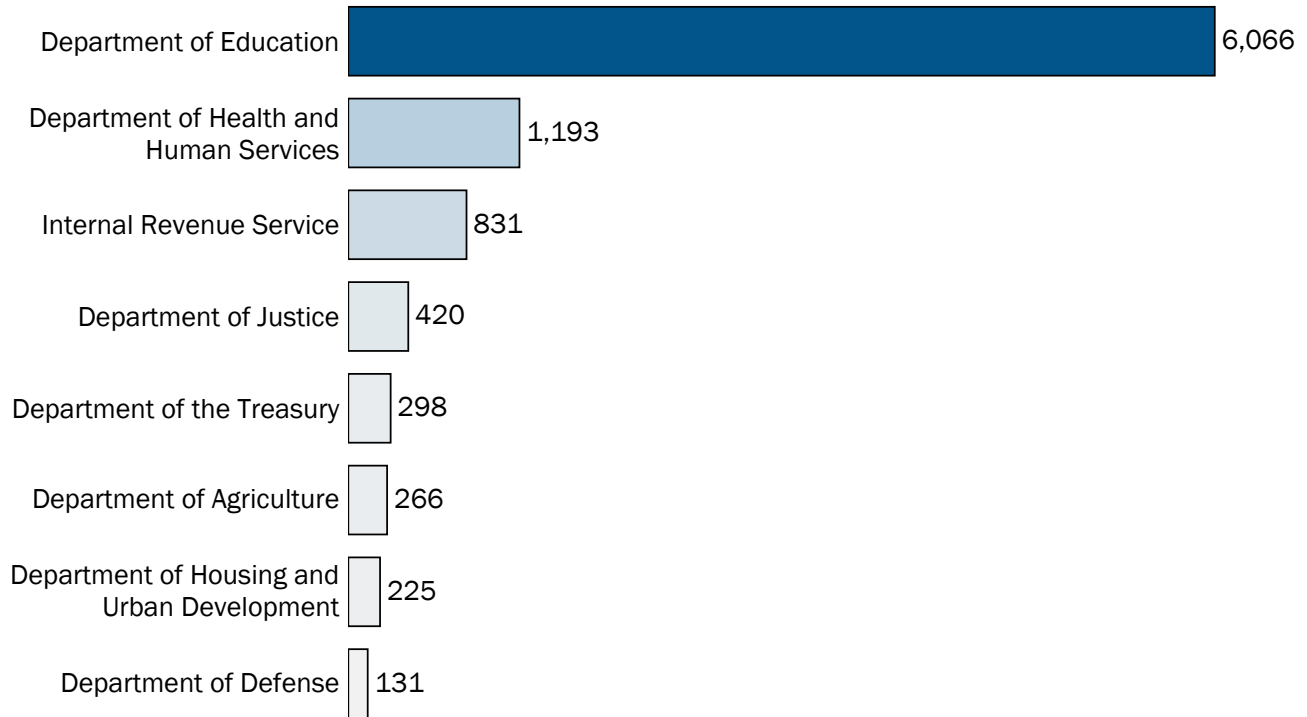


The balance of active civil debts remained steady from FY 2021 to FY 2022.

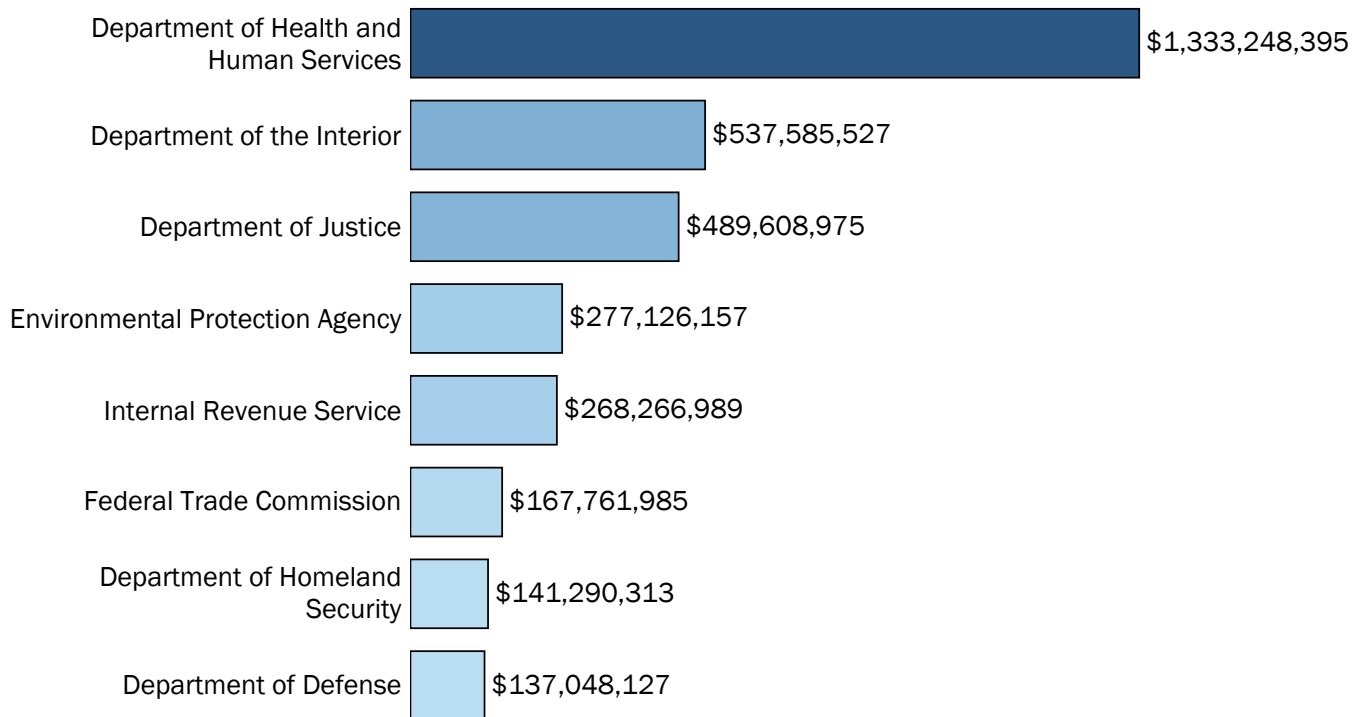
Top Eight Agencies by Number of Referrals



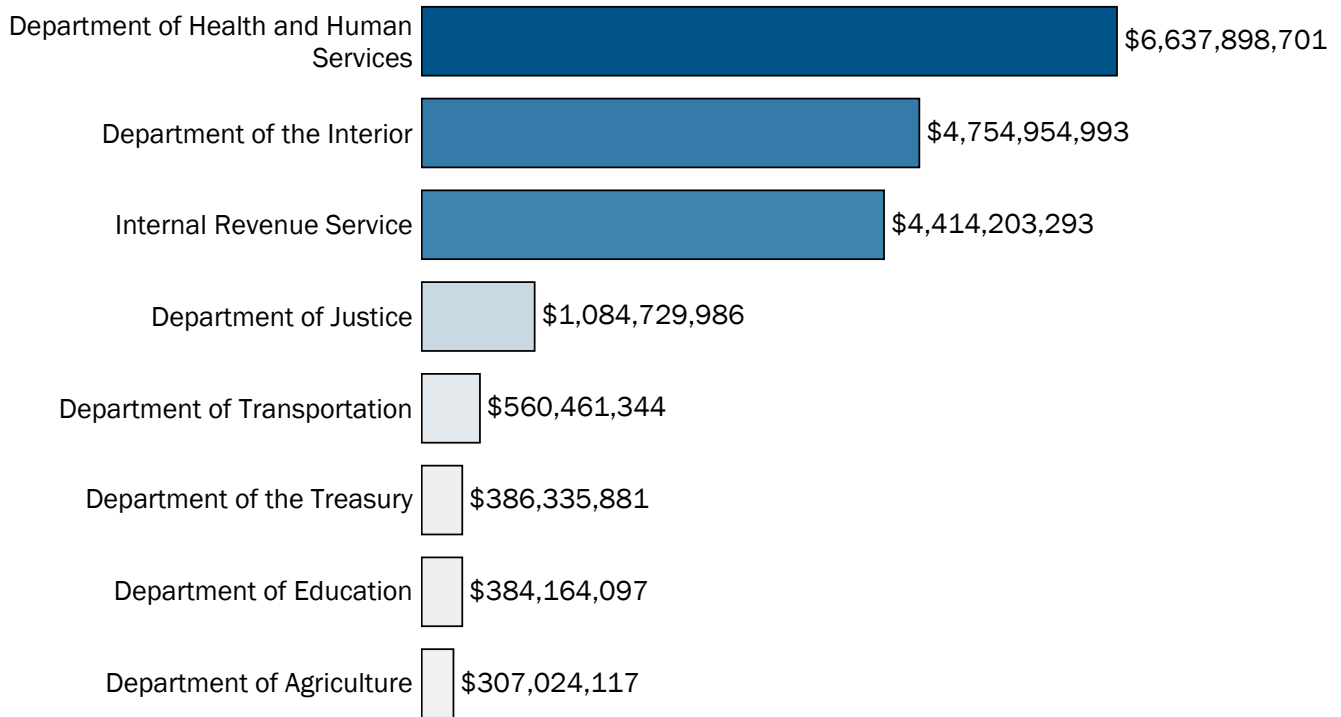
Top Eight Agencies by Number of Cases Closed



