

UNITED STATES DEPARTMENT OF JUSTICE
DEBT COLLECTION MANAGEMENT
APRIL 2021



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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 PC 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 (DCIA) expanded the use of PC 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) 2020, the Department retained 30 PC offices in 19 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 2020. 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 PCs 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.

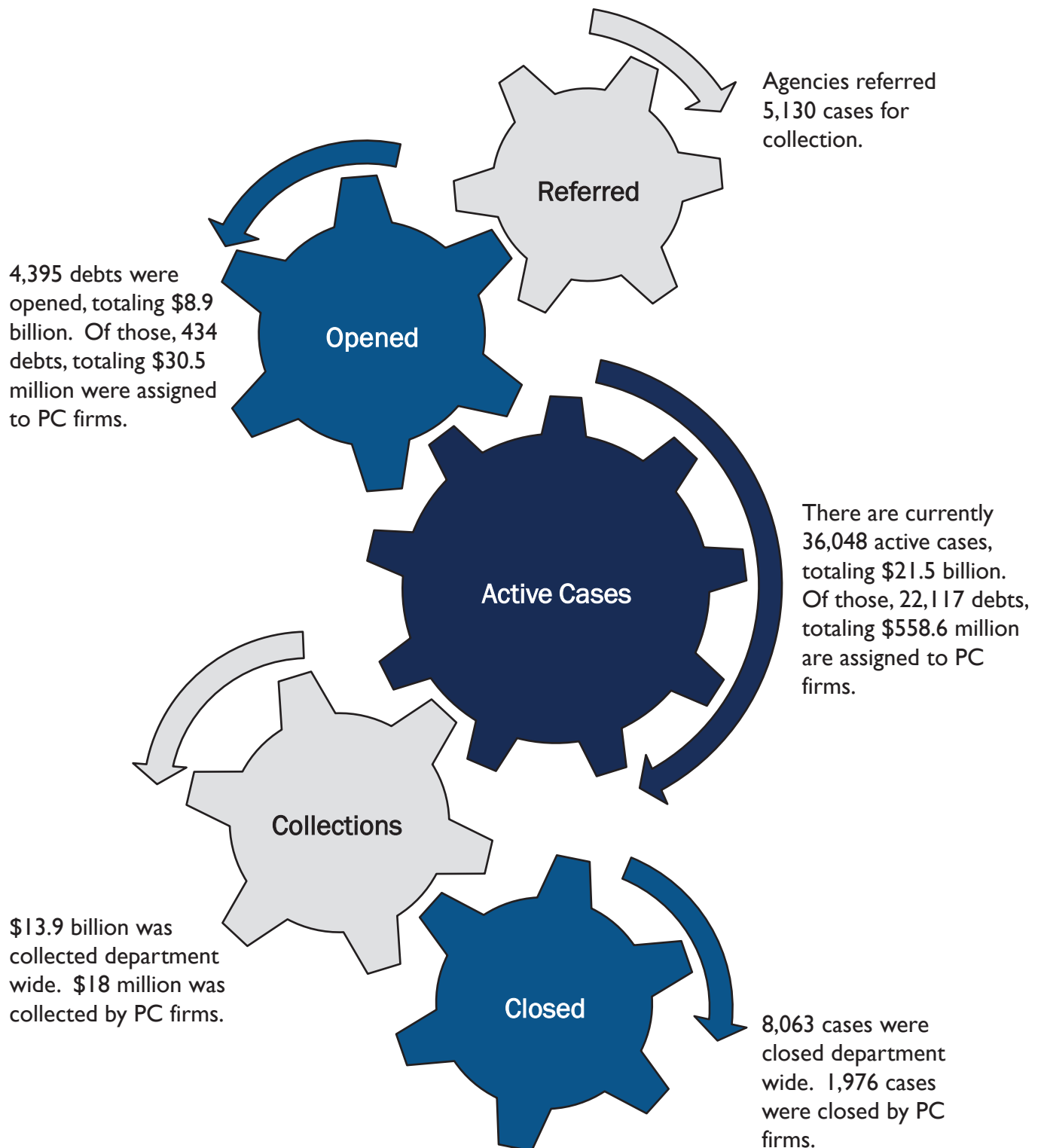
This Annual Report fulfills the statutory requirement.

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 2020. Key FY 2019 changes include:

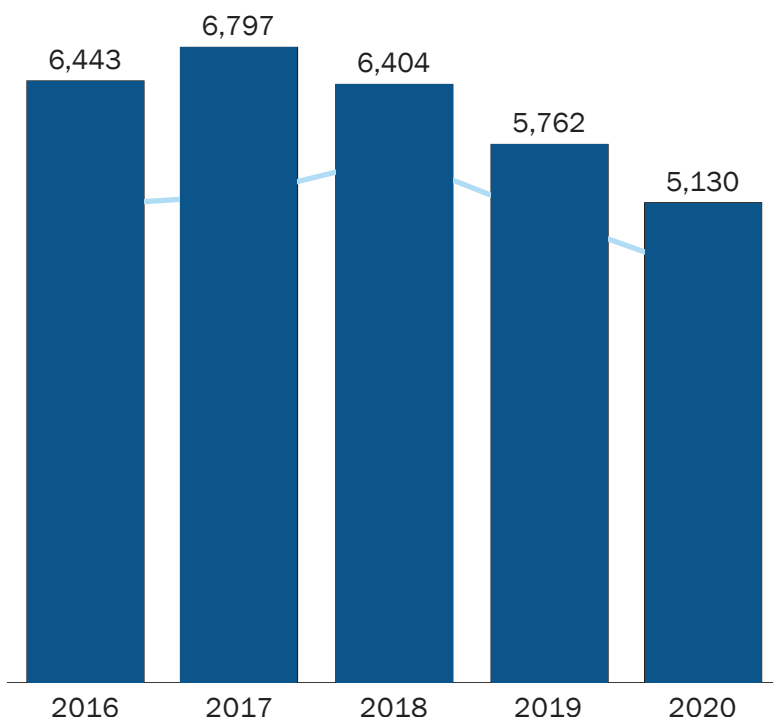
- Revised methodologies for all data categories in the report to provide information that is more accurate and transparent. For example, debts subsequently closed as “opened in error” are excluded. Debt balances and counts include corrective adjustments. Additional system enhancements have also contributed to improved data quality.
- 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



**In FY 2020, the USAO took over as lead counsel for a particular matter assigned to a PC without affecting the PC contract.*

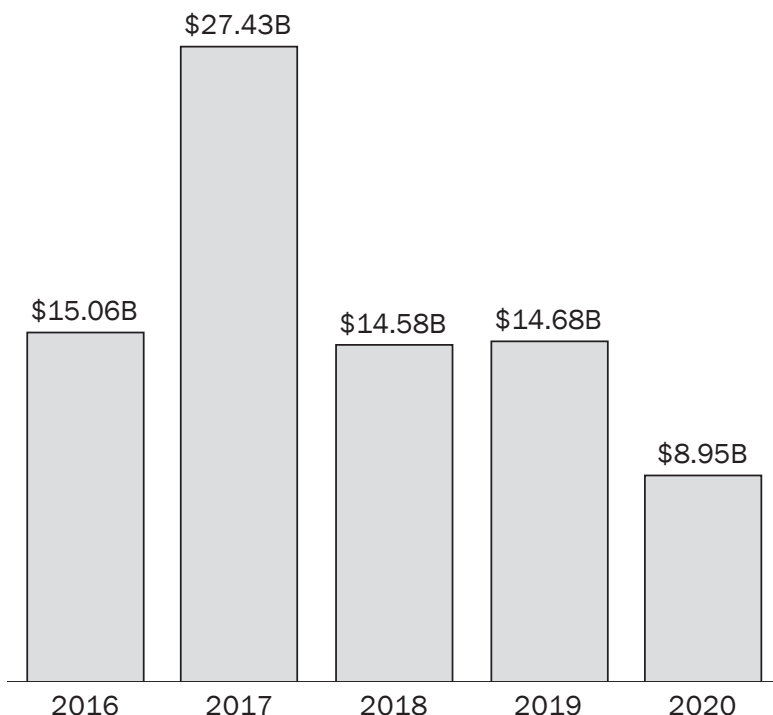
Number of Civil Debt Referrals by Fiscal Year



The number of FY 2020 referrals decreased by 11%, which, in turn, resulted in 11% fewer debts opened in FY 2020. Referrals from the Department of Education (Education) remained down, with 16 referrals in FY 2020. FY 2020 referrals were also down as a result of the Coronavirus Disease of 2019 ("COVID-19") pandemic debt collection moratorium implemented in FY 2020.

