

UNITED STATES DEPARTMENT OF JUSTICE  
**DEBT COLLECTION MANAGEMENT**  
**MAY 2020**



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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 and other Federal agencies, and is responsible for collecting 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, including Private Counsel firms (Private Counsel or PC ) 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 Private Counsel to represent the Department in its efforts to collect from federal debtors in each of up to ten Federal judicial districts as a pilot program to run for three years. The Debt Collection Improvement Act of 1996 expanded the use of Private Counsel by stating the Attorney General has permanent authority to contract with as few or as many Private Counsel in as many judicial districts as he deems appropriate. As of the end of Fiscal Year (FY) 2019, Private Counsel were retained by the Private Counsel Program in 20 Federal judicial districts with 33 Private Counsel Offices participating.

This report provides information on civil debt collection activity by the Department for FY 2019. Included is 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. Information is provided, broken out by the agencies that referred the debt to the Department, and is shown for overall debts handled by the Department and debts assigned to Private Counsel. Agency specific details can be found in the appendix at the back of the report.

## STATUTORY REQUIREMENTS

**As Required by  
31 United States Code Section 3718(6)(c)  
and Amended in the Debt Collection Improvement Act, 1996**

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 Debt Collection Improvement Act (PL 104-134).

### **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.

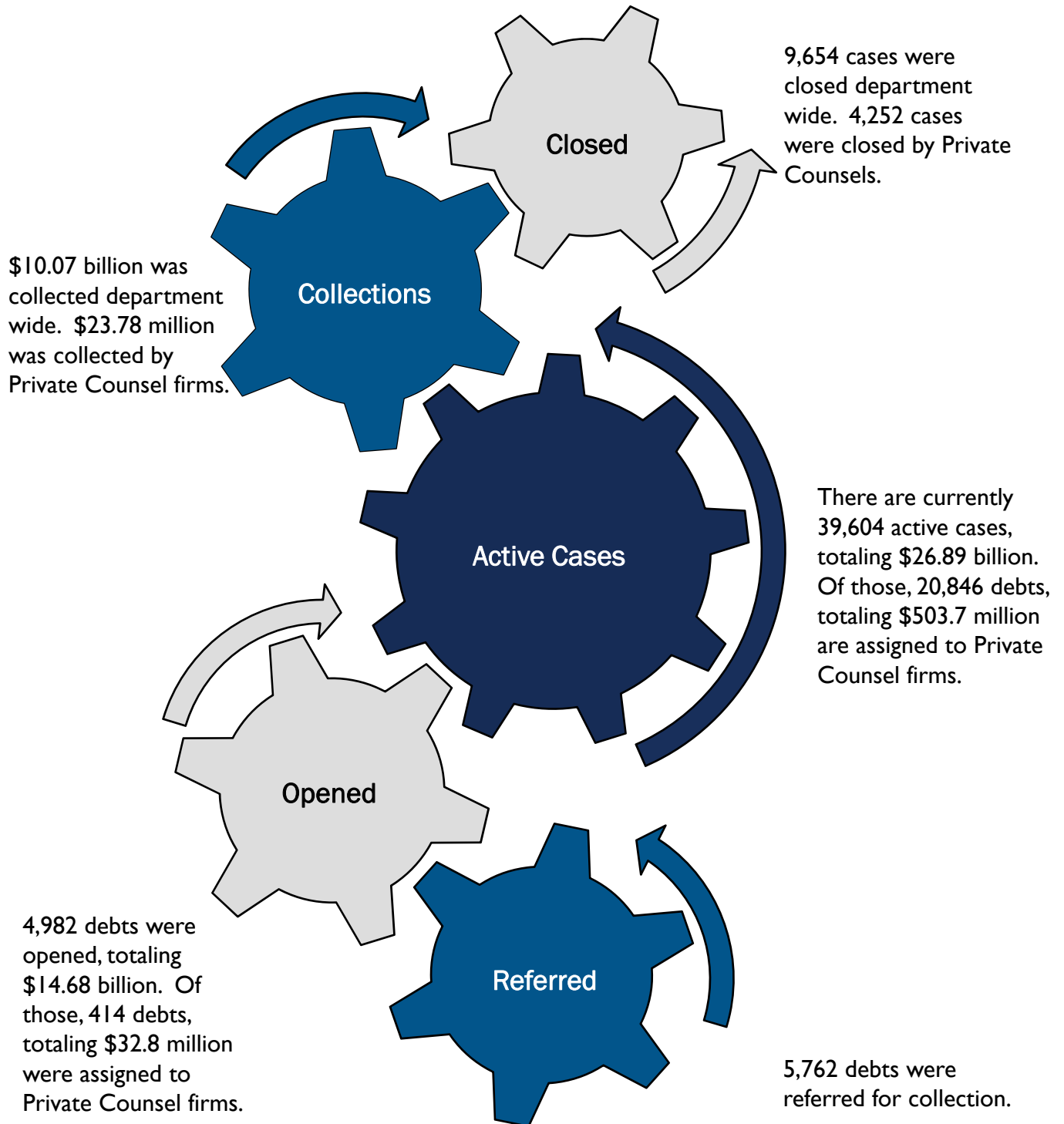
This Annual Civil Debt Collection Activity Report to Congress (Annual Report to Congress) fulfills the statutory requirement.

## INSIDE THE NUMBERS

The FY 2019 Annual Report to Congress was redesigned to provide a more useful, accurate, and detailed breakout of Department civil debt collection information. Key changes include:

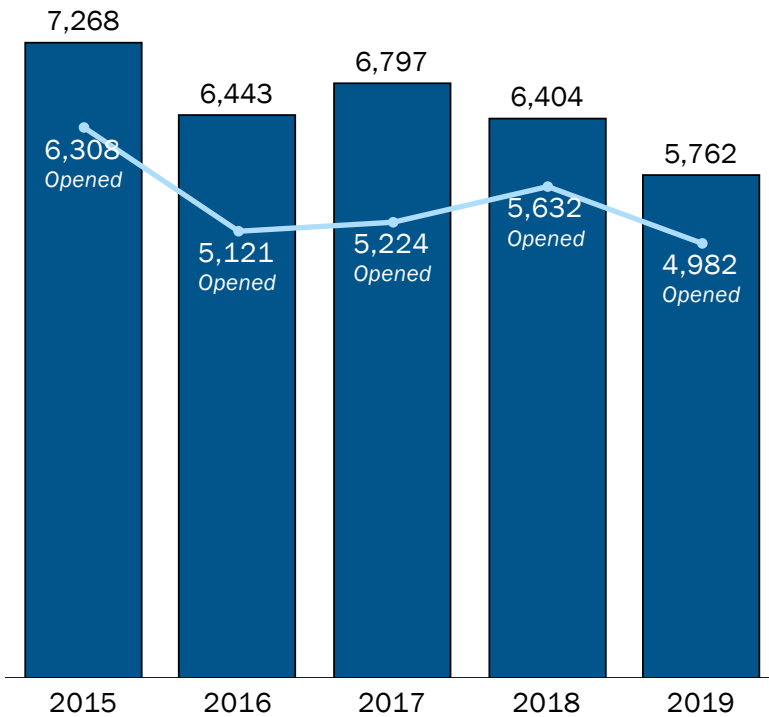
- Revised methodologies for all data categories in the Annual Report to Congress to provide information that is more accurate and transparent. For example, debts subsequently closed as “opened in error” are excluded. Debt balances and counts include corrective adjustments. Additional system enhancements have also contributed to improved data quality.
- Refined the Annual Report to Congress by breaking out referral data into two groups, “Referred,” and “Opened.” In previous Annual Reports to Congress, 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 Private Counsel 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 the 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 Private Counsel firms.
- Consolidated appendices placing all data into two, easier to read tables for all department wide civil debt collection activities and for Private Counsel activities.

## Fiscal Year Summary



*Note: No Private Counsel terminations occurred during this time-period.*

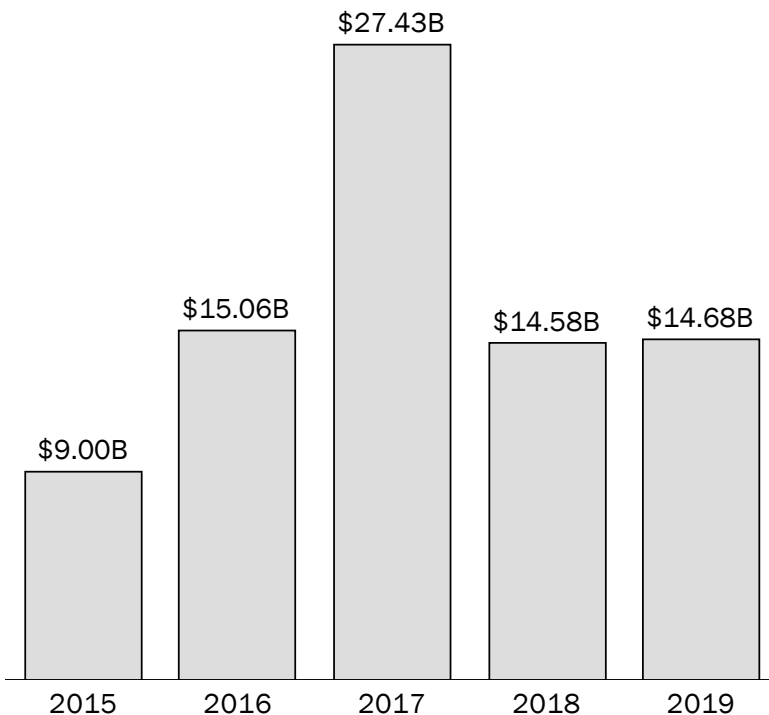
## Number of Civil Debt Referrals by Fiscal Year



The FY 2019 decrease in referrals and debts opened is due to the steep decline of Department of Education (ED) cases referred to the Department for collection. ED referrals overall decreased by 94% from FY18 to FY19, with a 99% decrease in student loan cases.

\*Referred numbers adjusted to account for corrections from prior years' logic that included Open and Referred cases. Referred cases are not always reflective of the number and amount that will be opened.