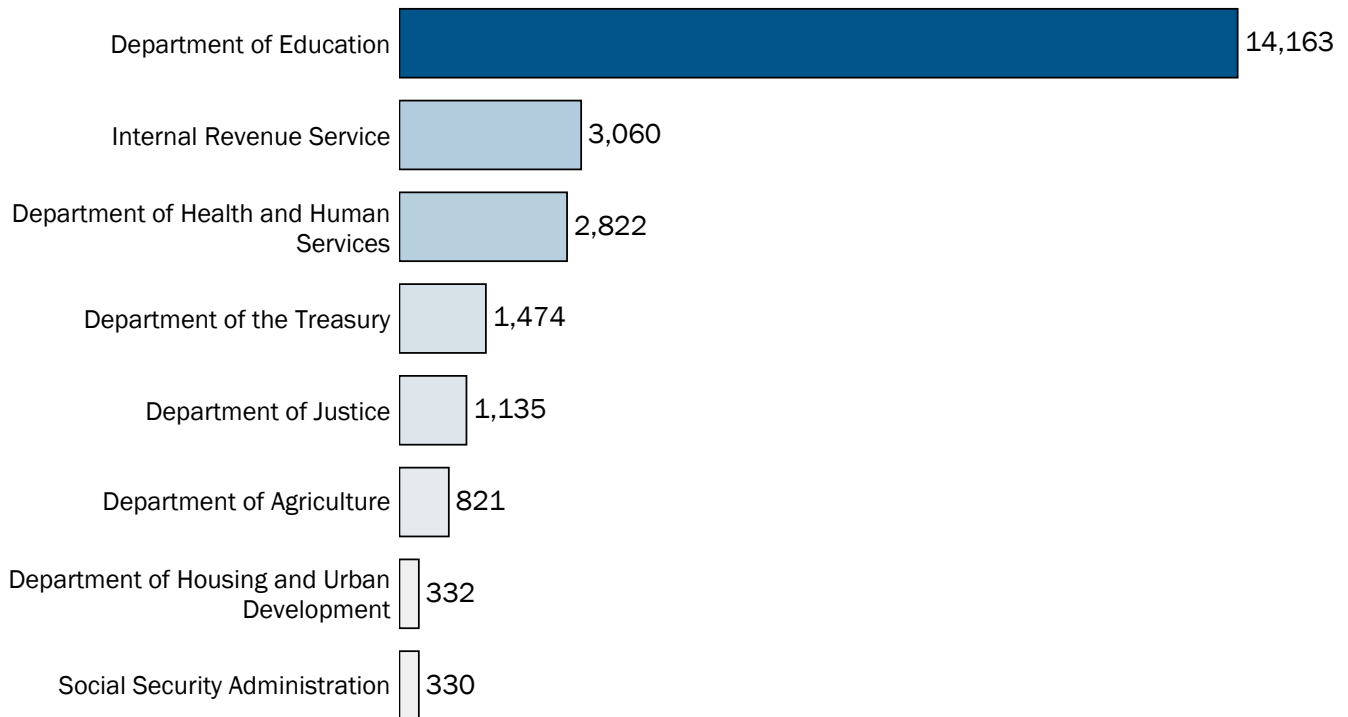
Top Eight Agencies by Amount Collected



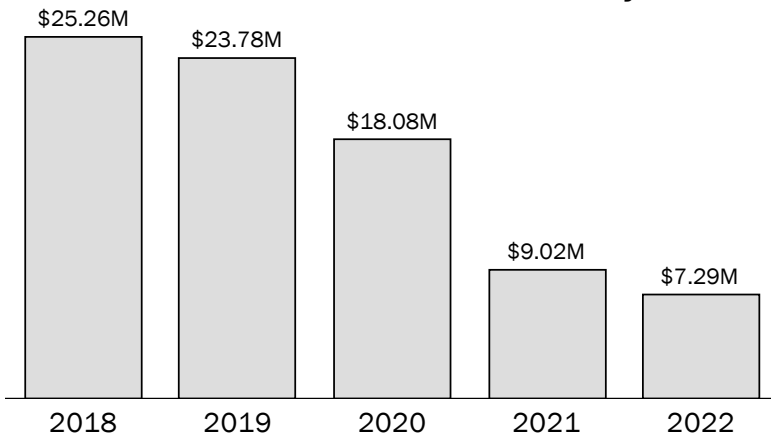
Top Eight Agencies by Balance of Active Cases



Top Eight Agencies by Number of Active Cases

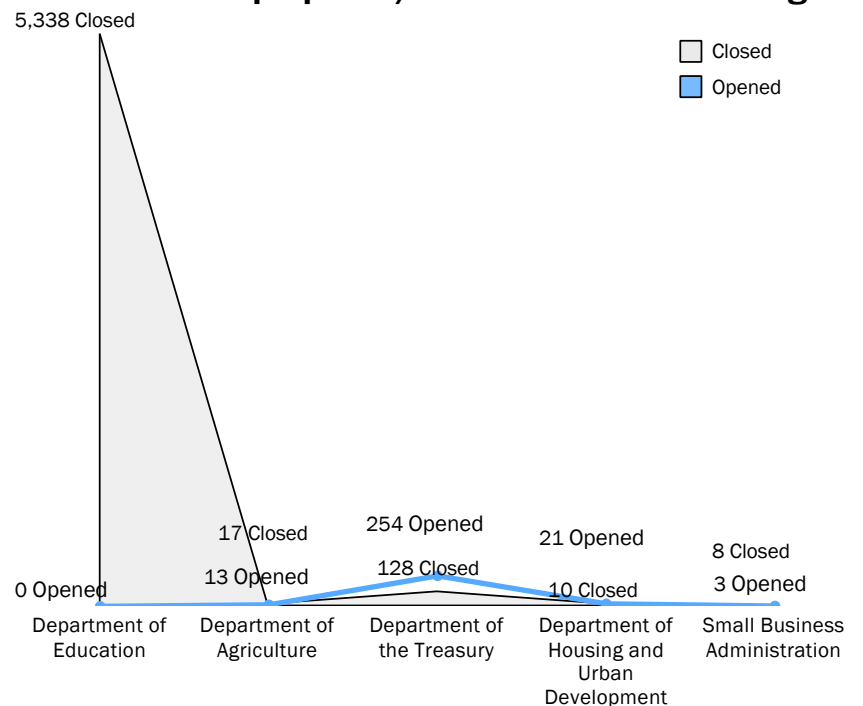


Private Counsel Civil Debt Collections by Fiscal Year



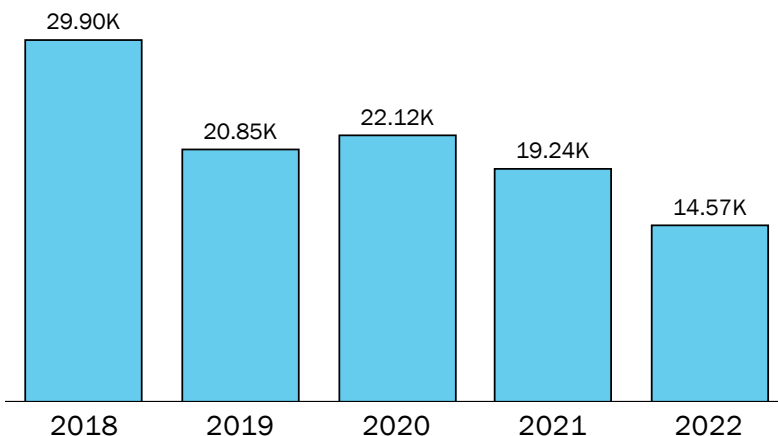
PC firms collections decreased in FY 2022 by 19%. This decrease is largely due to the continued moratorium on Student Loan collection.