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

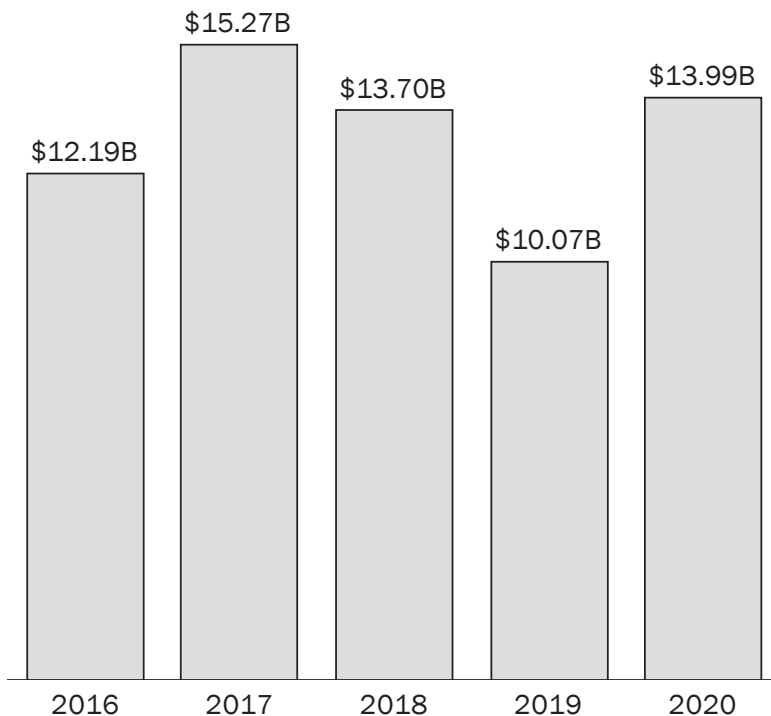
Balance of Civil Debts Opened by Fiscal Year



The balance of debts opened has decreased by 39%, primarily because of the decrease in total debts opened and the overall decrease in debts referred.

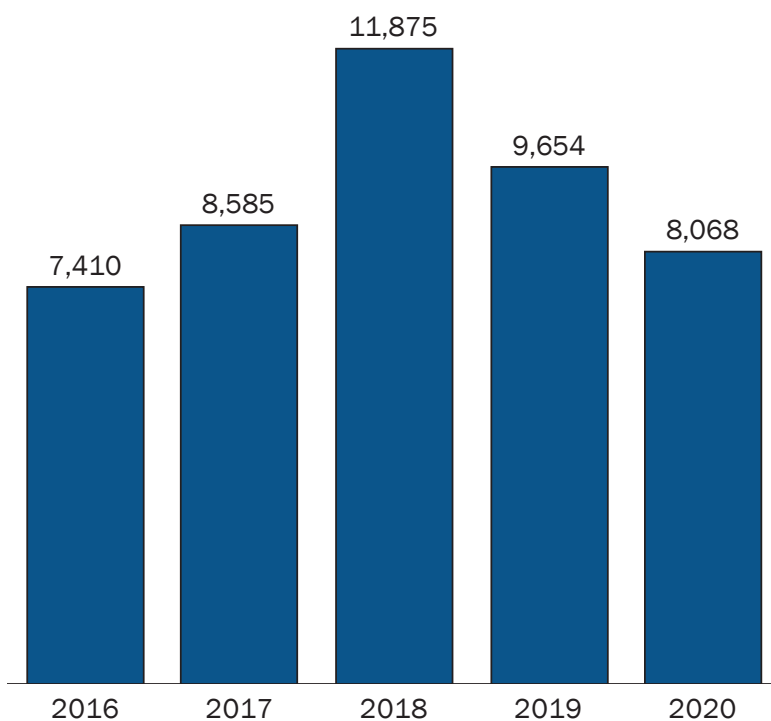
***"Opened," refers to cases opened by the Department during the fiscal year. "Opened" cases can include cases referred to the Department in previous fiscal years.*

Amount of Civil Debt Collections by Fiscal Year



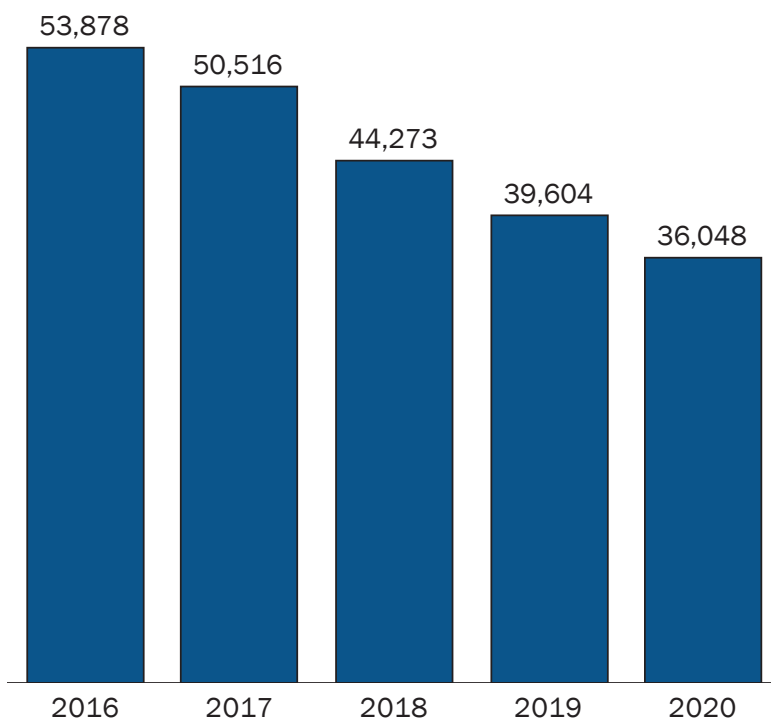
The amount of collections increased by 39% from FY 2019 to FY 2020. The FY 2020 increase is primarily due to collections in high dollar cases.

Number of Civil Debt Closures by Fiscal Year



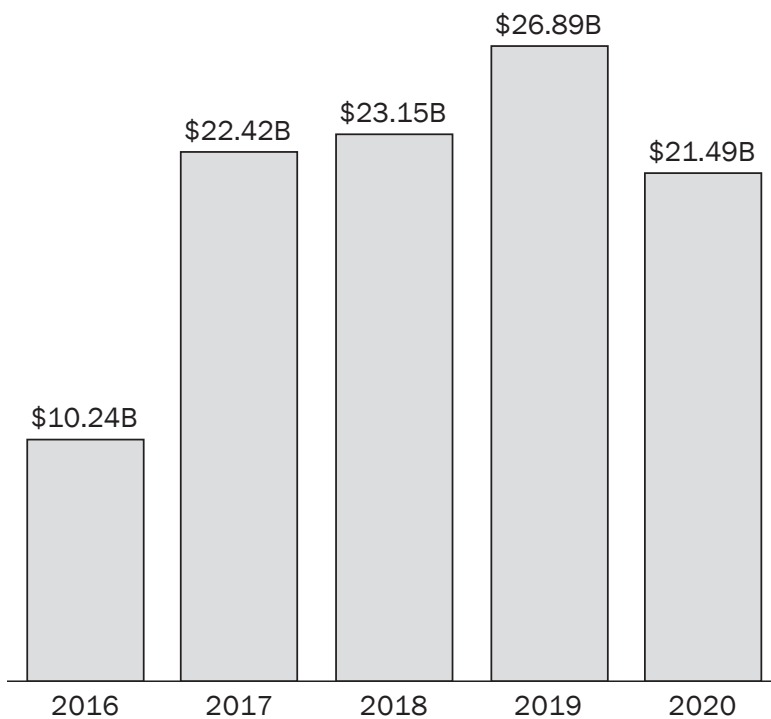
Closures are down by 16% from FY 2019 to FY 2020. The FY 2020 decrease in closures is primarily due to a combination of the FY 2019 decrease in referrals from Education and the effects of the COVID-19 debt collection moratorium implemented in FY 2020.