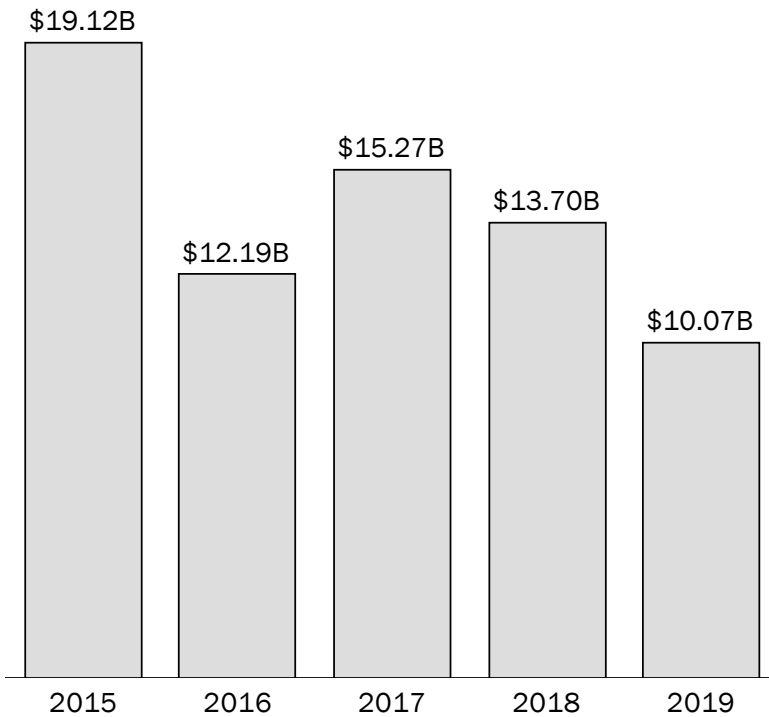
## Balance of Civil Debts Opened by Fiscal Year



The balance of debts opened has remained steady despite the decrease in volume from ED. This is primarily because the Department opened more cases with high balances, which offset the overall decrease in volume.

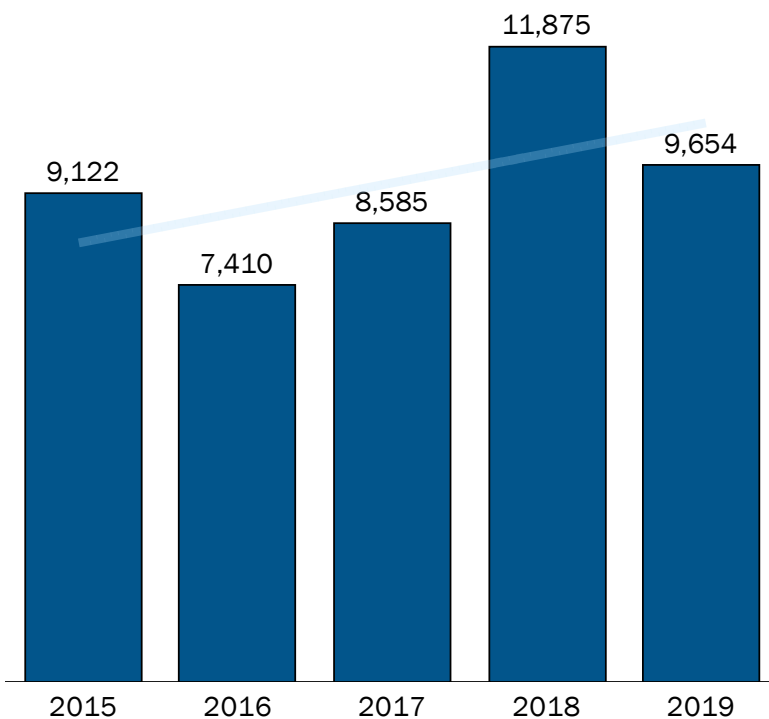
\*\*"Opened," refers to cases opened by DOJ during the fiscal year. "Opened" cases can include cases referred to the Department in previous fiscal years.

## Amount of Civil Debt Collections by Fiscal Year



The amount of collections decreased by 26% from FY 2018 to 2019. Collections were down due to the receipt and subsequent collections from fewer high dollar cases than in previous years.

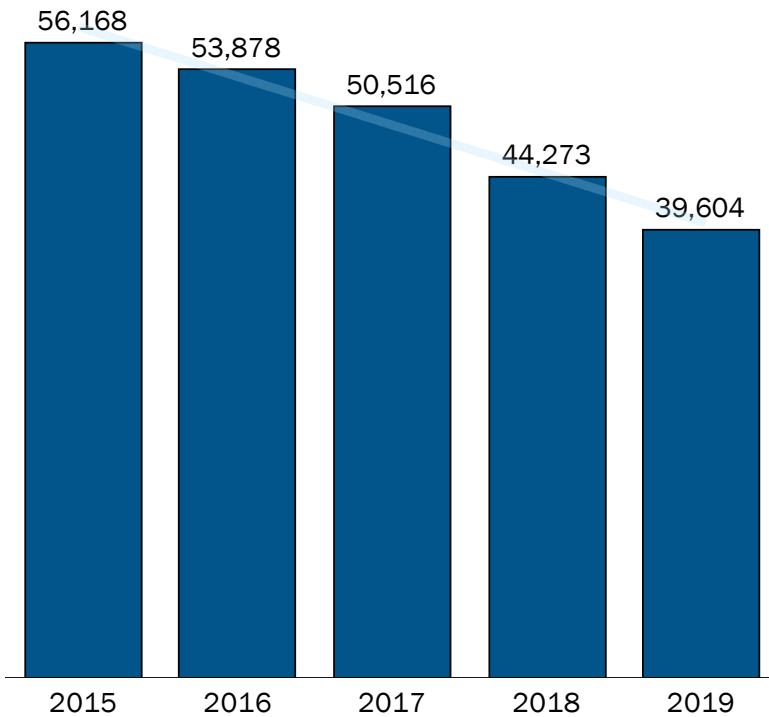
## Number of Civil Debt Closures by Fiscal Year



Closures have been on an upward trend annually since 2016 due to improved efforts between the Department and referring agencies, as well as improved internal processes. The dramatic increase in 2018 closures (up 38% from prior year), was due in part to efforts implemented by the Department's Private Counsel Program, in conjunction with the Executive Office of the United States Attorneys that identified likely uncollectable cases, and returned those cases to the referring agency for continued surveillance and monitoring.

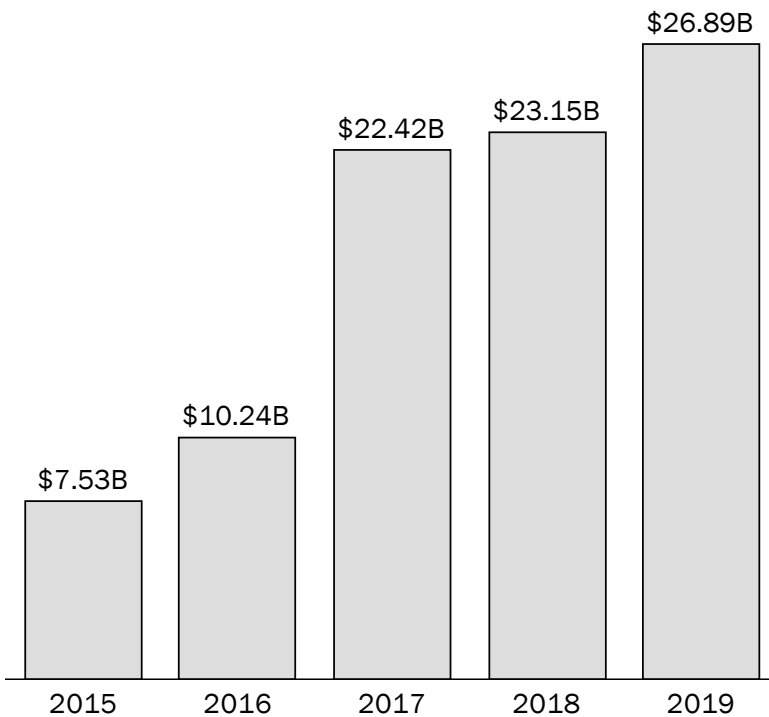


## Number of Active Civil Debts by Fiscal Year



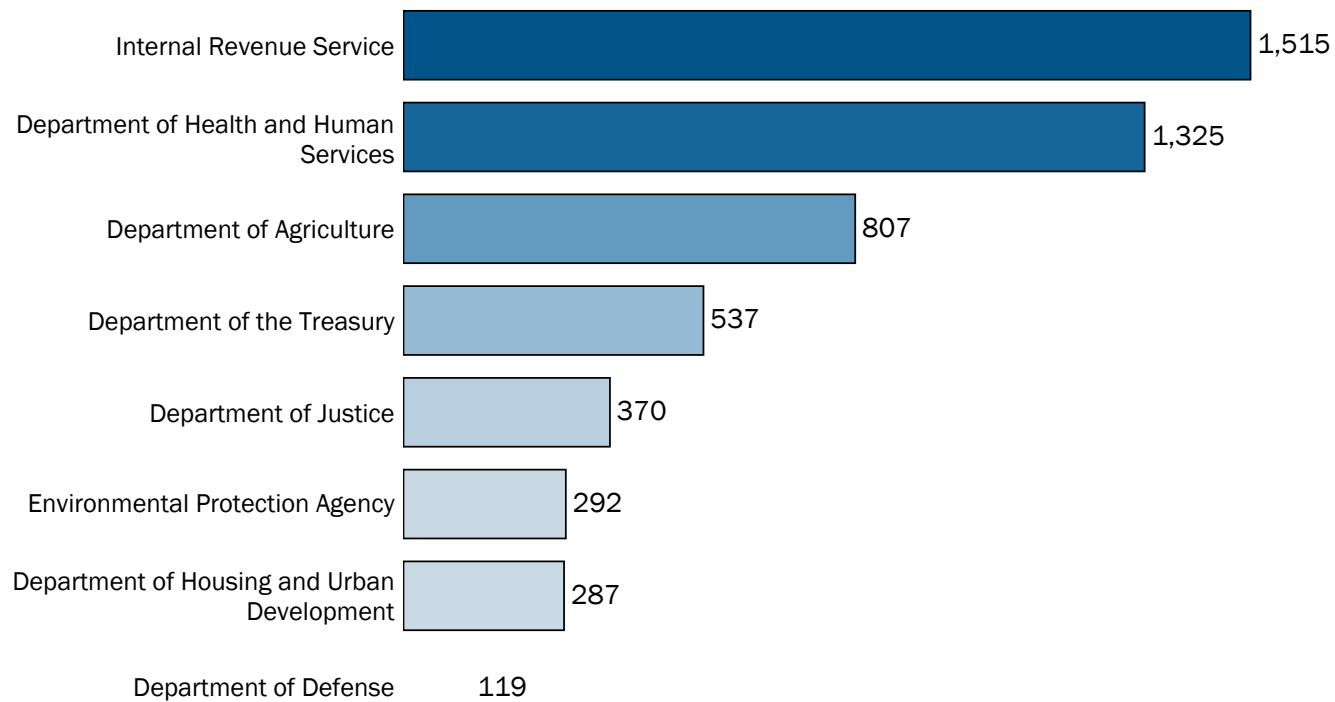
The number of active civil debts continues to decrease each year. The number of debts decreased by 11% between FY 2018-2019. This is a direct result of fewer referrals and improved collection practices resulting in an increased number of closures.