Private Counsel Top Opened/Closed Case Ratio Changes



In FY 2022, PC firms received no new cases from Education, however, PCs closed 5,338 existing Education cases. Department of Agriculture referrals decreased by 85% in FY 2022. Department of Housing and Urban Development referrals decreased by 48% in FY 2022.

Private Counsel Number of Active Civil Debts by Fiscal Year

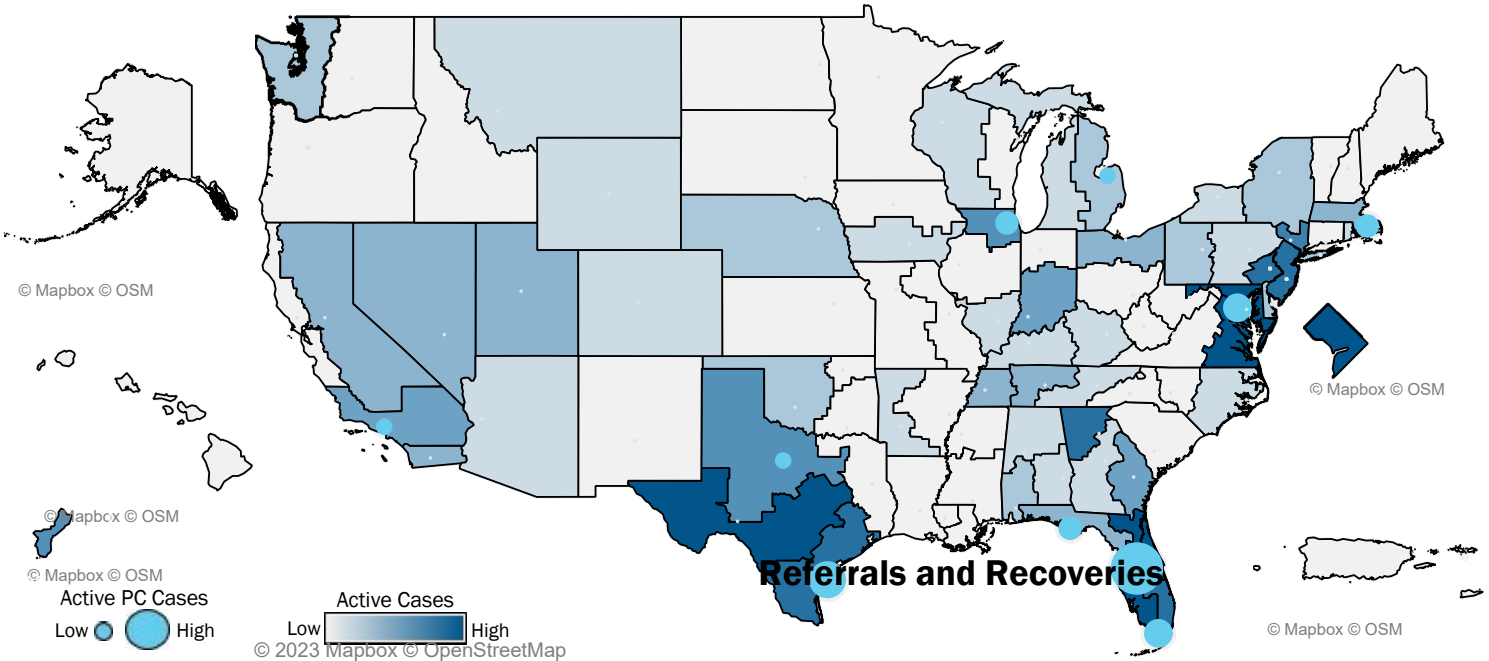


PC firms active debt count decreased this fiscal year by 24%. The FY 2022 decrease is due to the Education's Fresh Start initiative announced on April 6, 2022.