Number of Active Civil Debts by Fiscal Year



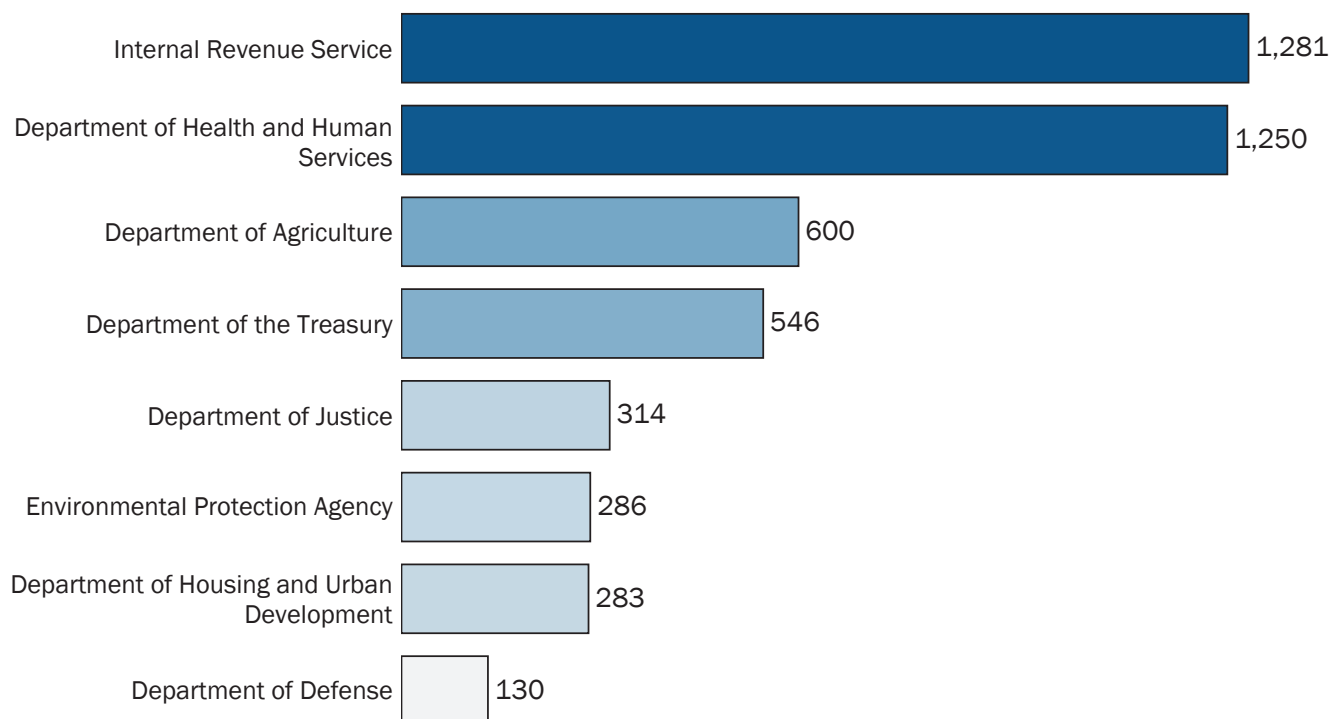
The number of active civil debts continues to decrease each year. The number of debts decreased by 9% between FY 2019 to FY 2020. This is a direct result of fewer referrals and improved collection practices resulting in an increased number of closures.

Balance of Active Civil Debts by Fiscal Year

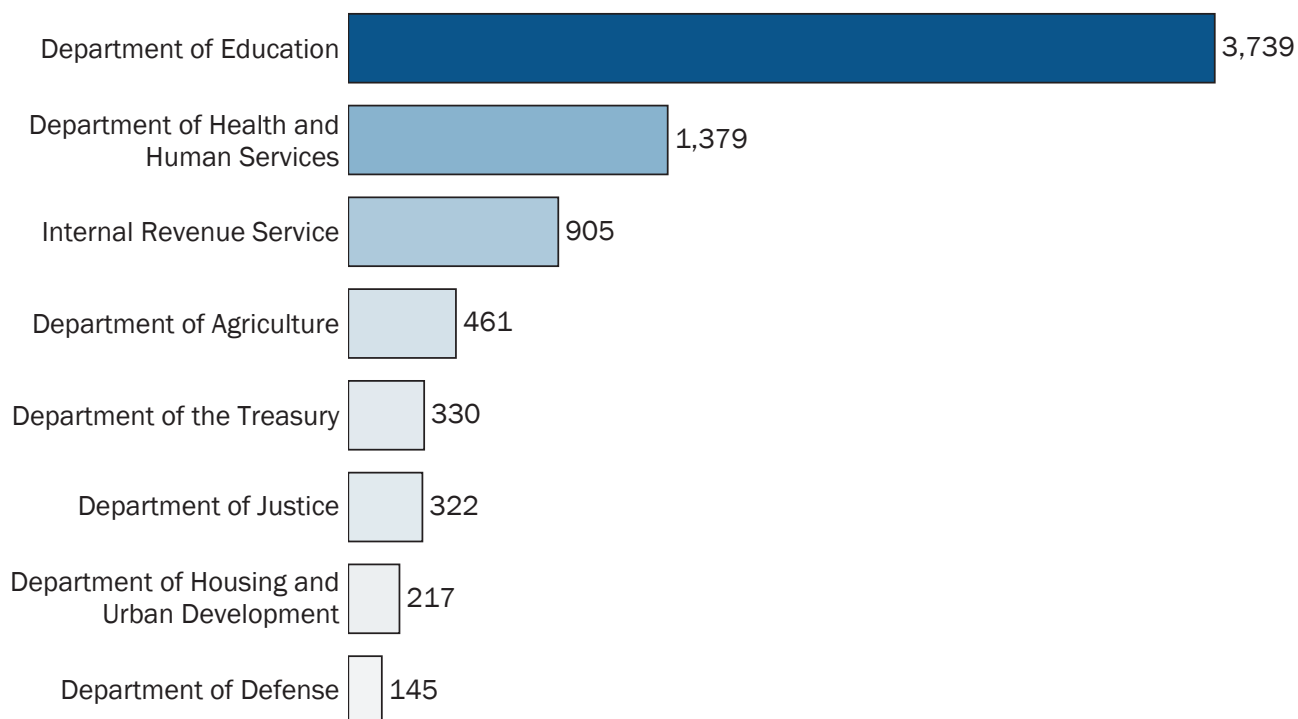


The balance of active civil debts decreased by 20% between FY 2019 to FY 2020. This decrease is primarily due to the successful collection of a large dollar case opened the previous fiscal year.