## Balance of Active Civil Debts by Fiscal Year

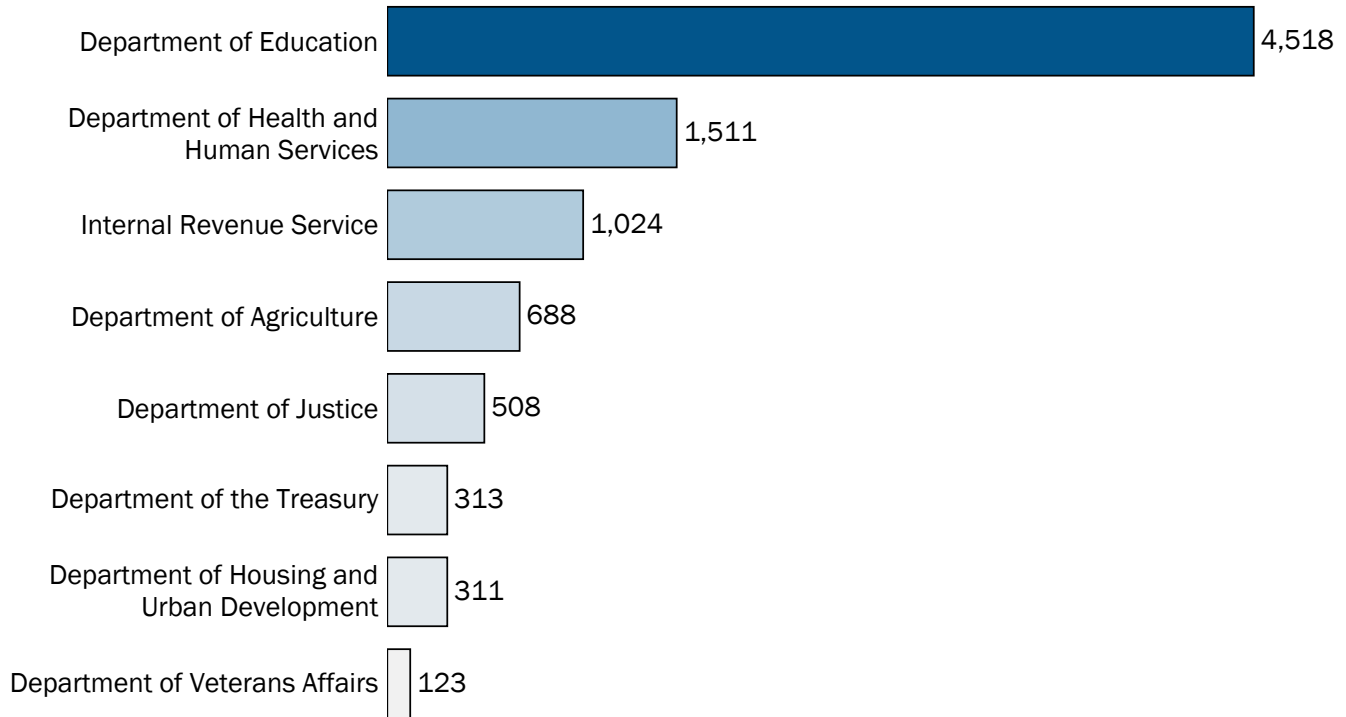


The balance of active civil debts has increased over the past several years. The increase from FY 2018-19 was due in part to the opening of a large dollar case during the fiscal year.

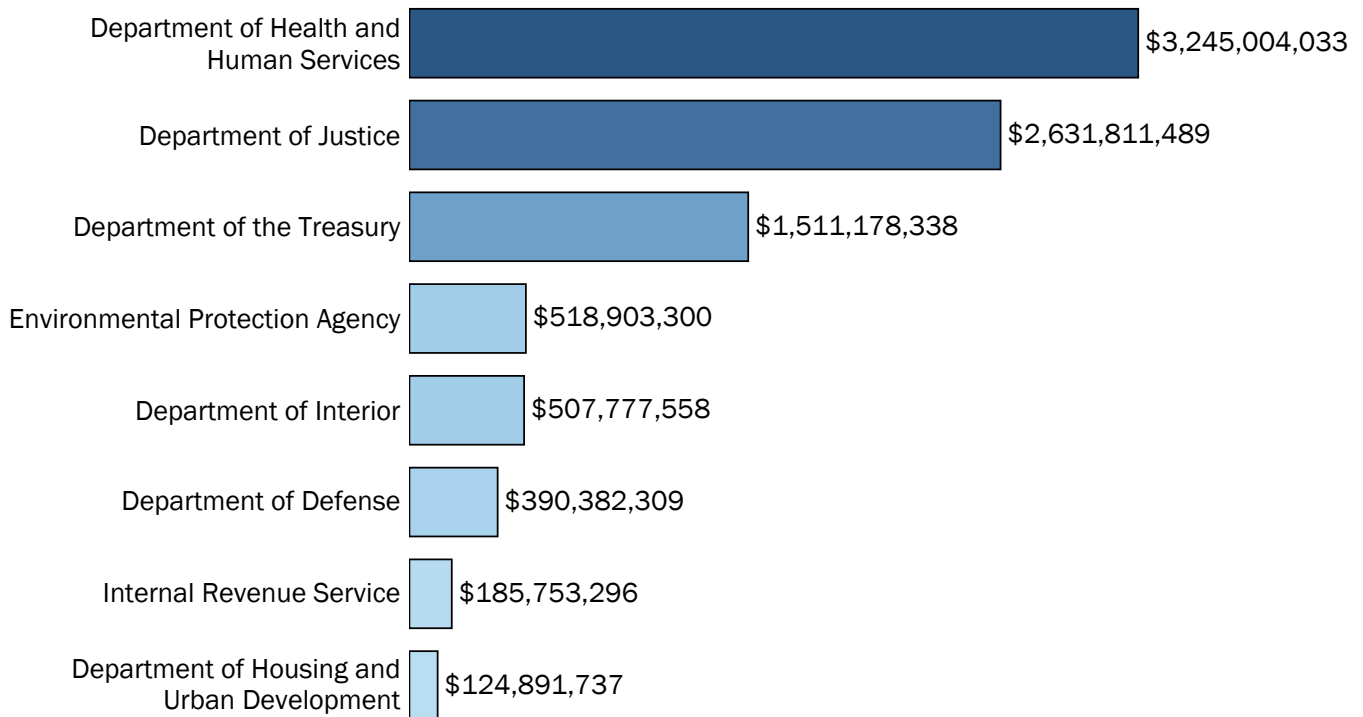
## Top Eight Agencies by Number of Referrals



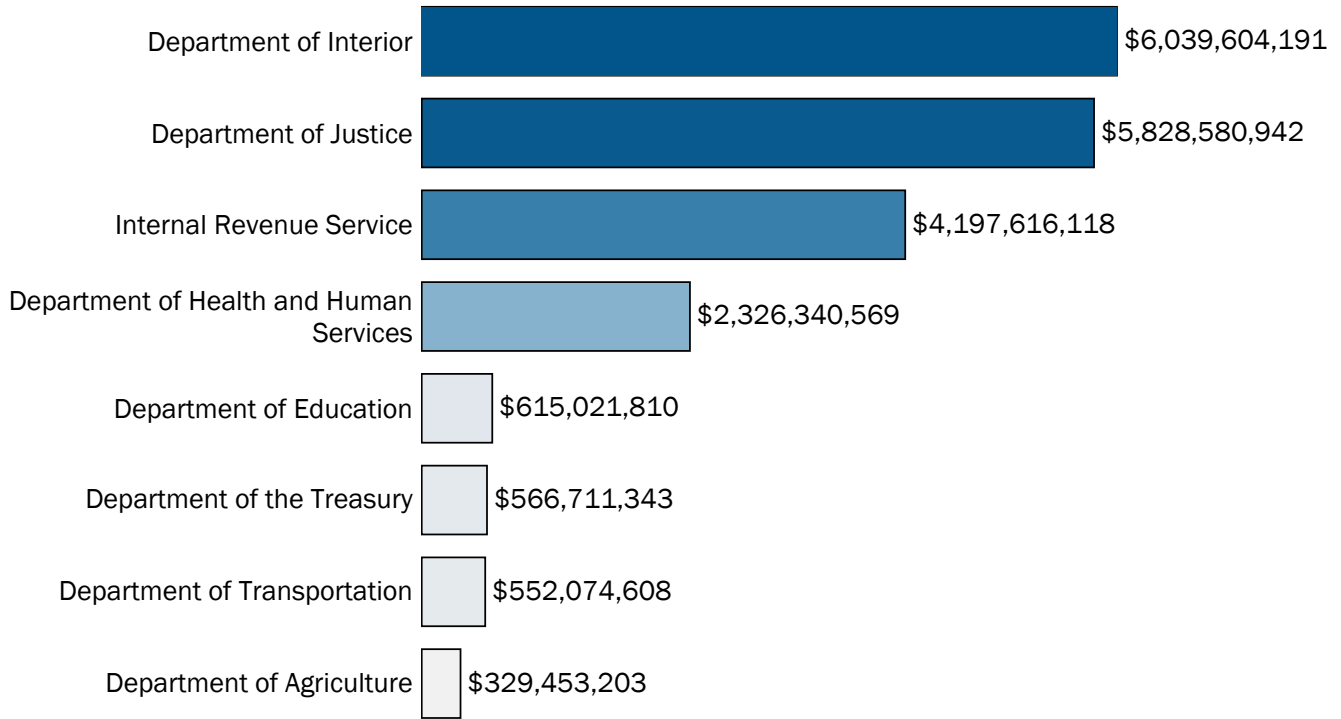
## Top Eight Agencies by Number of Cases Closed