DEPARTMENT OF DEFENSE

\$137,048,127
Total Collected

Active Cases by Collection District



Fiscal Year Stats

140
Debts Referred
FY Change: ▲10.2%

136
Debts Opened
FY Change: ▲7.1%

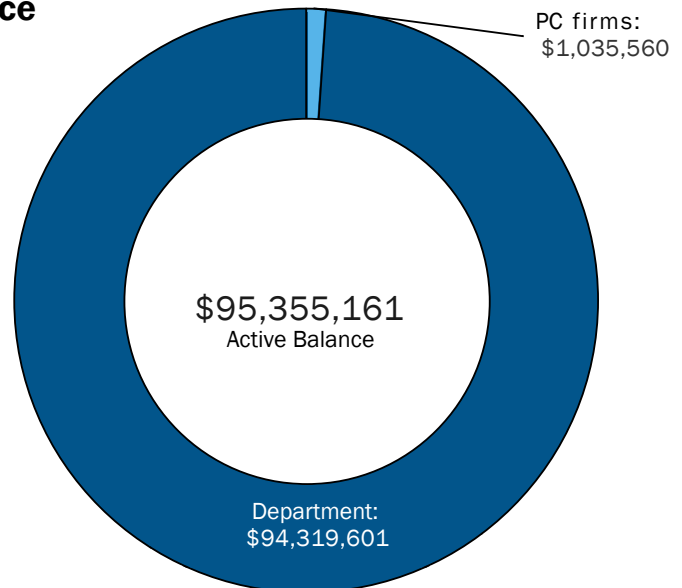
131
Debts Closed
FY Change: ▲0.8%

241
Debts Active
FY Change: ▲2.1%

Top Debt Types Opened



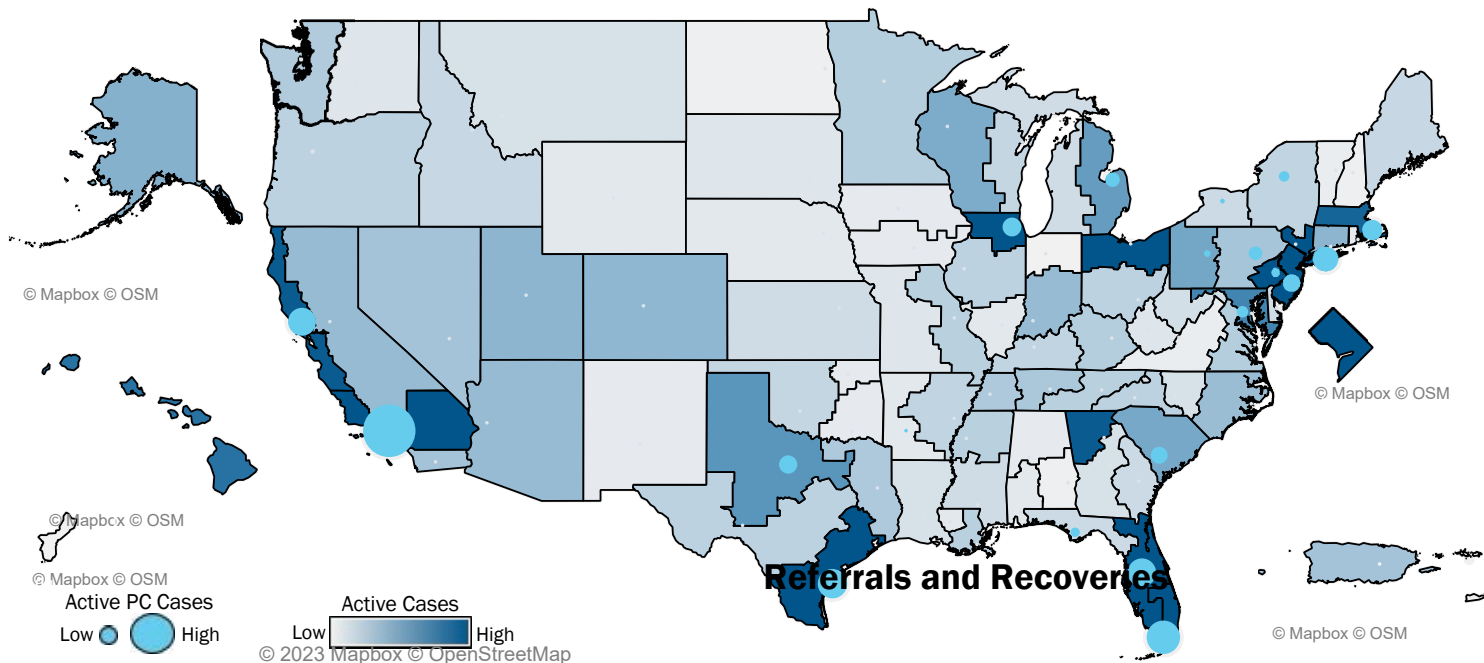
Active Balance



DEPARTMENT OF HEALTH AND HUMAN SERVICES

\$1,333,248,395
Total Collected

Active Cases by Collection District



Fiscal Year Stats

1,099
Debts Referred
FY Change: ▲1.4%

1,097
Debts Opened
FY Change: ▲1.2%

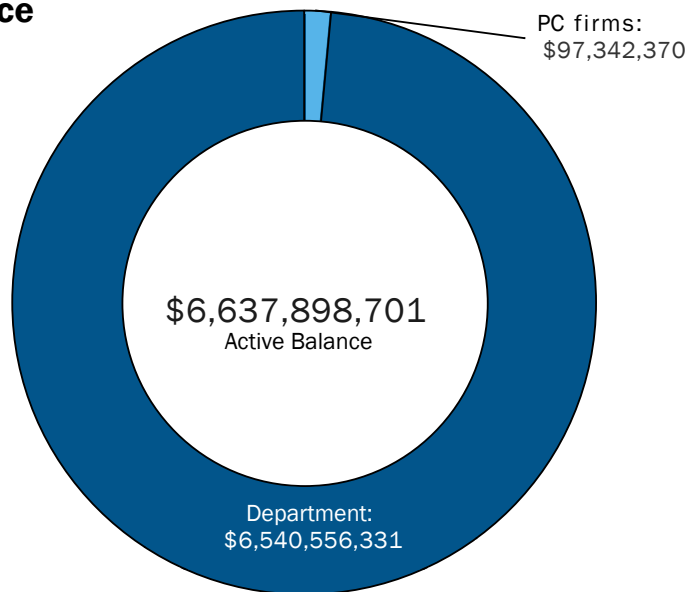
1,193
Debts Closed
FY Change: ▲1.4%

2,822