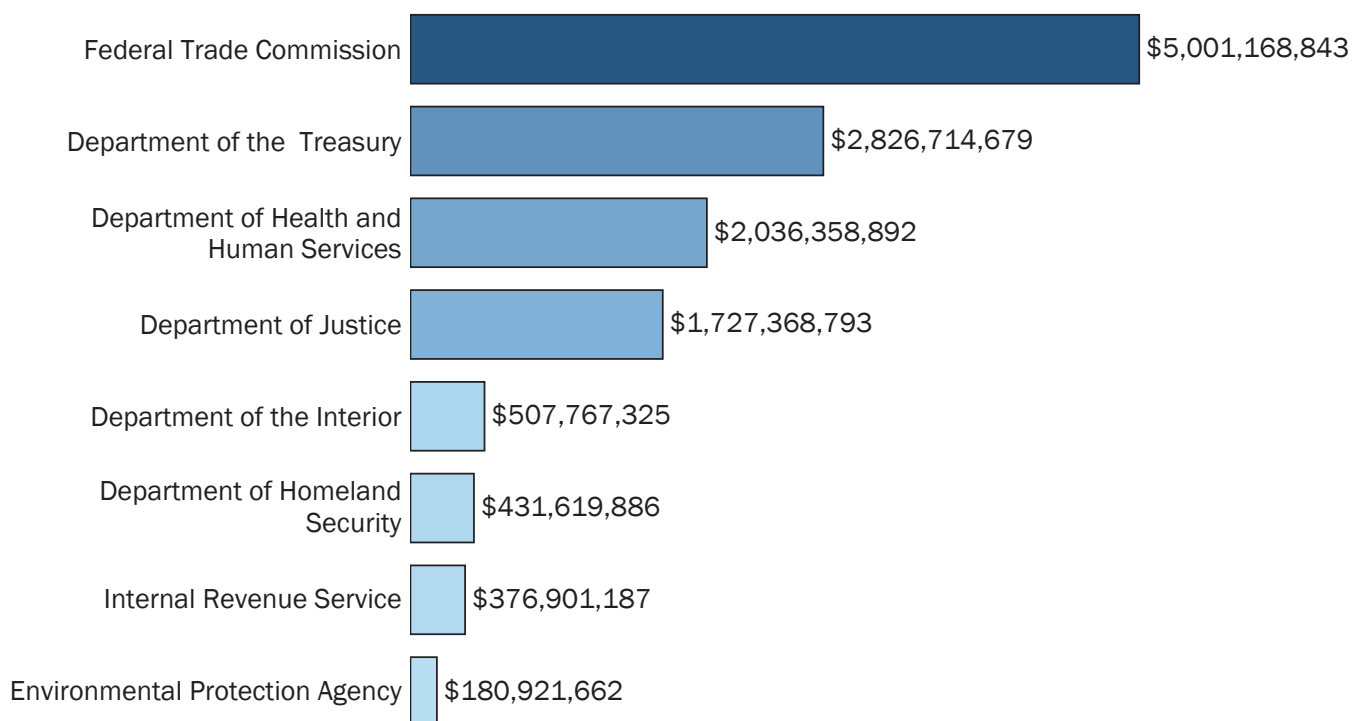
Top Eight Agencies by Number of Referrals



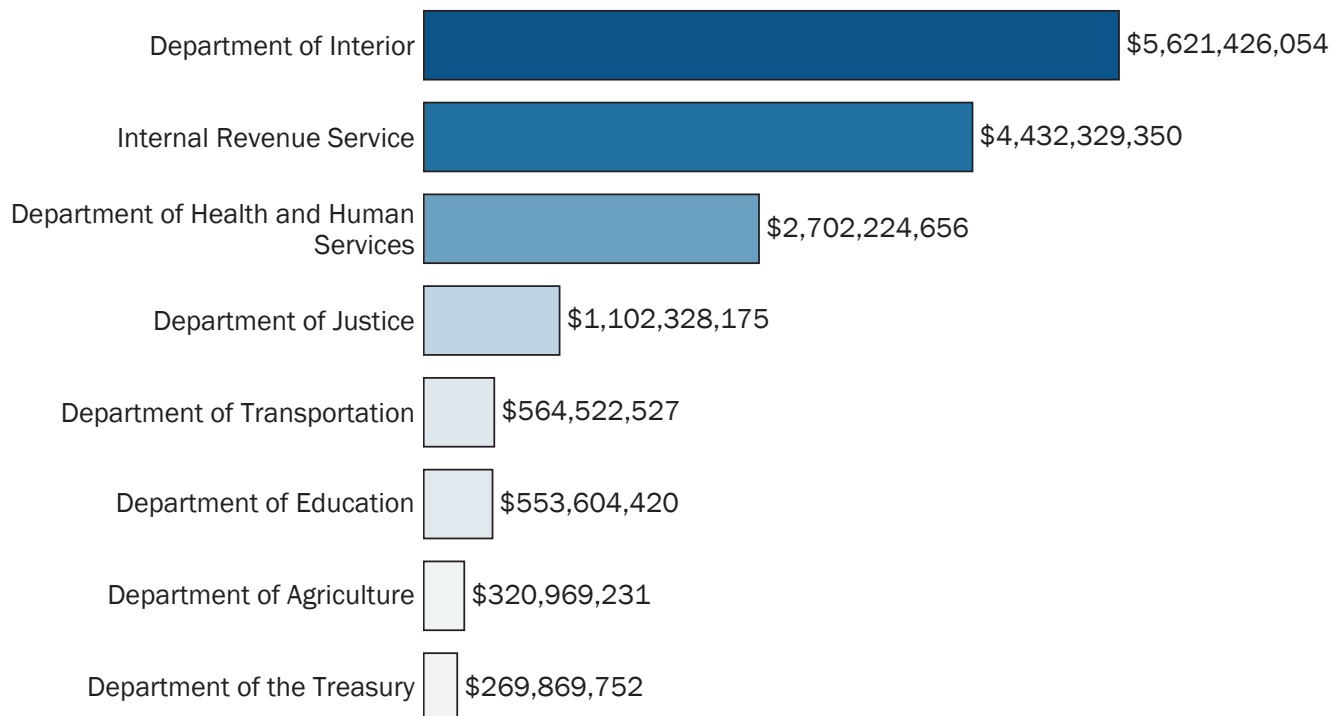
Top Eight Agencies by Number of Cases Closed