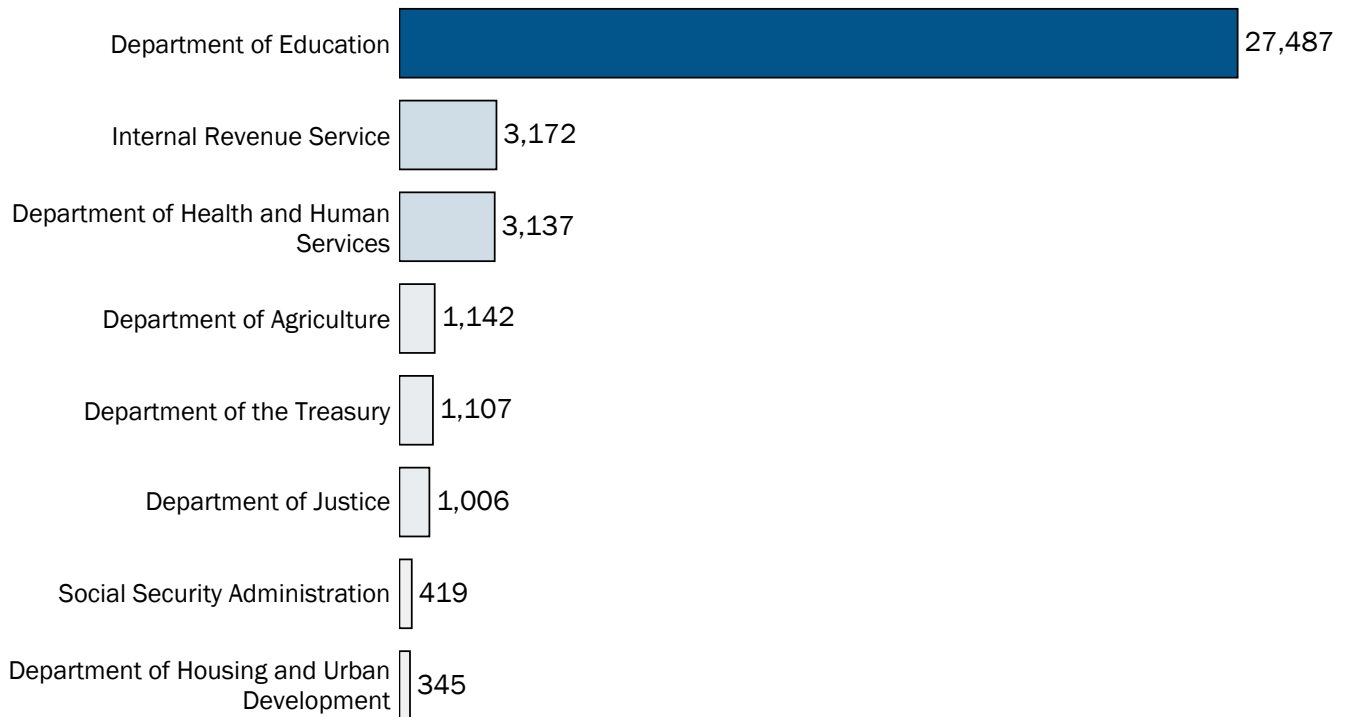
## Top Eight Agencies by Amount Collected



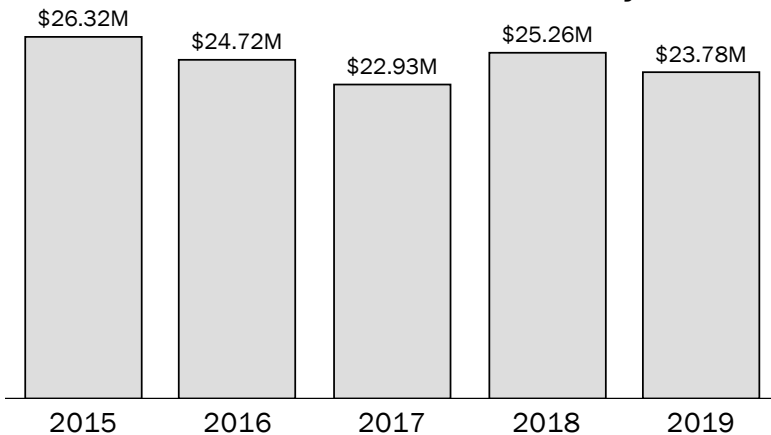
## Top Eight Agencies by Balance of Active Cases



## Top Eight Agencies by Number of Active Cases



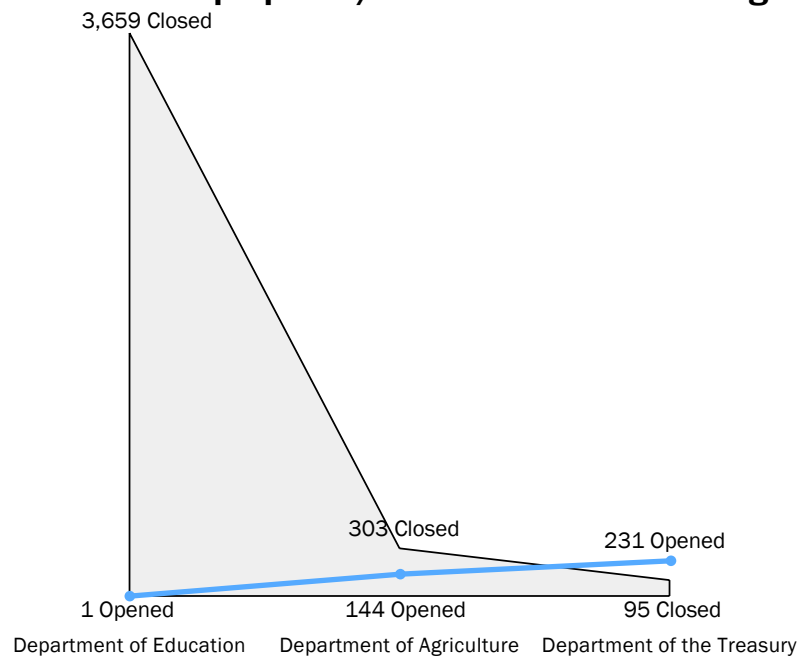
## Private Counsel Civil Debt Collections by Fiscal Year



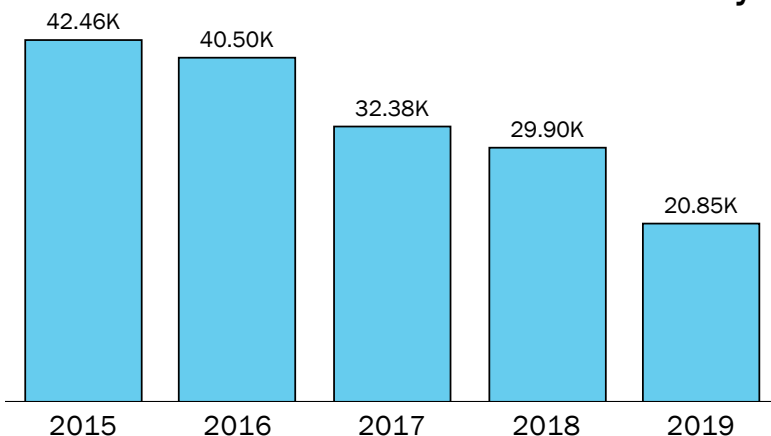
Private Counsel collections have remained consistent over the past five fiscal years. The five year PC collections average is \$24.60 million.

## Private Counsel Top Opened/Closed Case Ratio Changes

In FY19, the number of referrals from ED decreased to one (down 99.1% from FY18). Private Counsel ED case closures slightly decreased to 3,659 closures in FY19 (down 19% from FY18). Department of Agriculture referrals also dropped from 382 in FY18 to 144 in FY19. The number of Department of the Treasury referrals assigned to PCs increased to 231 in FY19 up from 14 in FY18.



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

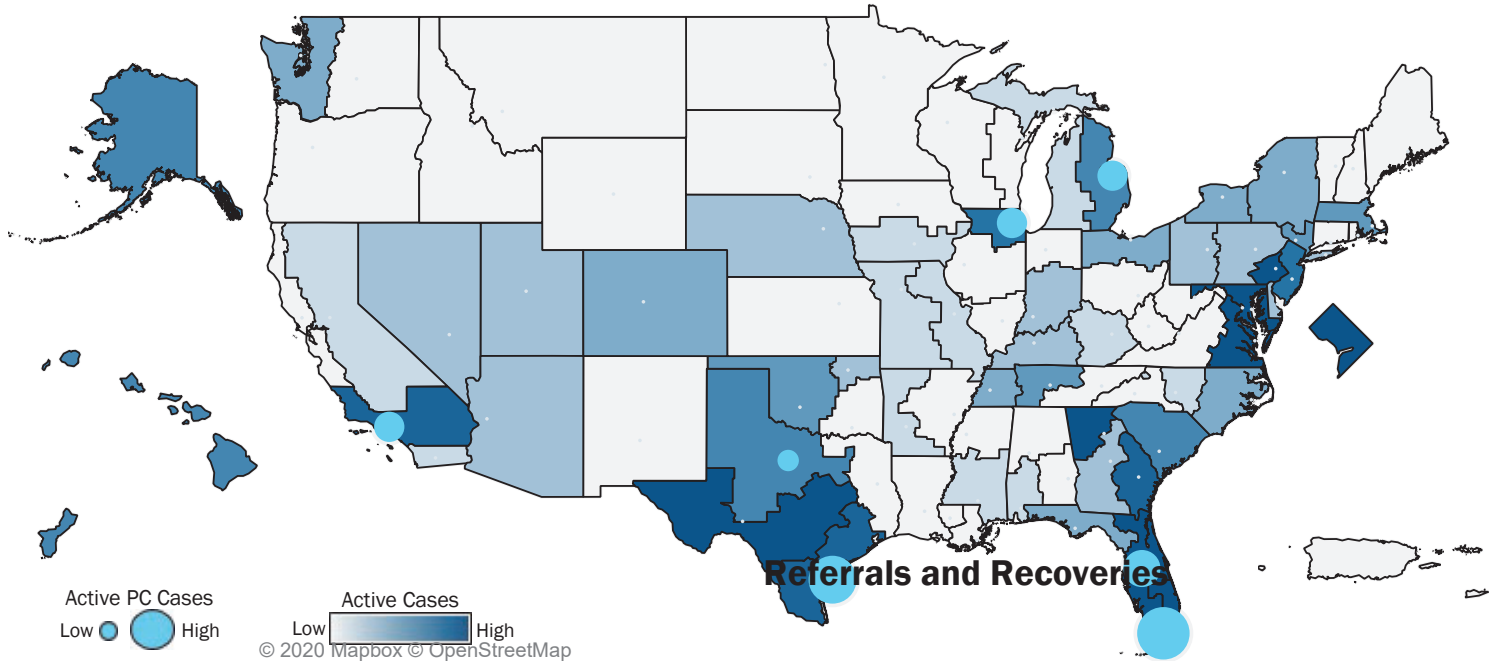


As a result of PC collections, dispositioning of debts, and the steady decrease in referrals, the number of active debts assigned to PCs has decreased. In FY19, the active debt count dropped by 30.28% from FY18. However, active cases assigned to PCs still make up 53% of all active civil debts.