Debts Active
FY Change: ▼-3.2%

Top Debt Types Opened



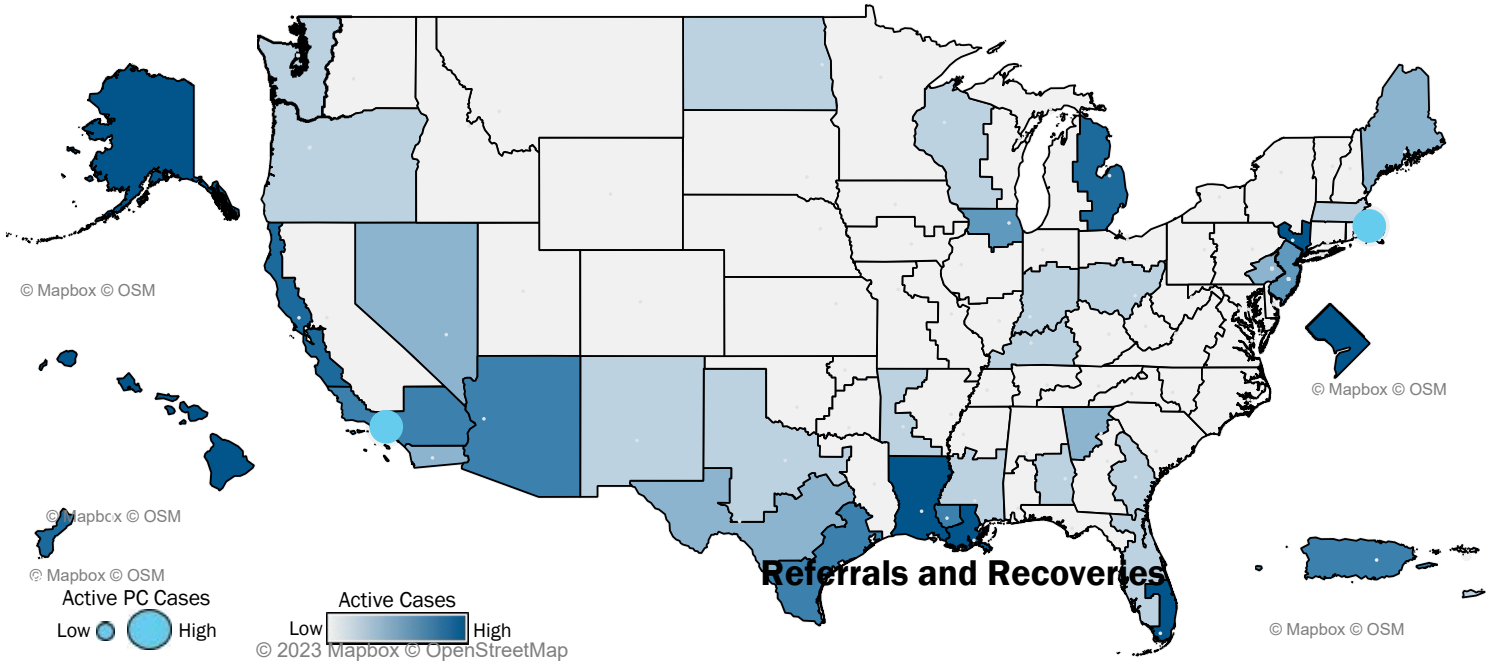
Active Balance



DEPARTMENT OF HOMELAND SECURITY

\$141,290,313
Total Collected

Active Cases by Collection District



Referrals and Recoveries

Fiscal Year Stats

52
Debts Referred
FY Change: ▼-14.8%

38
Debts Opened
FY Change: ▼-28.3%

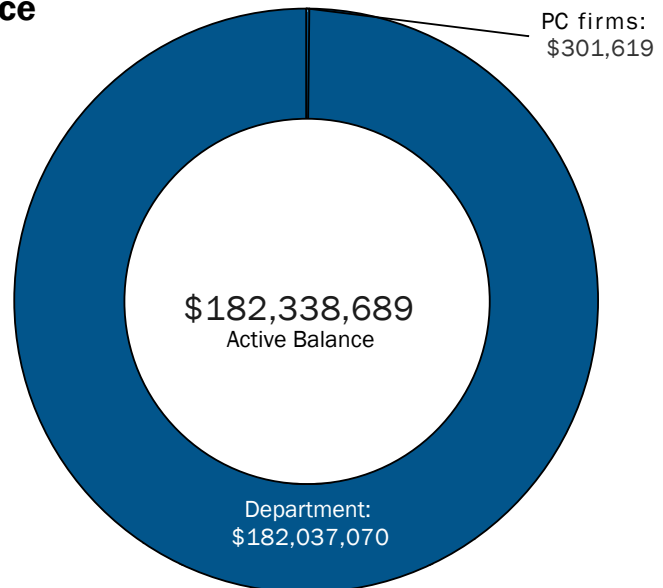
42
Debts Closed
FY Change: ()0.0%

144
Debts Active
FY Change: ▲0.7%

Top Debt Types Opened



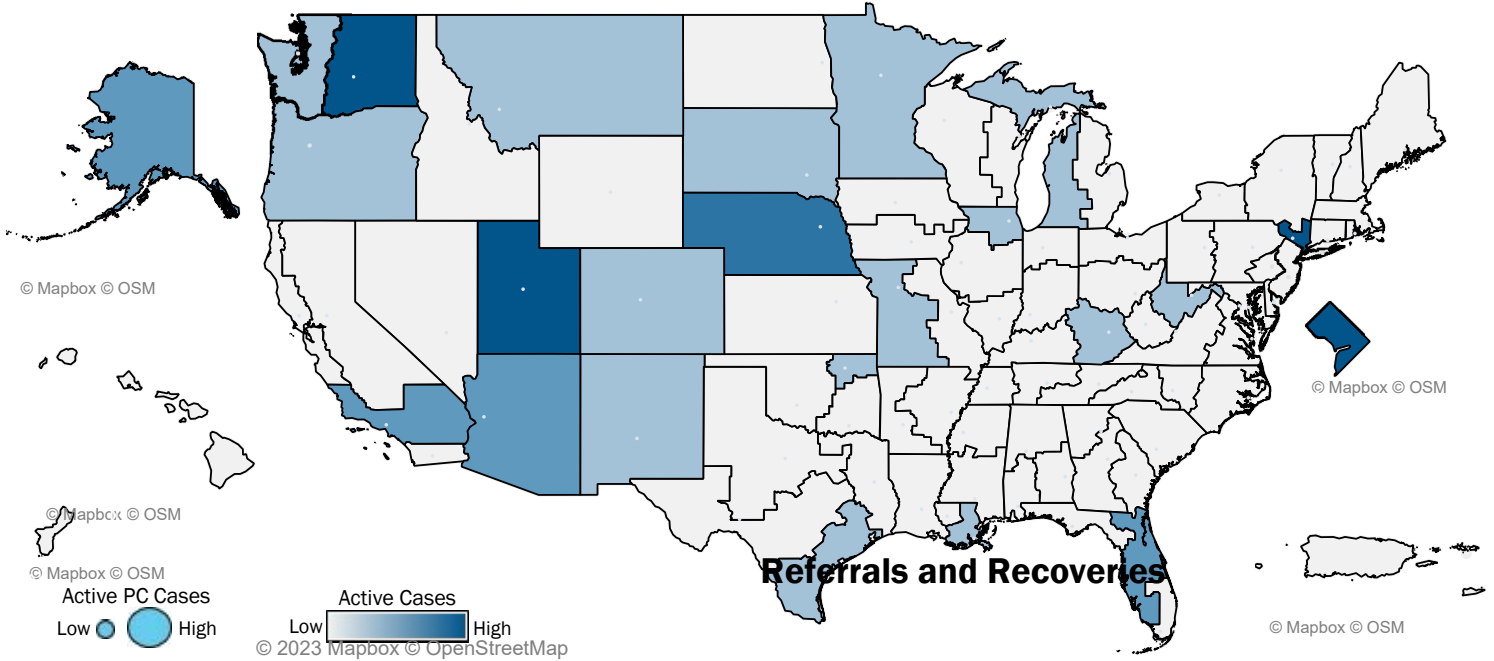
Active Balance



DEPARTMENT OF THE INTERIOR

\$537,585,527
Total Collected

Active Cases by Collection District



Fiscal Year Stats

49
Debts Referred