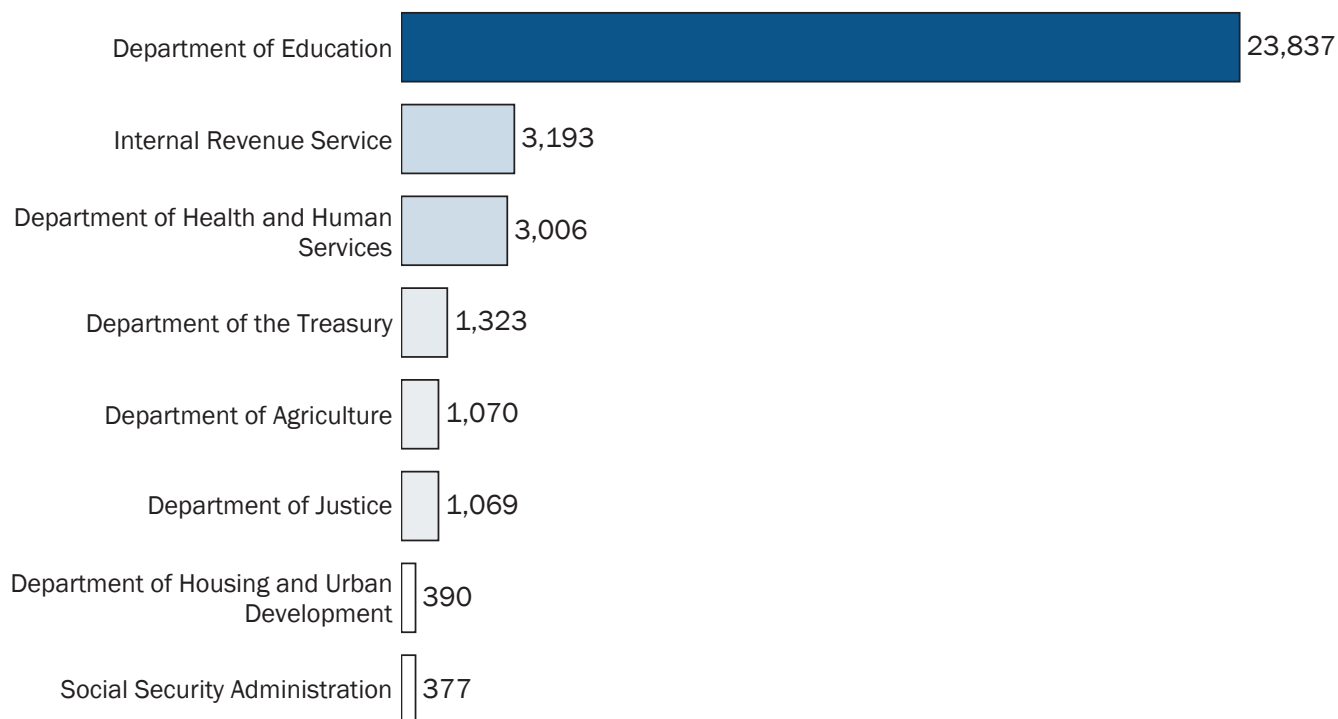
Top Eight Agencies by Amount Collected



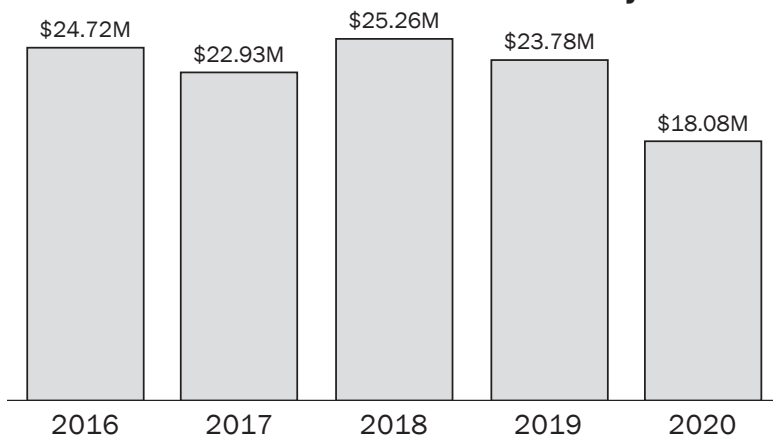
Top Eight Agencies by Balance of Active Cases



Top Eight Agencies by Number of Active Cases

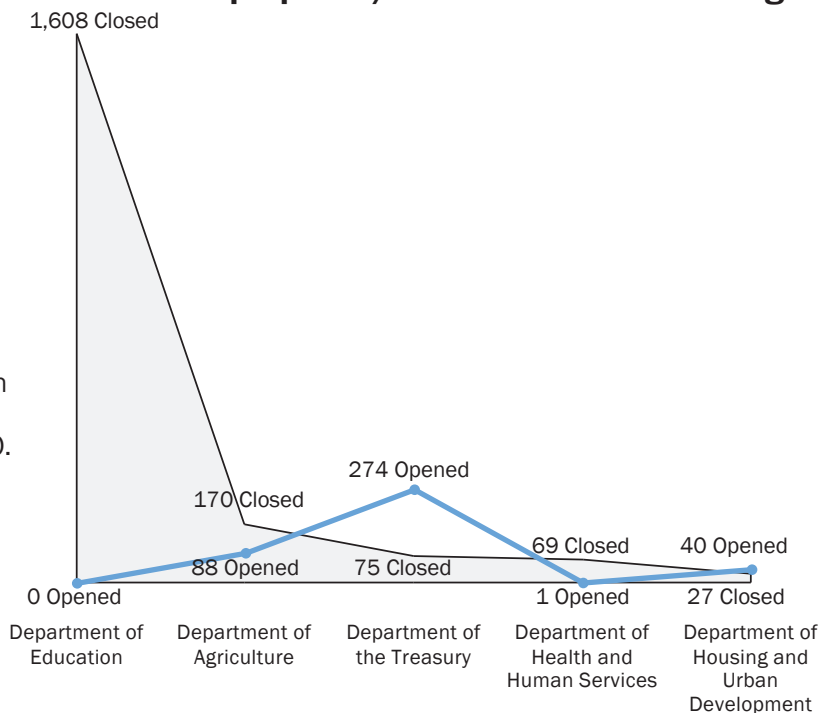


Private Counsel Civil Debt Collections by Fiscal Year



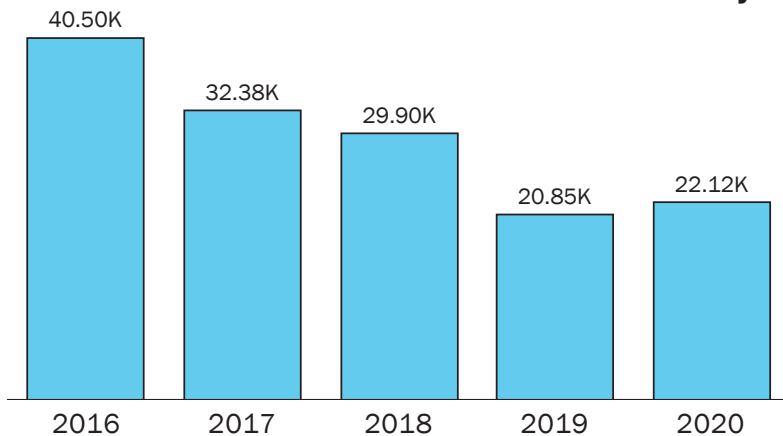
Private Counsel (PC) collections decreased this fiscal year by 24%. This decrease is largely due to the COVID-19 debt collection moratorium implemented in FY 2020.

Private Counsel Top Opened/Closed Case Ratio Changes



In FY 2020, PCs received no new cases from Education, however, PCs closed 1,608 existing ED cases. Department of Agriculture referrals dropped by 25.6% in FY 2020. This decrease resulted in 56 fewer referrals assigned to PCs in FY20. The number of Treasury referrals assigned to PCs increased by 18.6% in FY 2020.

Private Counsel Number of Active Civil Debts by Fiscal Year



The PC active debt count increased this fiscal year by 6%. This increase is largely due to the COVID-19 debt collection moratorium implemented in FY 2020.

\$2,036,358,892

Total Collected

[illegible]

1,250

Debts Referred

FY Change: ▼ -5.660%

Tort

Medicare Fraud

1,248

Debts Opened

FY Change: ▼ -6.0%

1,379

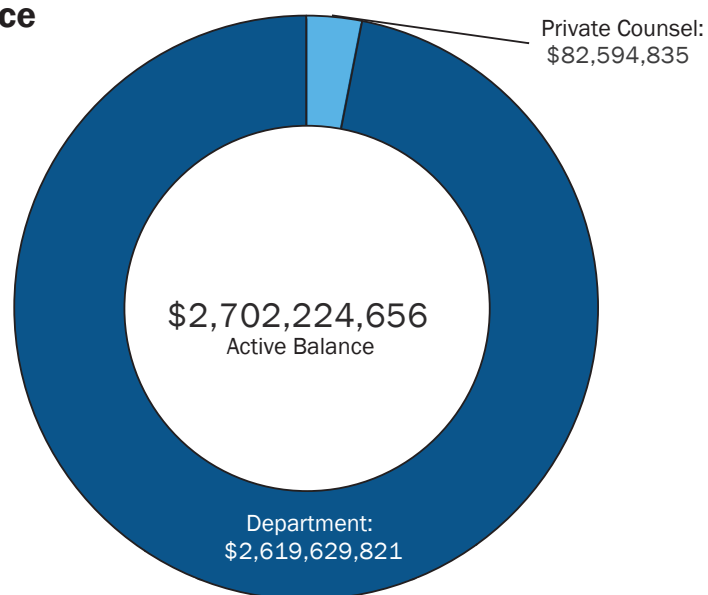
Debts Closed

FY Change: ▼ -8.736%

3,006

Debts Active

FY Change: ▼ -4.176%



\$431,619,886

Total Collected

[illegible]