## DEPARTMENT OF DEFENSE

**\$390,382,309**  
Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**119**  
Debts Referred  
FY Change: ▲ 60.81%

**119**  
Debts Opened  
FY Change: ▲ 65.3%

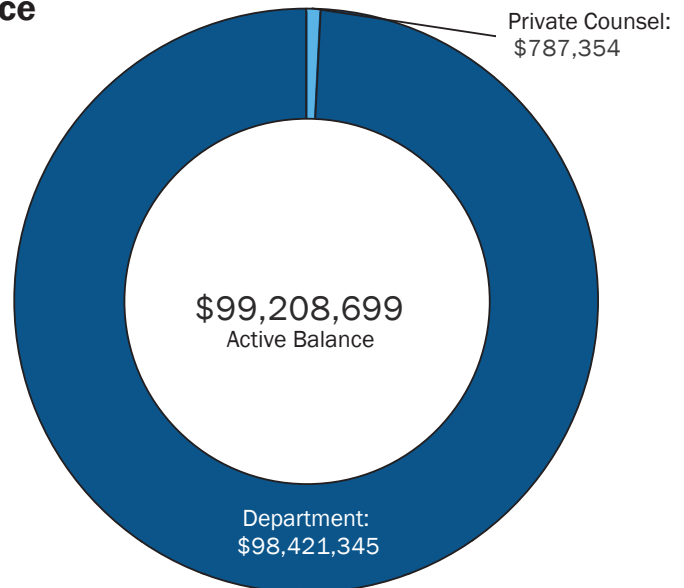
**104**  
Debts Closed  
FY Change: ▼ -1.887%

**249**  
Debts Active  
FY Change: ▲ 6.410%

### Top Debt Types Opened



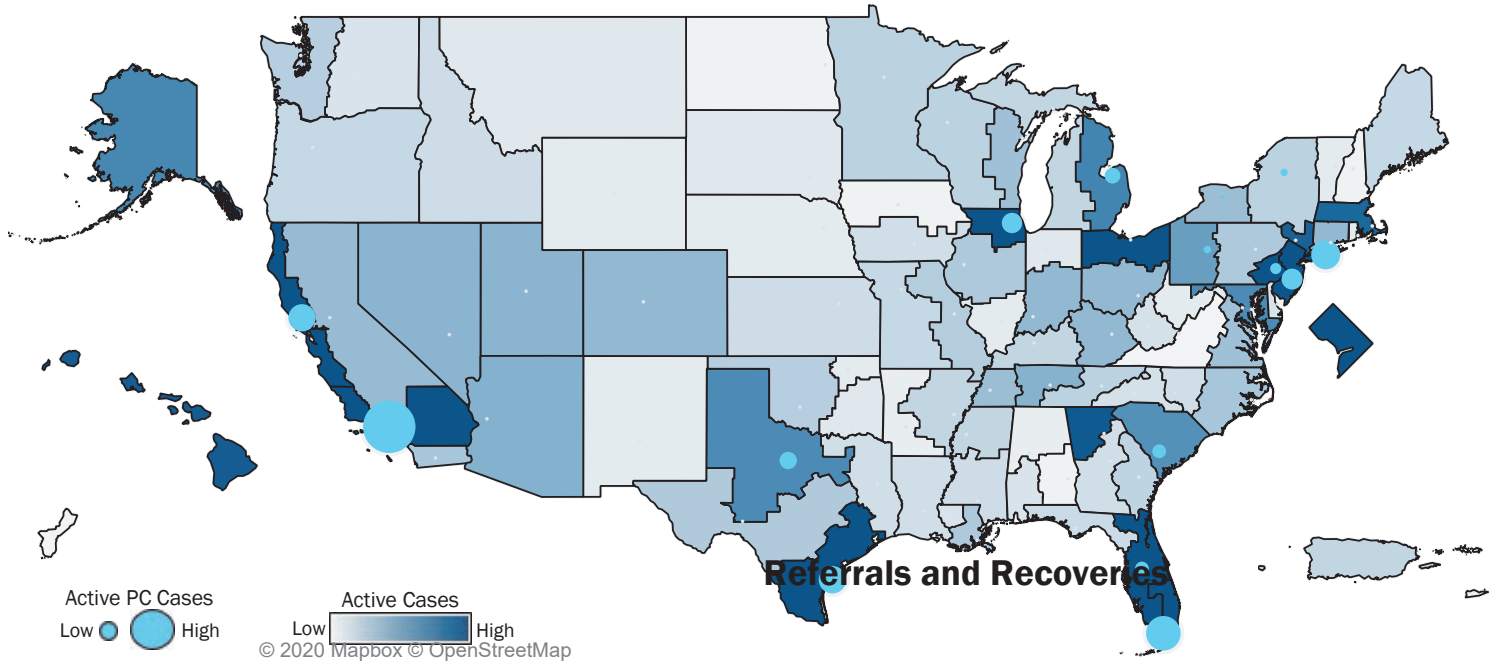
### Active Balance



## DEPARTMENT OF HEALTH AND HUMAN SERVICES

**\$3,245,004,033**  
Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**1,325**  
Debts Referred  
FY Change: ▼-9.122%

**1,328**  
Debts Opened  
FY Change: ▼-9.1%

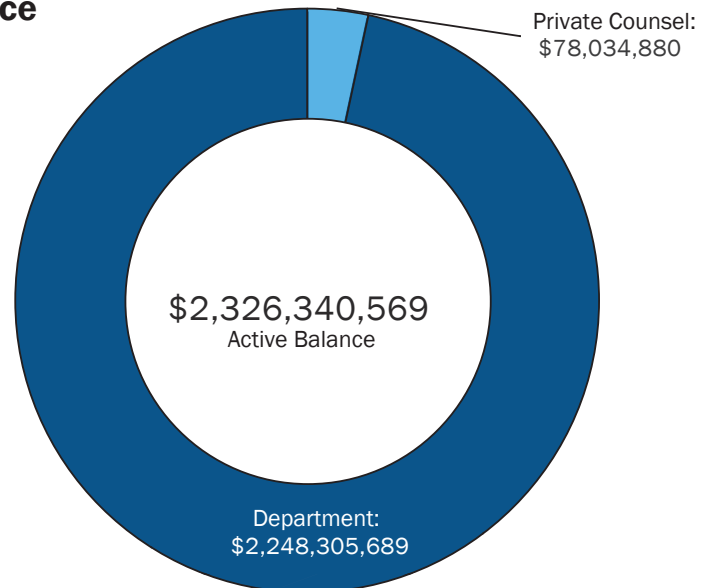
**1,511**  
Debts Closed  
FY Change: ▼-5.503%

**3,137**  
Debts Active  
FY Change: ▼-5.512%

### Top Debt Types Opened



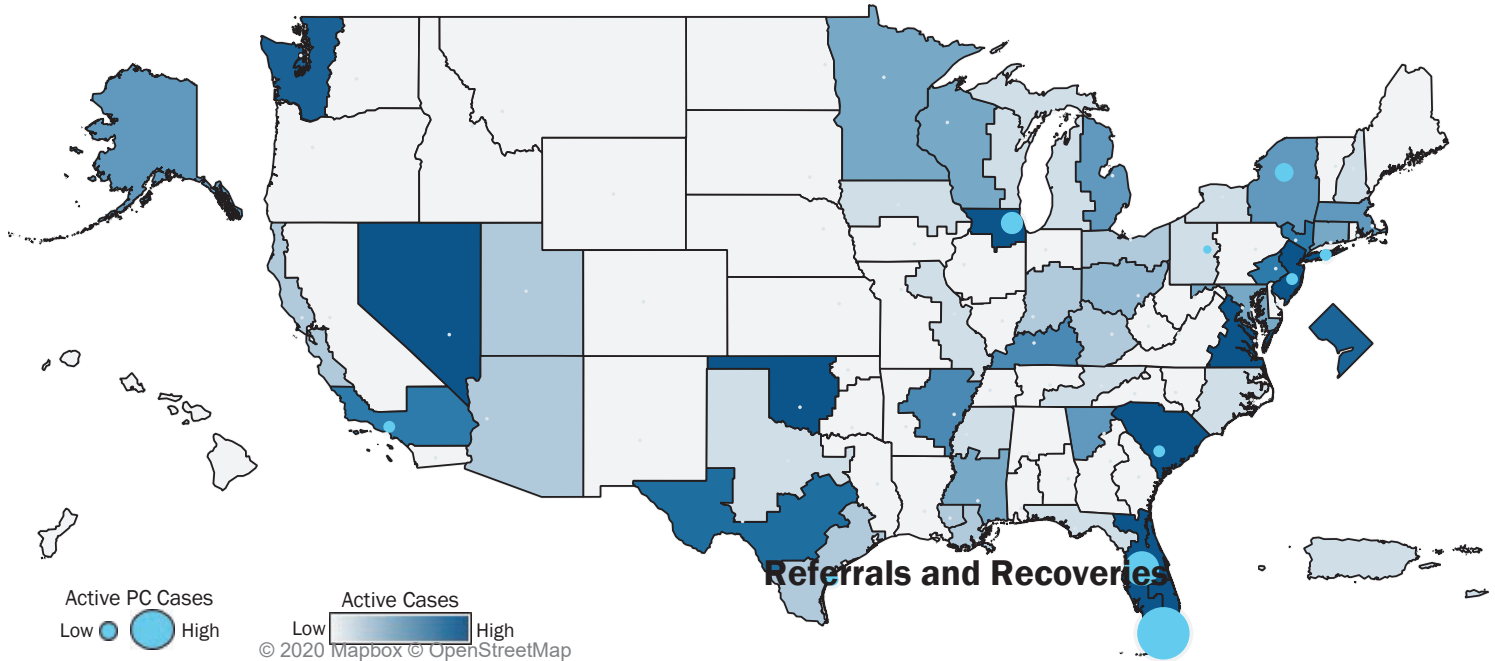
### Active Balance



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**\$124,891,737**  
Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**287**  
Debts Referred  
FY Change: ▼-9.748%

**280**  
Debts Opened  
FY Change: ▲26.1%

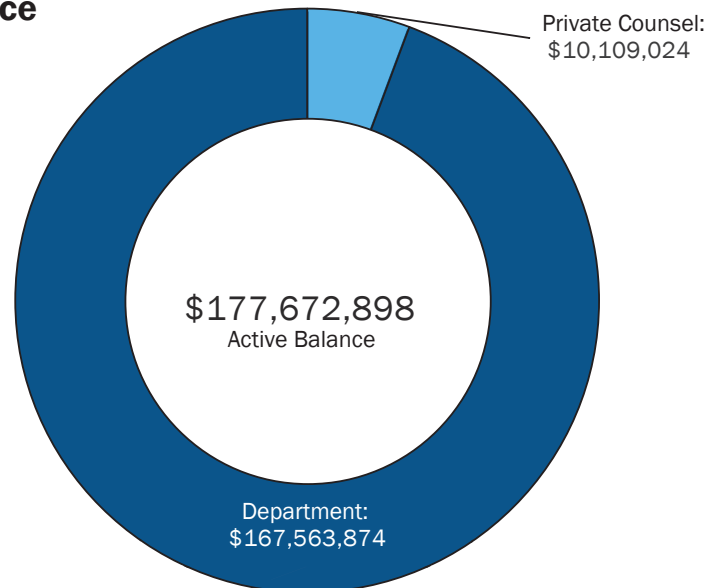
**311**  
Debts Closed  
FY Change: ▲48.10%