FY Change: ▼-30.0%

28
Debts Opened
FY Change: ▼-26.3%

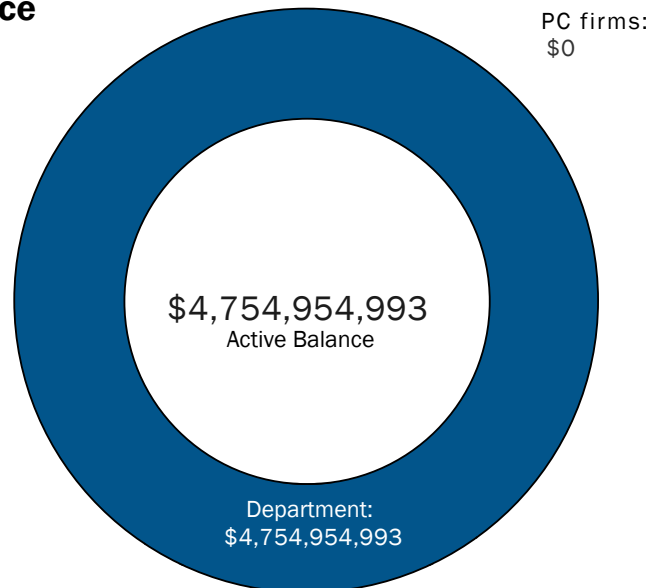
31
Debts Closed
FY Change: ▲6.9%

72
Debts Active
FY Change: ▼-7.7%

Top Debt Types Opened



Active Balance

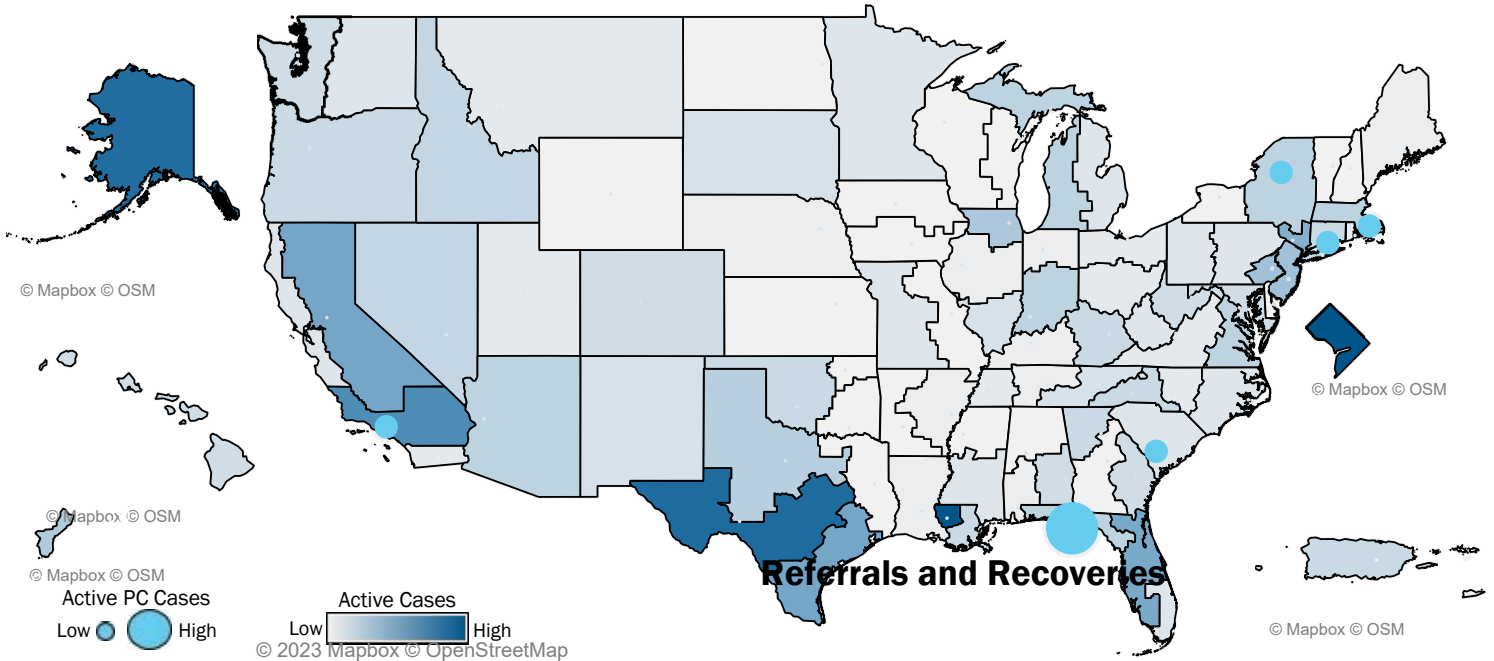


DEPARTMENT OF JUSTICE

\$489,608,975

Total Collected

Active Cases by Collection District



Fiscal Year Stats

402
Debts Referred
FY Change: ▲ 35.4%

479
Debts Opened
FY Change: ▲ 32.3%

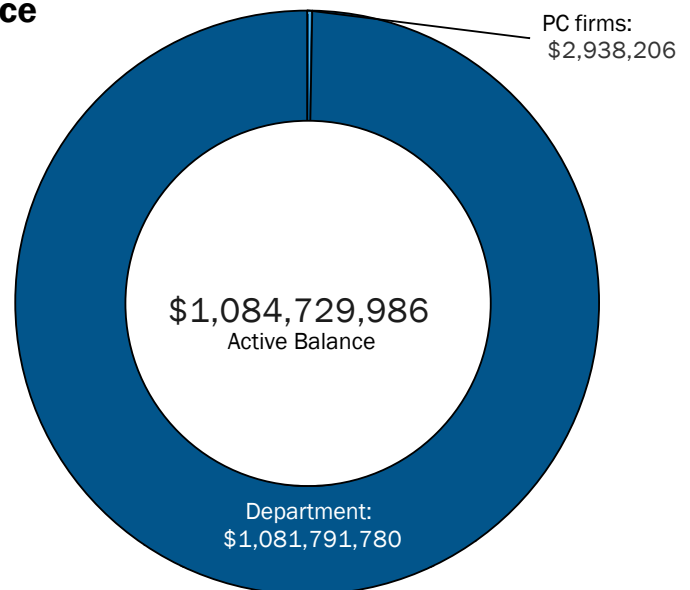
420
Debts Closed
FY Change: ▲ 21.0%

1,135
Debts Active
FY Change: ▲ 5.9%

Top Debt Types Opened



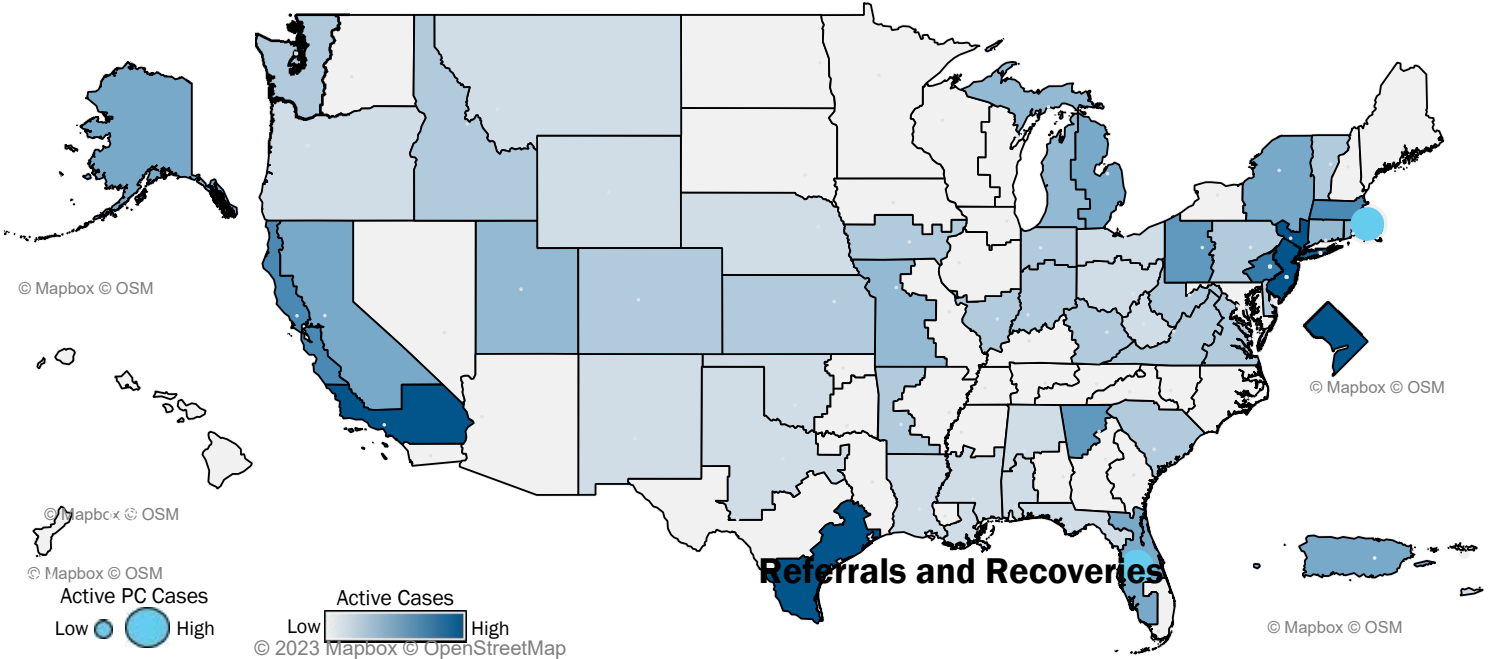
Active Balance



ENVIRONMENTAL PROTECTION AGENCY