40

Debts Referred

FY Change: ▼ -41.18%

Fraud

Environmental

36

Debts Opened

FY Change: ▼ -42.9%

31

Debts Closed

FY Change: ▼ -13.89%

132

Debts Active

FY Change: ▲2.326%

Private Counsel:
\$0

\$174,930,115
Active Balance

Department:
\$174,930,115

\$507,767,325

Total Collected

Active PC Cases

Low High

© 2021 Mapbox © OpenStreetMap

60

Debts Referred

FY Change: ▲ 30.43%

Tort

Environmental

39

Debts Opened

FY Change: ▲ 116.7%

21

Debts Closed

FY Change:()0%

69

Debts Active

FY Change: ▲ 40.82%

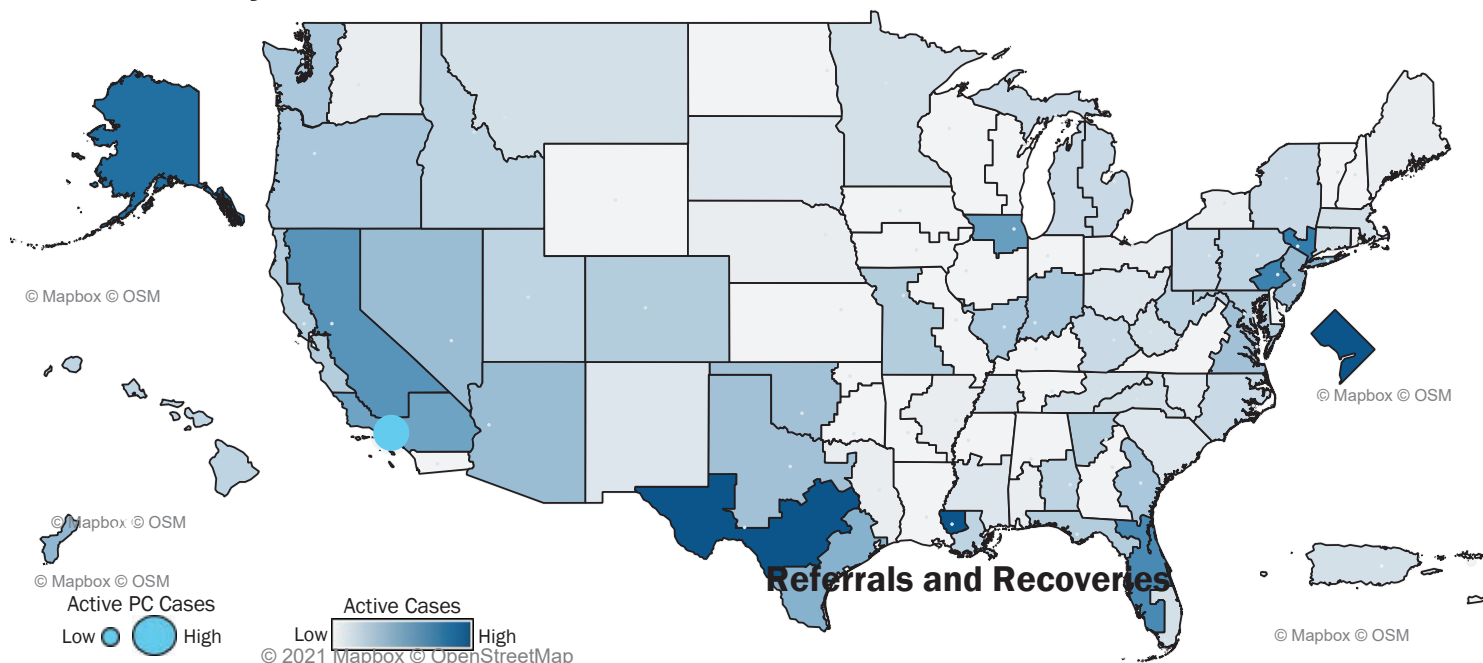
Private Counsel:
\$0

\$5,621,426,054
Active Balance

Department:
\$5,621,426,054

\$1,727,368,793

Active Cases by Collection District



Top Debt Types Opened

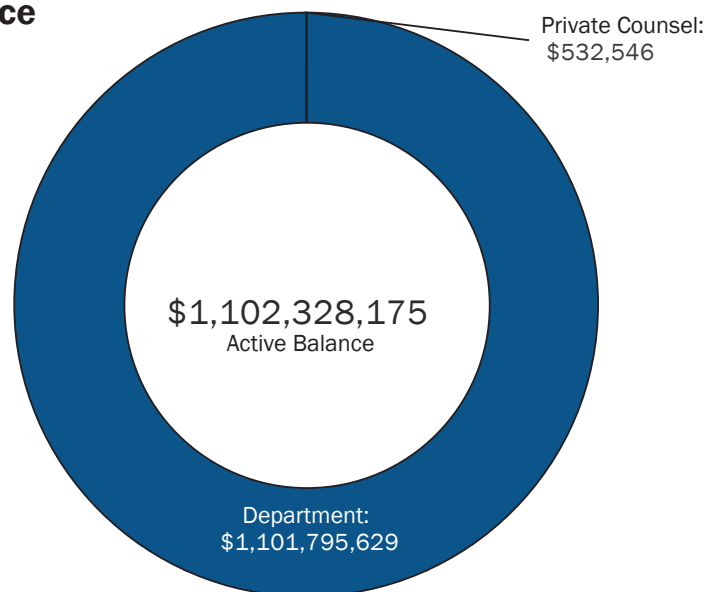
FY Change: ▼-15.14%



FY Change: ▲ 0.3%

FY Change: ▼ -36.61%

FY Change: ▲ 6.262%



\$2,826,714,679

Total Collected

[illegible]

546

Debts Referred

FY Change: ▲1.676%

RECOVERY OF NATIONAL HEALTH SERVICE CORPS SCHOLARSHIPS(NHSC)

Civil Penalty

ce

Private Counsel:
\$33,614,044

\$269,869,752
Active Balance

Department:
\$236,255,708

Category	Amount
Department	\$236,255,708
Private Counsel	\$33,614,044
Active Balance	\$269,869,752

\$180,921,662

Total Collected

[illegible]