**345**  
Debts Active  
FY Change: ▼-8.245%

### Top Debt Types Opened



### Active Balance

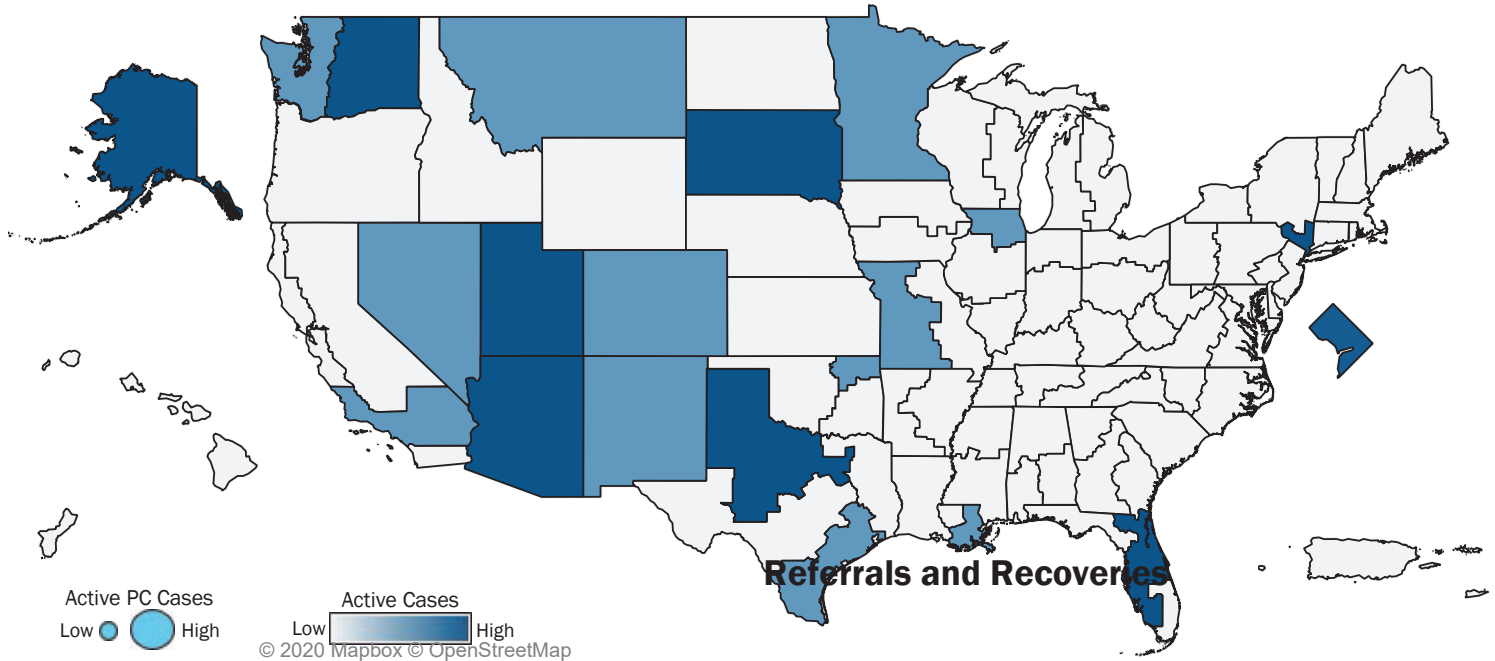




## DEPARTMENT OF INTERIOR

**\$507,777,558**  
Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**46**  
Debts Referred  
FY Change: ▲12.20%

**18**  
Debts Opened  
FY Change: ▼45.5%

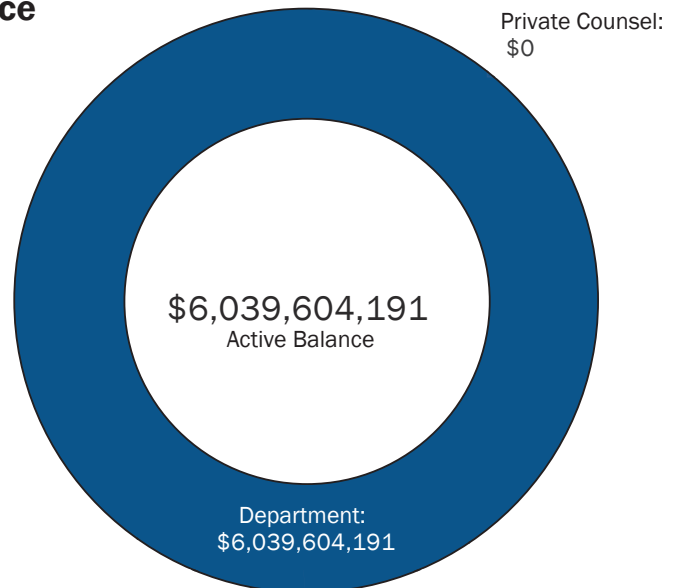
**21**  
Debts Closed  
FY Change: ▼56.25%

**49**  
Debts Active  
FY Change: ▼5.769%

### Top Debt Types Opened



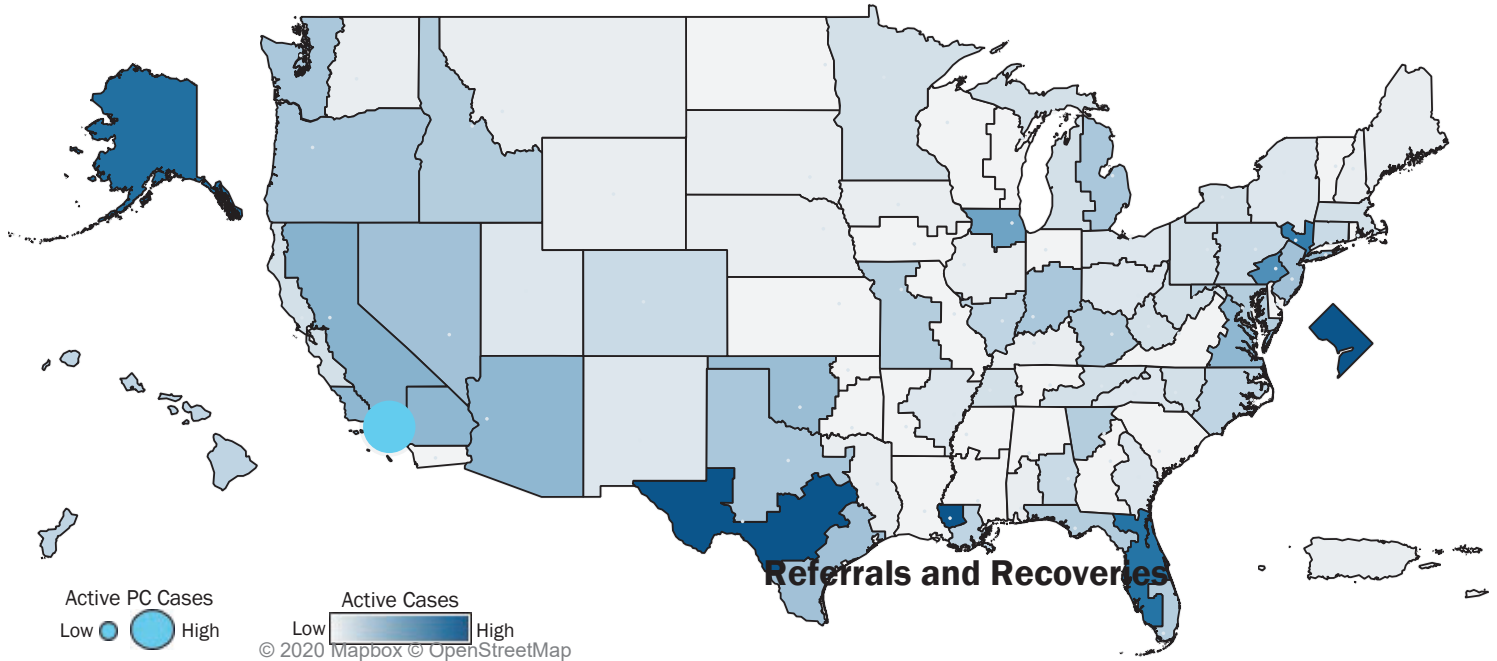
### Active Balance



## DEPARTMENT OF JUSTICE

**\$2,631,811,489**  
Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**370**  
Debts Referred  
FY Change: ▼-6.329%

**385**  
Debts Opened  
FY Change: ▼-3.3%

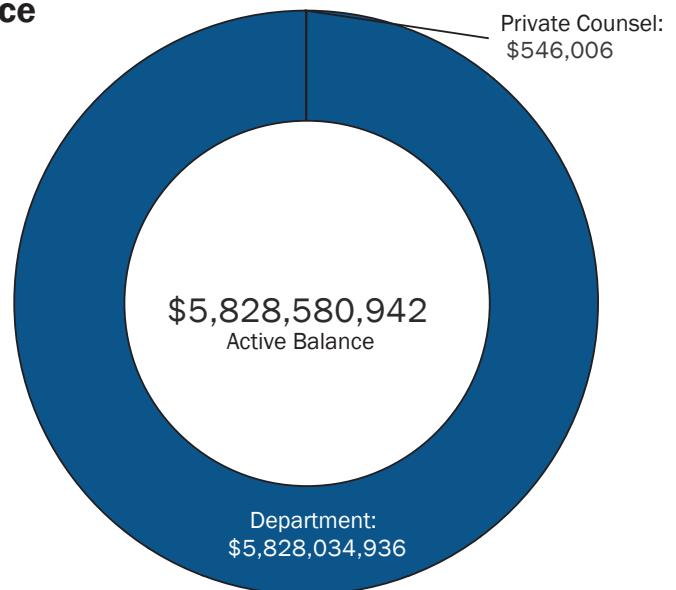
**508**  
Debts Closed  
FY Change: ▲54.88%