\$277,126,157
Total Collected

Active Cases by Collection District



Fiscal Year Stats

294
Debts Referred
FY Change: ▲28.9%

117
Debts Opened
FY Change: ▲9.3%

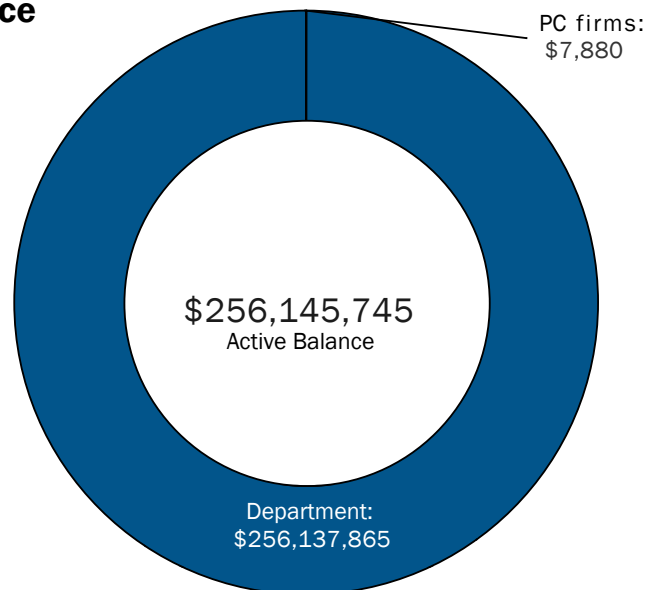
113
Debts Closed
FY Change: ▼-2.6%

283
Debts Active
FY Change: ▲8.0%

Top Debt Types Opened



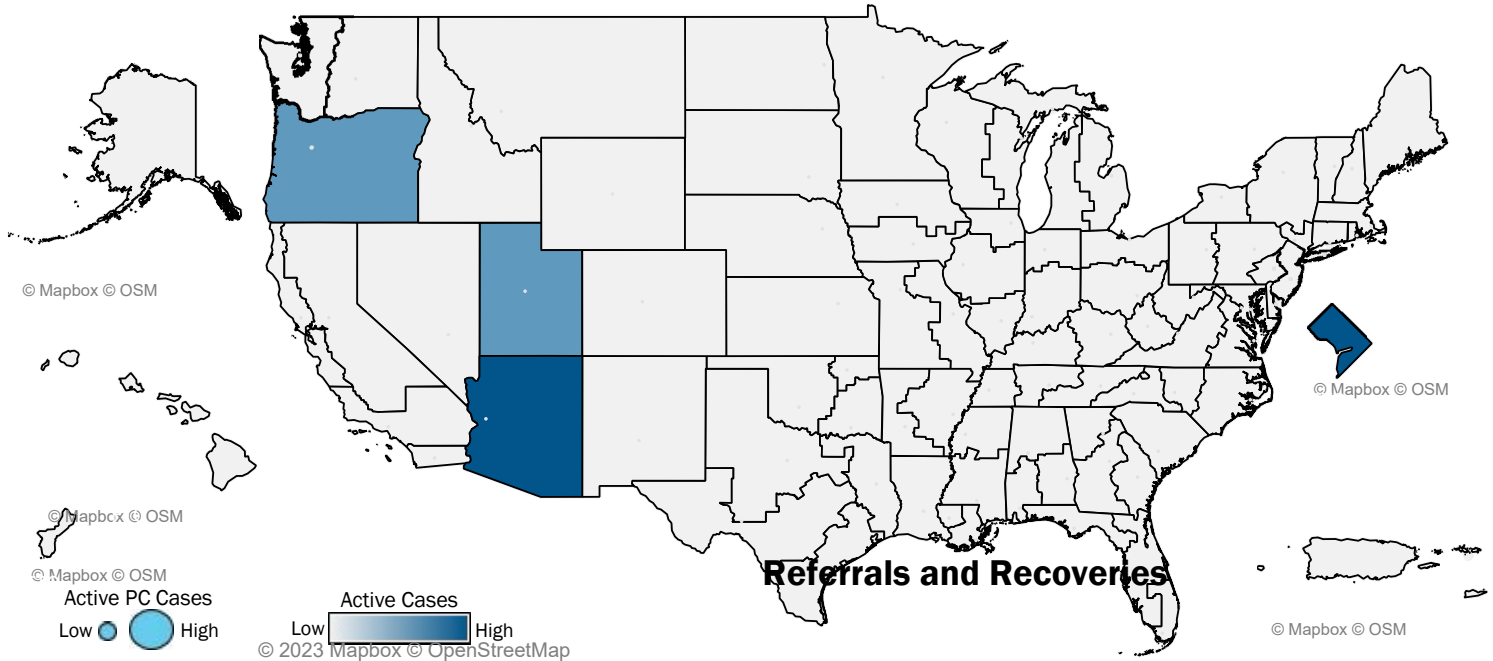
Active Balance



FEDERAL TRADE COMMISSION

\$167,761,985
Total Collected

Active Cases by Collection District



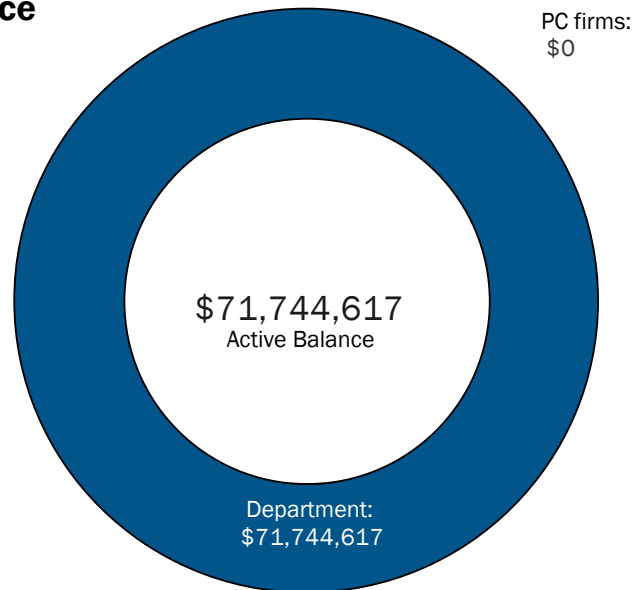
Fiscal Year Stats

- 12**
Debts Referred
FY Change: ▲33.3%
- 12**
Debts Opened
FY Change: ▲33.3%
- 11**
Debts Closed
FY Change: ▲1,000.0%
- 27**
Debts Active
FY Change: ▲3.8%