286

Debts Referred

FY Change: ▼ -2.055%

101

Debts Opened

FY Change: ▼ -1.9%

107

Debts Closed

FY Change: ▼ -8.547%

249

Debts Active

FY Change: ▲ 6.410%

Environmental

ce

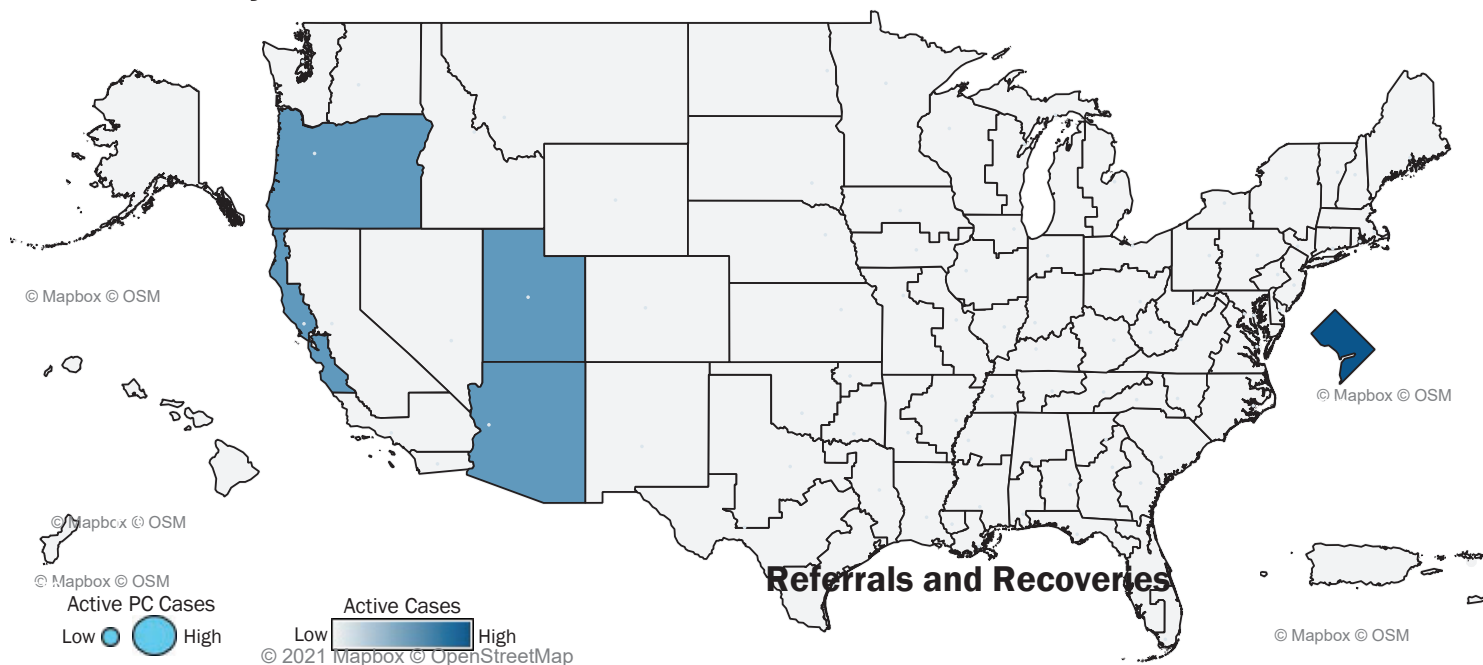
Private Counsel:
\$72,564

\$211,249,216
Active Balance

Department:
\$211,176,653

\$5,001,168,843

Active Cases by Collection District



Top Debt Types Opened

Debts Referred

Civil Penalty

JUDGMENT FOR RESTITUTION -

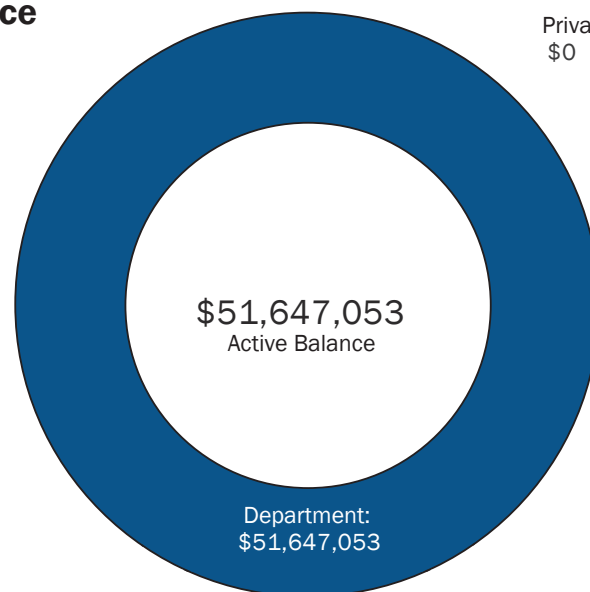
Debts Opened

Active Balance

Private Counsel:
\$0

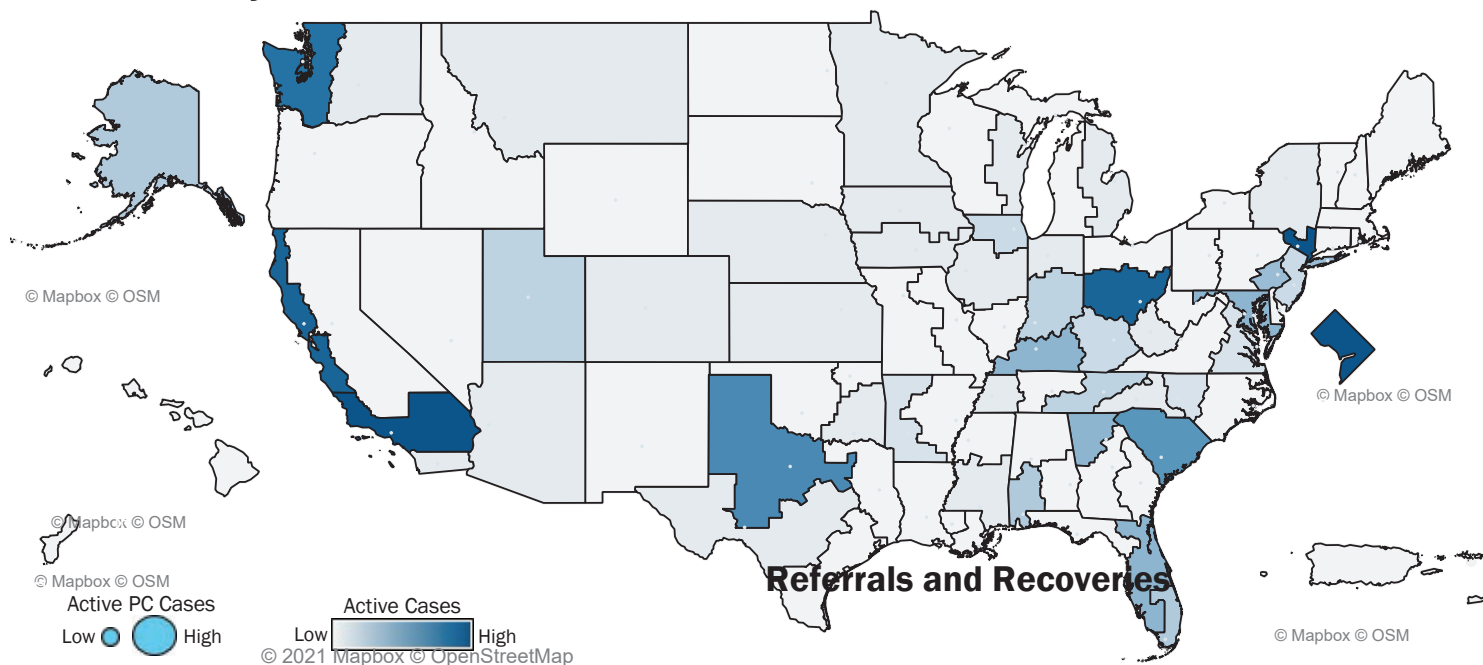
Debts Closed

FY Change: ▲200.0%



\$376,901,187

Active Cases by Collection District



1,281

Debts Referred

FY Change: ▼ -15.45%

Tax

Liens

918

Debts Opened

FY Change: ▼-26.2%

905

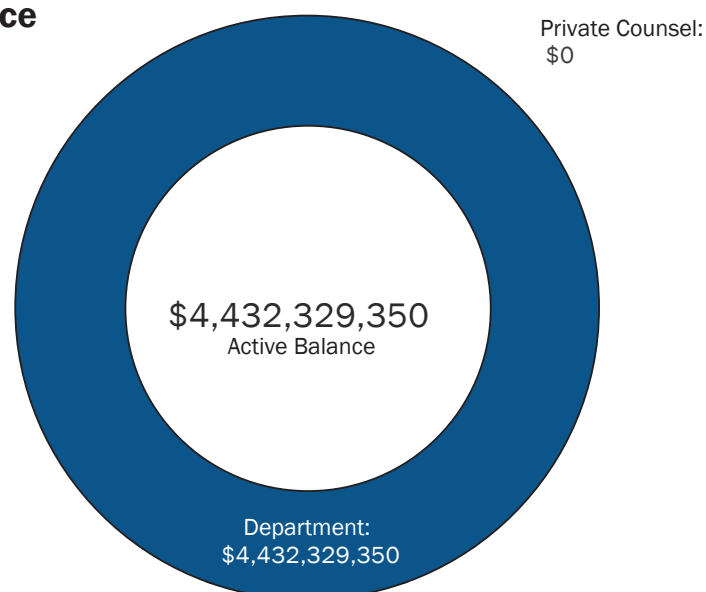
Debts Closed

FY Change: ▼ -11.62%

3,193

Debts Active

FY Change: ▲ 0.6620%



DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO
CONGRESS FY 2020

Appendix A: Departmentwide Statistics

Agency	Collections	Debts Closed	Referrals	Debts Opened	Opened Balance	Active	Active Balance
Administrative Office of the US Courts	\$666,928	2	1	1	\$256,000	4	\$1,047,121
Agency for International Development	\$558,701	1	0	0	\$0	3	\$1,860,750
Agency for State Collection	\$0	0	0	0	\$0	1	\$305,346
All Other Independent Agencies	\$4,026,685	5	5	5	\$4,129,389	6	\$3,368,877
Amtrak	\$0	4	0	0	\$0	1	\$4,700
Commodities & Futures Trading	\$455,896	5	15	15	\$12,753,333	97	\$200,802,118
Consumer Product Safety Commission	\$0	1	0	0	\$0	2	\$25,850
Corporation of National & Community Service	\$207,416	0	1	1	\$206,268	2	\$1,148
Department of Agriculture	\$42,920,844	461	600	386	\$62,532,236	1,070	\$320,969,231
Department of Commerce	\$155,000	1	5	2	\$155,000	7	\$50,031,790
Department of Defense	\$122,491,305	145	130	130	\$328,064,130	237	\$103,793,011
Department of Education	\$18,799,737	3,739	16	16	\$7,854,875	23,837	\$553,604,420
Department of Energy	\$87,139,679	6	7	6	\$57,885,000	12	\$6,588,402
Department of Health and Human Services	\$2,036,358,892	1,379	1,250	1,248	\$2,477,092,987	3,006	\$2,702,224,656
Department of Homeland Security	\$431,619,886	31	40	36	\$399,195,448	132	\$174,930,115
Department of Housing and Urban Development	\$20,720,420	217	283	260	\$24,444,182	390	\$177,437,031
Department of Justice	\$1,727,368,793	322	314	386	\$1,998,484,786	1,069	\$1,102,328,175
Department of Labor	\$10,321,495	12	14	14	\$7,418,716	64	\$20,905,920
Department of State	\$1,549,175	1	1	1	\$1,500,000	3	\$10,601,211
Department of the Interior	\$507,767,325	21	60	39	\$44,014,412	69	\$5,621,426,054
Department of the Treasury	\$2,826,714,679	330	546	548	\$2,553,571,389	1,323	\$269,869,752
Department of Transportation	\$7,072,579	14	39	39	\$21,196,103	66	\$564,522,527
Department of Veterans Affairs	\$21,200,625	105	81	82	\$21,298,707	195	\$33,287,844
Environmental Protection Agency	\$180,921,662	107	286	101	\$165,986,157	249	\$211,249,216
Equal Employment Opportunity Commission	\$10,021	1	0	0	\$0	3	\$334,884
Export/Import Bank of The U.S.	\$1,145,742	2	1	1	\$167,802	11	\$16,337,855
Farm Credit Administration	\$0	1	0	0	\$0	0	\$0
Federal Communications Commission	\$4,512,492	15	5	5	\$11,431,335	77	\$35,484,802
Federal Deposit Insurance Corporation	\$4,589	1	0	0	\$0	6	\$5,689,858
Federal Housing Finance Agency	\$0	0	0	0	\$0	4	\$31,320

DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO
CONGRESS FY 2020