**1,006**  
Debts Active  
FY Change: ▼-10.89%

### Top Debt Types Opened



### Active Balance

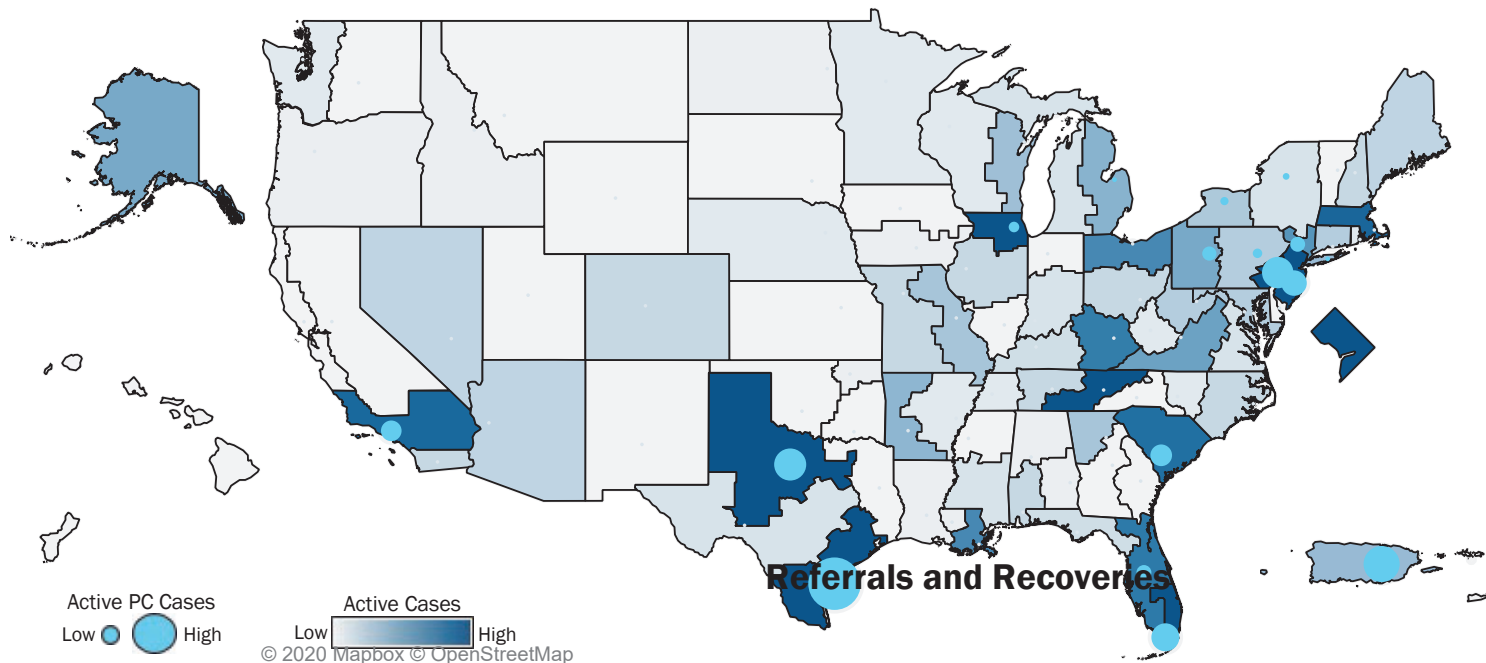


## DEPARTMENT OF THE TREASURY

**\$1,511,178,338**

Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**537**

Debts Referred

FY Change: ▲113.9%

**536**

Debts Opened

FY Change: ▲113.5%

**313**

Debts Closed

FY Change: ▲14.65%

**1,107**

Debts Active

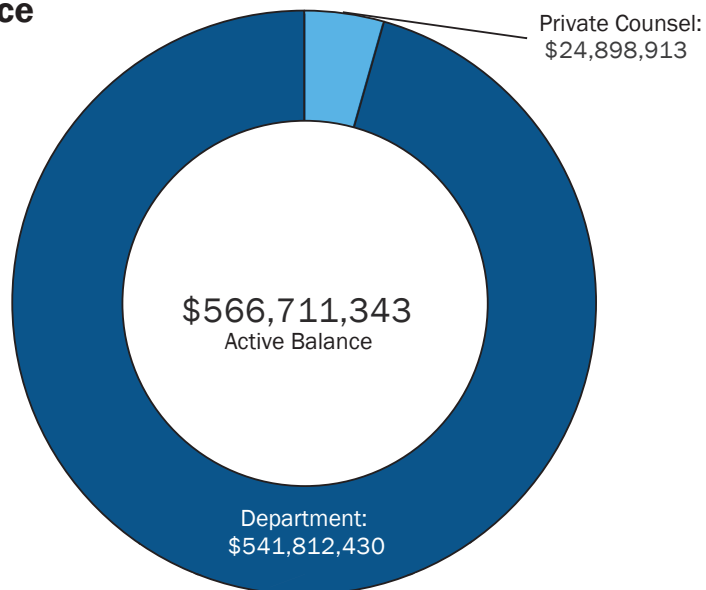
FY Change: ▲25.23%

### Top Debt Types Opened

Other Claims Related to Federal Assistance Programs

Civil Penalty

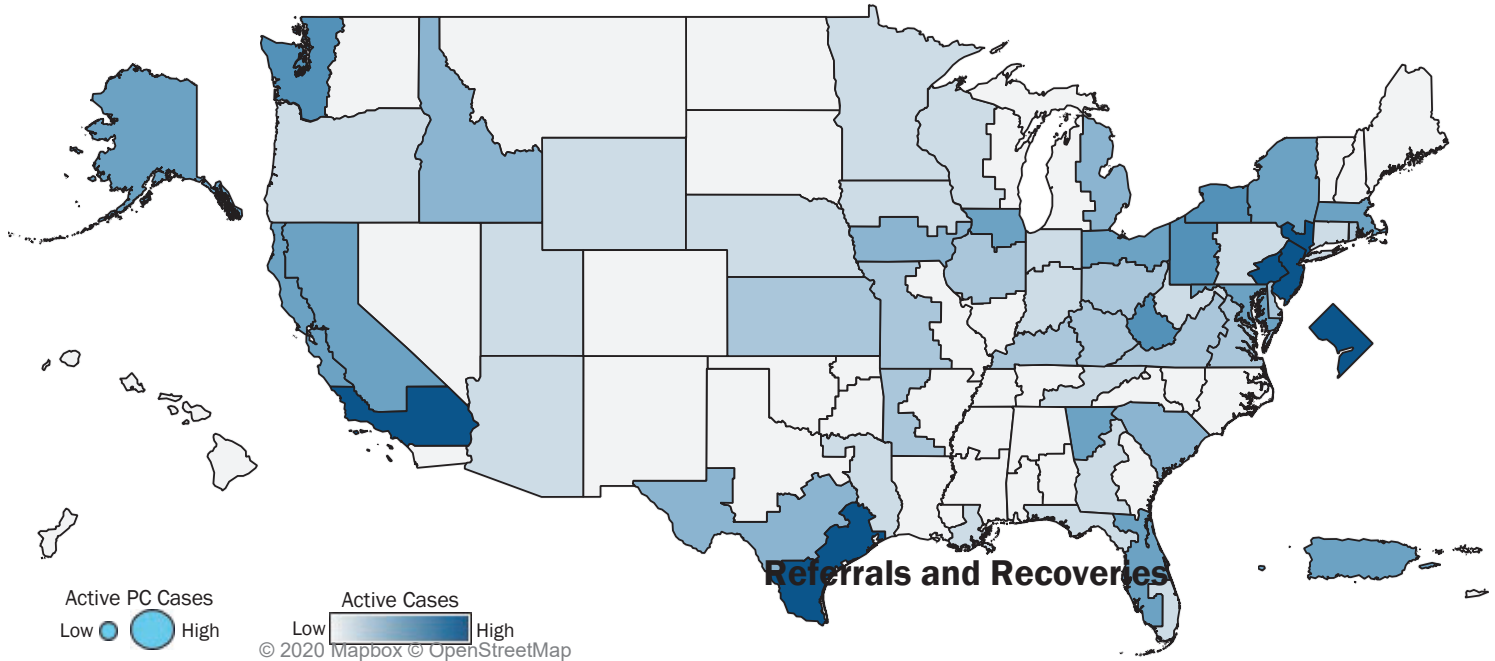
### Active Balance



## ENVIRONMENTAL PROTECTION AGENCY

**\$518,903,300**  
Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**292**  
Debts Referred  
FY Change: ▲18.70%

**103**  
Debts Opened  
FY Change: ▼-4.6%

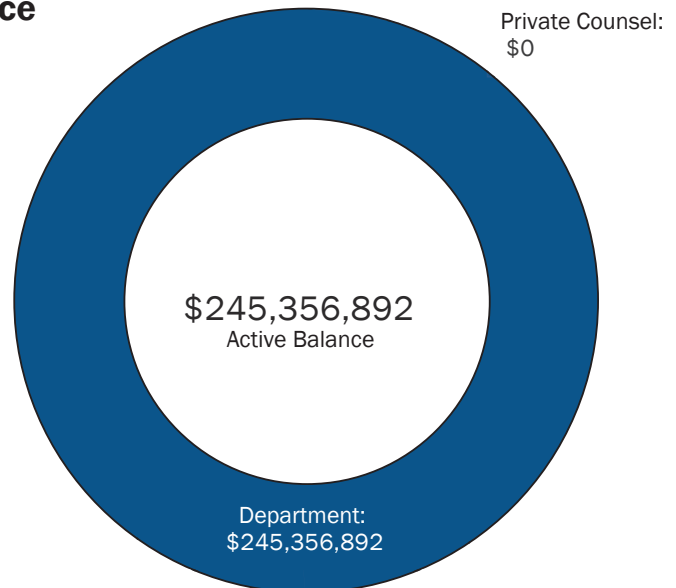
**117**  
Debts Closed  
FY Change: ▲8.333%