Top Debt Types Opened



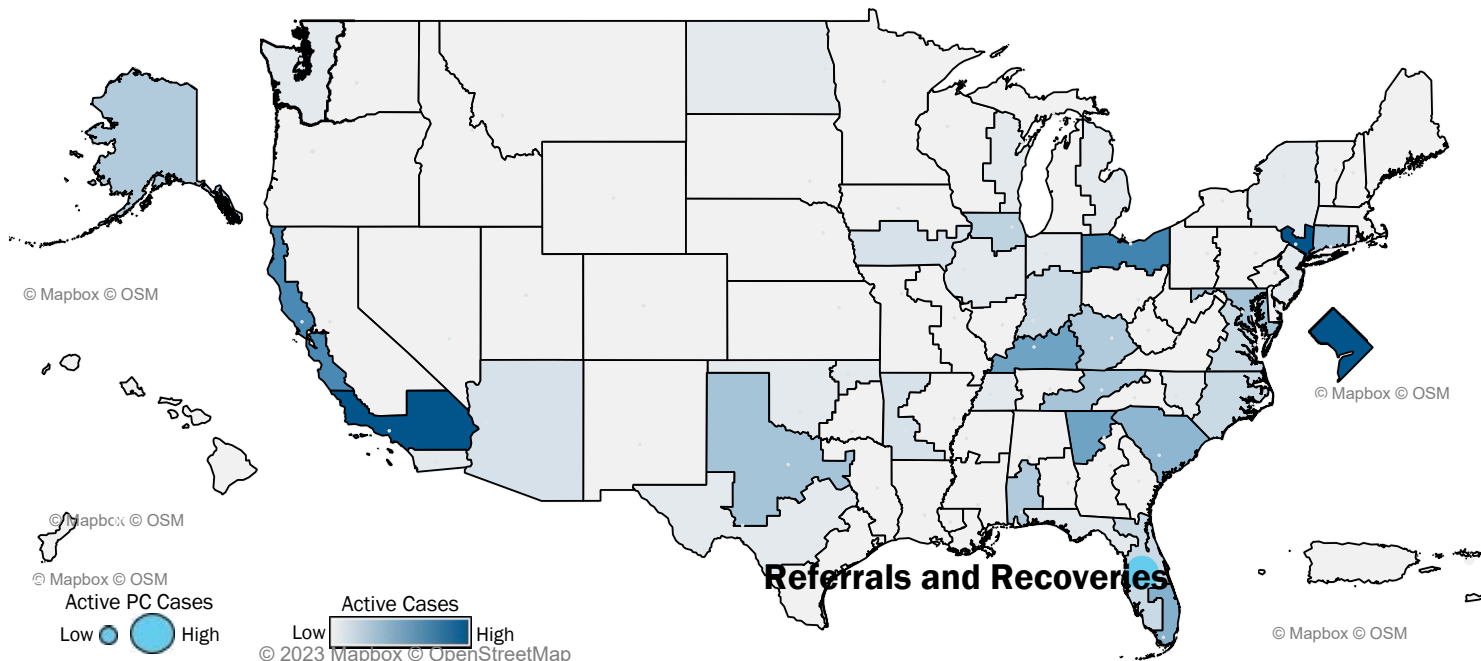
Active Balance



INTERNAL REVENUE SERVICE

\$268,266,989
Total Collected

Active Cases by Collection District



Fiscal Year Stats

1,135
Debts Referred
FY Change: ▲0.2%

761
Debts Opened
FY Change: ▼-2.2%

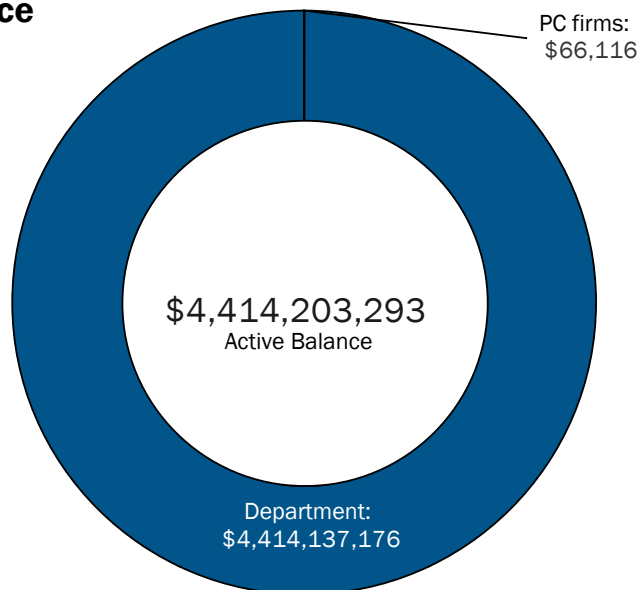
831
Debts Closed
FY Change: ▼-4.2%

3,060
Debts Active
FY Change: ▼-1.9%

Top Debt Types Opened



Active Balance



DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO
CONGRESS FY 2022

Appendix A: Department-wide Statistics

Agency	Collections	Debts Closed	Debts Opened	Opened Balance	Active	Active Balance
Administrative Office of the US Courts	\$1,972	0	1	\$10,000	5	\$1,071,096
Agency for International Development	\$2,320,848	1	2	\$2,320,778	4	\$1,313,363
Agency for State Collection	\$0	0	2	\$327,735	4	\$633,082
All Other Independent Agencies	\$36,901,968	18	25	\$43,005,439	16	\$9,697,518
Amtrak	\$350,000	1	0	\$0	1	\$4,700
Commodity Futures Trading Commission	\$110,513	8	7	\$2,057,825	98	\$163,198,861
Consumer Product Safety Commission	\$0	1	0	\$0	2	\$25,850
Corporation of National & Community Service	\$3,071,885	6	5	\$3,066,311	1	\$20,126
Department of Agriculture	\$64,120,928	266	211	\$67,526,419	821	\$307,024,117
Department of Commerce	\$5,332,903	2	1	\$5,306,125	9	\$50,440,542
Department of Defense	\$137,048,127	131	136	\$129,940,491	241	\$95,355,161
Department of Education	\$30,455,866	6,066	6	\$15,116,648	14,163	\$384,164,097
Department of Energy	\$10,874,341	6	2	\$10,625,000	15	\$6,446,348
Department of Health and Human Services	\$1,333,248,395	1,193	1,097	\$2,205,662,153	2,822	\$6,637,898,701
Department of Homeland Security	\$141,290,313	42	38	\$142,062,693	144	\$182,338,689
Department of Housing and Urban Development	\$53,519,895	225	213	\$17,759,025	332	\$267,986,778
Department of Justice	\$489,608,975	420	479	\$536,789,893	1,135	\$1,084,729,986
Department of Labor	\$39,860,955	10	18	\$21,223,671	72	\$19,962,472
Department of State	\$4,397,912	2	2	\$4,236,293	3	\$10,044,805
Department of the Interior	\$537,585,527	31	28	\$42,975,174	72	\$4,754,954,993
Department of the Treasury	\$46,743,940	298	430	\$61,924,844	1,474	\$386,335,881
Department of Transportation	\$5,157,774	23	20	\$4,397,236	65	\$560,461,344
Department of Veterans Affairs	\$12,332,454	78	67	\$19,349,408	165	\$38,940,229
Environmental Protection Agency	\$277,126,157	113	117	\$251,971,373	283	\$256,145,745
Equal Employment Opportunity Commission	\$0	1	1	\$364,540	5	\$1,222,650
Export/Import Bank of The U.S.	\$1,512,368	0	2	\$8,524,059	13	\$22,320,944
Federal Communications Commission	\$438,205	4	6	\$643,580	77	\$35,574,458
Federal Deposit Insurance Corporation	\$837,166	1	3	\$3,772,996	7	\$6,743,900
Federal Housing Finance Agency	\$3,500	1	0	\$0	5	\$38,402
Federal Reserve System	\$4,810	0	0	\$0	2	\$46,029

DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO
CONGRESS FY 2022

Appendix A: Department-wide Statistics

Agency	Collections	Debts Closed	Debts Opened	Opened Balance	Active	Active Balance
Federal Trade Commission	\$167,761,985	11	12	\$186,914,093	27	\$71,744,617
General Services Administration	\$1,696,241	3	3	\$193,354	12	\$7,587,218
Government Accountability Office	\$0	0	0	\$0	1	\$1,732,136
Government Printing Office	\$7,500	0	0	\$0	2	\$100,082
Internal Revenue Service	\$268,266,989	831	761	\$260,948,667	3,060	\$4,414,203,293
Miscellaneous Agencies	\$982,371	1	2	\$1,007,894	3	\$25,565
Multiple Agencies	\$552,356,071	18	15	\$112,945,719	35	\$3,757,230,875
National Aeronautics and Space Administration	\$2,898,430	4	6	\$4,555,834	12	\$10,494,585
National Archives and Records Service	\$0	0	0	\$0	1	\$25,216
National Endowment of The Arts	\$14,000	0	0	\$0	1	\$33,500
National Science Foundation	\$2,081,015	4	2	\$1,936,509	5	\$624,585
National Security Agency	\$0	0	0	\$0	1	\$0
National Transportation Safety Board	\$0	0	0	\$0	1	\$8,875
Office of Personnel Management	\$34,914,605	3	4	\$35,859,390	20	\$2,625,919
Pension Benefit Guaranty Corporation	\$109,890	0	1	\$110,615	1	\$725
Public Building Service	\$5,000	1	1	\$5,000	0	\$0
Railroad Retirement Board	\$909,086	9	8	\$232,283	149	\$4,585,801
Securities and Exchange Commission	\$0	0	0	\$0	2	\$48,598,241
Small Business Administration	\$10,093,660	67	75	\$13,292,922	176	\$123,708,636
Smithsonian Institute	\$0	0	0	\$0	2	\$311,206
Social Security Administration	\$1,086,545	29	13	\$1,048,196	330	\$17,040,721
State/County/Municipal Authorities	\$60,000	0	0	\$0	5	\$1,427,414
U.S. Army Corps of Engineers	\$9,515,807	7	16	\$9,573,987	29	\$11,203,979
U.S. Courts	\$10,999	6	0	\$0	23	\$102,049
U.S. International Development Finance Corp..	\$34,151	0	0	\$0	1	\$50,561
U.S. Postal Service	\$20,974,603	17	18	\$20,587,894	48	\$29,188,206
U.S. Trade and Development Agency	\$0	0	0	\$0	1	\$123,558
United States Senate	\$60,000	0	1	\$60,000	1	\$0

DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO
CONGRESS FY 2022

Appendix B: Private Counsel Statistics

Agency	Collections	Debts Closed	Opened And Referred to PC	Opened Balance	Active	Active Balance
Commodity Futures Trading Commission	\$6,634	0	0	\$0	7	\$1,379,922
Department of Agriculture	\$1,171,520	17	13	\$2,922,802	288	\$49,029,731
Department of Defense	\$826	1	0	\$0	29	\$1,035,560
Department of Education	\$2,685,801	5,338	0	\$0	12,130	\$240,750,558
Department of Health and Human Services	\$762,259	24	0	\$0	852	\$97,342,370
Department of Homeland Security	\$0	1	1	\$22,158	2	\$301,619
Department of Housing and Urban Development	\$1,367,037	10	21	\$5,939,968	130	\$19,460,281
Department of Justice	\$11,196	2	2	\$2,324,134	10	\$2,938,206
Department of Labor	\$0	0	1	\$133,749	6	\$399,249
Department of the Treasury	\$610,369	128	254	\$11,676,231	909	\$45,282,851
Department of Transportation	\$56,666	9	7	\$1,259,998	16	\$2,239,985
Department of Veterans Affairs	\$27,179	5	0	\$0	76	\$4,797,935
Environmental Protection Agency	\$72,686	0	0	\$0	2	\$7,880
Export/Import Bank of The U.S.	\$7,800	0	0	\$0	1	\$588,571
Federal Communications Commission	\$13,792	0	3	\$55,000	17	\$268,602
Internal Revenue Service	\$0	2	0	\$0	1	\$66,116
Railroad Retirement Board	\$0	0	0	\$0	2	\$31,226
Small Business Administration	\$471,557	8	3	\$987,984	23	\$3,946,982
Social Security Administration	\$26,329	3	3	\$195,649	60	\$2,052,465
U.S. Courts	\$354	0	0	\$0	3	\$10,181
U.S. Postal Service	\$0	0	0	\$0	4	\$163,998

UNITED STATES DEPARTMENT OF JUSTICE
DEBT COLLECTION MANAGEMENT

justice.gov/jmd/debt-collection-management-staff