Appendix A: Departmentwide Statistics

Agency	Collections	Debts Closed	Referrals	Debts Opened	Opened Balance	Active	Active Balance
Federal Reserve System	\$3,575	0	0	0	\$0	2	\$54,678
Federal Trade Commission	\$5,001,168,843	6	4	4	\$9,432,774	18	\$51,647,053
General Services Administration	\$55,562	7	2	2	\$307,500	12	\$3,472,366
Government Accountability Office	\$295,920	1	1	1	\$295,920	0	\$0
Government Printing Office	\$0	0	0	0	\$0	2	\$98,706
Internal Revenue Service	\$376,901,187	905	1,281	918	\$688,719,340	3,193	\$4,432,329,350
Miscellaneous Agencies	\$1,722,000	2	1	1	\$22,000	2	\$42
Multiple Agencies	\$522,802,014	14	6	17	\$16,734,889	31	\$4,563,466,928
NASA	\$1,671,962	2	4	4	\$1,644,184	2	\$55,556
National Aeronautics and Space Administration	\$253,580	0	2	2	\$451,638	11	\$9,063,354
National Archives and Records Service	\$0	0	0	0	\$0	1	\$22,326
National Endowment of The Arts	\$13,000	0	0	0	\$0	1	\$50,500
National Reconnaissance Office	\$0	1	0	0	\$0	0	\$0
National Science Foundation	\$4,424,082	2	4	4	\$4,324,186	9	\$1,031,983
National Security Agency	\$651,852	2	2	2	\$1,072,747	1	\$421,122
National Transportation Safety Board	\$0	0	0	0	\$0	1	\$8,792
Office of Personnel Management	\$1,638,230	2	14	14	\$1,712,892	33	\$1,769,812
Railroad Retirement Board	\$229,303	17	10	10	\$569,510	151	\$5,286,676
Securities and Exchange Commission	\$1,765	0	0	0	\$0	2	\$47,891,866
Small Business Administration	\$10,330,959	76	61	57	\$10,656,861	147	\$122,694,801
Smithsonian Institute	\$0	0	0	0	\$0	2	\$306,369
Social Security Administration	\$1,667,474	62	19	18	\$3,621,697	377	\$18,245,761
State/County/Municipal Authorities	\$10,000	0	0	0	\$0	5	\$1,545,648
U.S. Army Corps of Engineers	\$4,356,171	1	6	6	\$4,403,248	19	\$11,580,759
U.S. Courts	\$20,303	17	2	2	\$3,245	32	\$115,679
U.S. Postal Service	\$6,130,264	16	10	10	\$8,082,751	47	\$30,248,755
U.S. Trade and Development Agency	\$300,000	1	1	1	\$300,000	1	\$122,820

DEBT COLLECTION MANAGEMENT

ANNUAL REPORT TO
CONGRESS FY 2020

Appendix B: Private Counsel Statistics

Agency	Collections	Debts Closed	Opened And Referred To PC	Opened Balance	Active	Active Balance
Commodities & Futures Trading	\$50,000	1	0	\$0	5	\$1,000,807
Department of Agriculture	\$7,588,248	170	88	\$15,946,572	438	\$65,818,413
Department of Defense	\$34,504	3	1	\$29,690	27	\$884,824
Department of Education	\$6,201,911	1,608	0	\$0	19,990	\$347,182,442
Department of Health and Human Services	\$1,922,696	69	0	\$0	766	\$82,594,835
Department of Housing and Urban Development	\$1,326,216	27	40	\$8,607,599	104	\$14,630,490
Department of Justice	\$20,058	1	0	\$0	1	\$532,546
Department of Labor	\$0	0	0	\$0	3	\$99,823
Department of the Treasury	\$378,600	75	274	\$4,222,631	590	\$33,614,044
Department of Transportation	\$0	3	15	\$301,218	13	\$1,528,729
Department of Veterans Affairs	\$64,537	9	0	\$0	92	\$5,296,683
Export/Import Bank of The U.S.	\$7,800	0	0	\$0	1	\$547,023
Federal Communications Commission	\$0	0	2	\$40,000	6	\$99,616
General Services Administration	\$0	0	0	\$0	1	\$21,213
Railroad Retirement Board	\$50	2	0	\$0	2	\$30,469
Small Business Administration	\$468,393	6	9	\$1,350,993	24	\$2,933,323
Social Security Administration	\$10,190	1	2	\$82,829	47	\$1,568,881
U.S. Courts	\$600	1	0	\$0	3	\$11,114
U.S. Postal Service	\$1,622	0	0	\$0	3	\$148,997

UNITED STATES DEPARTMENT OF JUSTICE
DEBT COLLECTION MANAGEMENT
justice.gov/jmd/debt-collection-management-staff