**234**  
Debts Active  
FY Change: ▼-5.645%

### Top Debt Types Opened



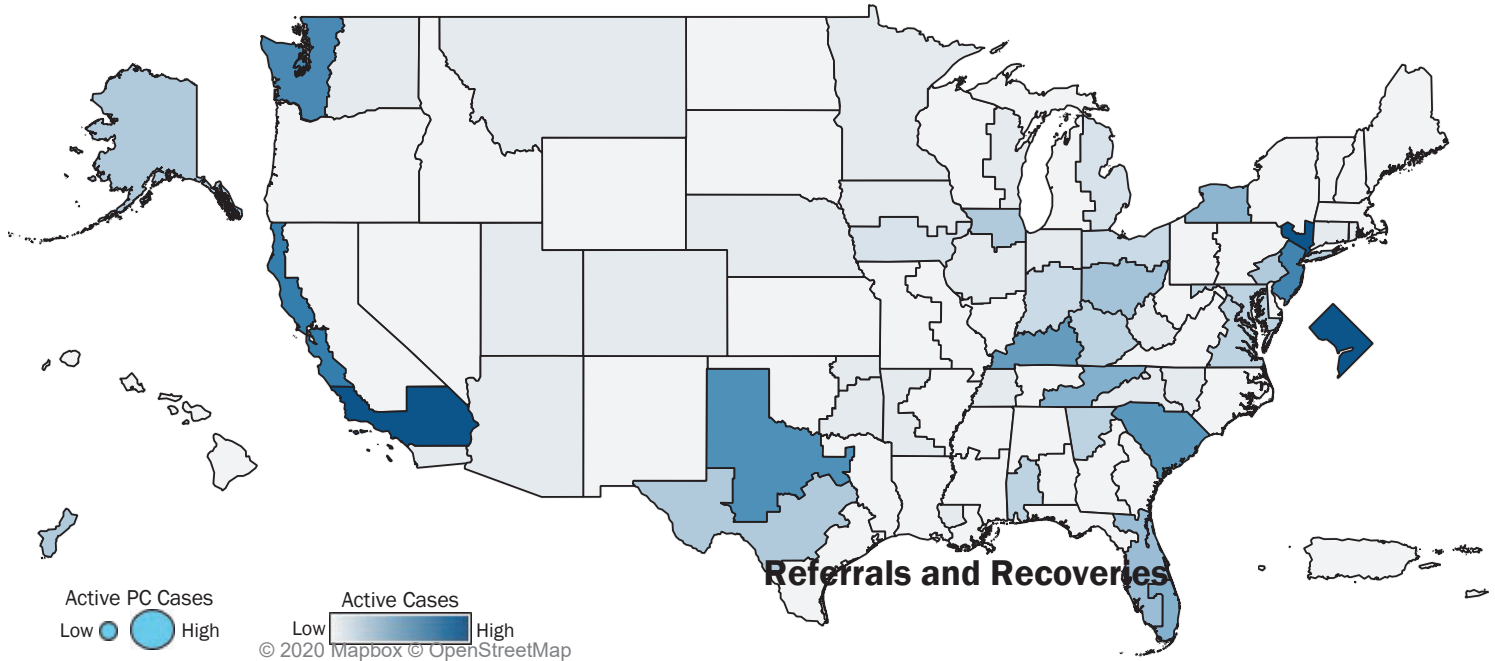
### Active Balance



## INTERNAL REVENUE SERVICE

**\$185,753,296**  
Total Collected

### Active Cases by Collection District



### Fiscal Year Stats

**1,515**  
Debts Referred  
FY Change: ▼-5.372%

**1,244**  
Debts Opened  
FY Change: ▼-2.1%

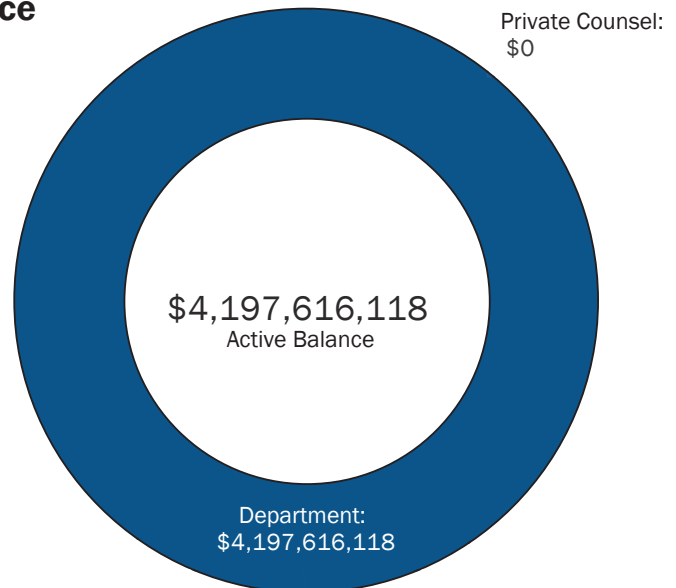
**1,024**  
Debts Closed  
FY Change: ▼-17.95%

**3,172**  
Debts Active  
FY Change: ▲7.453%

### Top Debt Types Opened



### Active Balance



# DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO  
CONGRESS FY 2019

## Appendix A: Departmentwide Stats

Agency	Collections	Debts Closed	Referrals	Debts Opened	Opened Balance	Active	Active Balance
Administrative Office of the U.S. Courts	\$824,073	3	3	3	\$2,250	5	\$1,457,963
Agency for International Development	\$3,388,568	3	1	1	\$3,388,568	4	\$1,860,750
Agency for State Collection			0			1	\$305,346
All Other Independent Agencies	\$145,480	2	3	3	\$138,580	6	\$3,290,563
Amtrak	\$731,319	2	4	4	\$726,500	5	\$16,009
Commodities & Futures Trading	\$92,844	13	13	14	\$22,200,495	89	\$185,428,552
Consumer Product Safety Commission	\$25,000		0			3	\$25,850
Corporation of National & Community Service	\$1,143,881	1	2	2	\$1,146,177	1	\$2,296
D.C. Metropolitan Police Department	\$204,503	1	1	1	\$204,503		
Department of Agriculture	\$90,692,968	688	807	536	\$150,751,012	1,142	\$329,453,203
Department of Commerce	\$14,057	3	5	1	\$14,057	6	\$49,973,356
Department of Defense	\$390,382,309	104	119	119	\$318,831,978	249	\$99,208,699
Department of Education	\$22,468,026	4,518	21	23	\$7,481,556	27,487	\$615,021,810
Department of Energy	\$3,116,728	4	5	5	\$33,109,355	12	\$35,838,825
Department of Health and Human Services	\$3,245,004,033	1,511	1,325	1,328	\$3,495,432,039	3,137	\$2,326,340,569
Department of Homeland Security	\$89,860,692	36	68	63	\$135,725,127	129	\$202,226,486
Department of Housing and Urban Development	\$124,891,737	311	287	280	\$89,509,155	345	\$177,672,898
Department of Interior	\$507,777,558	21	46	18	\$16,167,751	49	\$6,039,604,191
Department of Justice	\$2,631,811,489	508	370	385	\$7,527,932,689	1,006	\$5,828,580,942
Department of Labor	\$7,147,692	28	21	17	\$17,740,852	64	\$24,154,843
Department of State	\$52,032	1	0			3	\$10,599,244
Department of the Treasury	\$1,511,178,338	313	537	536	\$1,557,330,726	1,107	\$566,711,343
Department of Transportation	\$6,054,113	11	11	11	\$5,041,236	40	\$552,074,608
Department of Veterans Affairs	\$66,400,688	123	83	84	\$17,188,109	217	\$32,963,853
Environmental Protection Agency	\$518,903,300	117	292	103	\$537,533,144	234	\$245,356,892
Equal Employment Opportunity Commission	\$81,379		0			4	\$334,906
Export/Import Bank of The U.S.	\$1,228,576	1	1	1	\$536,762	12	\$21,219,753
Farm Credit Administration			1	1	\$10,345	1	\$10,345
Federal Communications Commission	\$715,956	28	11	13	\$2,396,700	88	\$28,631,555
Federal Deposit Insurance Corporation	\$8,641		0			7	\$5,572,208

# DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO  
CONGRESS FY 2019

## Appendix A: Departmentwide Stats

Agency	Collections	Debts Closed	Referrals	Debts Opened	Opened Balance	Active	Active Balance
Federal Housing Finance Agency	\$8,568,000	1	4	4	\$8,568,000	4	\$31,194
Federal Reserve System	\$10,004,260	1	1	1	\$10,000,000	2	\$57,616
Federal Trade Commission	\$6,258,000	2	5	5	\$6,169,000	19	\$43,710,549
General Services Administration	\$13,972,829	2	9	9	\$16,730,131	17	\$3,193,041
Government Printing Office			0			2	\$94,591
Internal Revenue Service	\$185,753,296	1,024	1,515	1,244	\$481,101,442	3,172	\$4,197,616,118
Miscellaneous Agencies	\$225	1	3	3	\$1,700,225	3	\$1,700,042
Multiple Agencies	\$533,158,563	32	31	31	\$126,816,170	26	\$5,005,715,233
National Aeronautics and Space Administration	\$1,557,843	3	4	4	\$2,324,420	9	\$8,860,562
National Archives and Records Service			0			1	\$21,008
National Credit Union Administration		3	0				
National Endowment of The Arts	\$12,000		0			1	\$63,500
National Reconnaissance Office	\$11,000,000		1	1	\$11,000,000	1	\$0
National Science Foundation	\$2,720,300	5	4	4	\$2,875,487	7	\$1,127,176
National Security Agency	\$739,037	1	0			1	\$231
National Transportation Safety Board			0			1	\$8,751
Nuclear Regulatory Commission	\$1,585,857	1	1	1	\$1,585,857		
Office of Personnel Management	\$124,545	3	1	1	\$62,380	21	\$1,947,764
Railroad Retirement Board	\$186,811	19	11	11	\$797,581	158	\$5,152,432
Securities and Exchange Commission	\$2,973		0			2	\$47,464,137
Small Business Administration	\$23,814,566	100	89	64	\$30,243,361	164	\$130,381,842
Smithsonian Institute			0			2	\$303,183
Social Security Administration	\$1,152,648	64	26	27	\$1,329,299	419	\$19,886,785
State/County/Municipal Authorities	\$7,500		0			5	\$1,554,792
U.S. Army Corps of Engineers	\$2,297,650	2	3	3	\$3,171,000	14	\$11,406,672
U.S. Courts	\$24,976	19	3	3	\$7,546	45	\$164,410
U.S. Postal Service	\$38,162,241	20	14	14	\$35,472,302	54	\$29,614,440
U.S. Trade and Development Agency			0			1	\$122,452

# DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO  
CONGRESS FY 2019

## Appendix B: Private Counsel Stats

Agency	Collections	Debts Closed	Opened And Referred To PC	Opened Balance	Active	Active Balance
Commodities & Futures Trading	\$4,202		1	\$0	4	\$598,285
Department of Agriculture	\$8,911,480	303	144	\$21,897,401	503	\$68,909,673
Department of Defense	\$33,040	4	0	\$0	20	\$787,354
Department of Education	\$11,020,368	3,659	1	\$11,595	18,961	\$310,715,123
Department of Health and Human Services	\$2,270,440	109	8	\$228,748	743	\$78,034,880
Department of Homeland Security	\$0	1	0	\$0	0	\$0
Department of Housing and Urban Development	\$1,039,858	22	24	\$5,524,751	79	\$10,109,024
Department of Justice	\$2,434	1	0	\$0	2	\$546,006
Department of Labor	\$2,596	11	0	\$0	3	\$97,200
Department of the Treasury	\$201,507	95	231	\$4,831,237	367	\$24,898,913
Department of Transportation	\$0	1	0	\$0	3	\$18,299
Department of Veterans Affairs	\$51,968	36	1	\$135,476	96	\$5,284,452
Export/Import Bank of The U.S.	\$7,800		0	\$0	1	\$525,706
Federal Communications Commission	\$10,000		0	\$0	2	\$31,400
General Services Administration	\$0		0	\$0	1	\$20,288
Railroad Retirement Board	\$2,986	1	0	\$0	4	\$80,550
Small Business Administration	\$144,504	8	3	\$145,645	20	\$1,861,749
Social Security Administration	\$62,635		1	\$0	31	\$1,039,643
U.S. Courts	\$10,380	1	0	\$0	4	\$11,620
U.S. Postal Service	\$0		0	\$0	2	\$143,554



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