



United States Trustee Program (USTP)

FY 2011 Budget Request At A Glance

FY 2010 Enacted:	\$219.3 million(1,323 positions; 318 attorneys)
Current Services Adjustments:	+\$12.0 million (5.5% above FY 2010 Enacted)
Program Changes:	+\$5.2 million
FY 2011 Budget Request:	\$236.4 million (1,358 positions; 330 attorneys)
Change from FY 2010 Enacted:	+\$17.1million (+7.8%) (+35 positions; +12 attys)

Mission:

USTP's mission is to promote integrity and efficiency in the nation's bankruptcy system by enforcing bankruptcy laws, providing oversight of private trustees, and maintaining operational excellence.

Resources:

The budget request for FY 2011 totals \$236.4 million, which is a 7.8 percent increase from the FY 2010 Enacted Appropriation level. The USTP operations are entirely funded from bankruptcy filing fees and Chapter 11 quarterly fees that are deposited into the U.S. Trustee System Fund and remain available to the USTP for expenditure across fiscal years as specified in Appropriations Acts. Current revenue projections indicate that the fees collected in FY 2011 will fully fund the budget request.

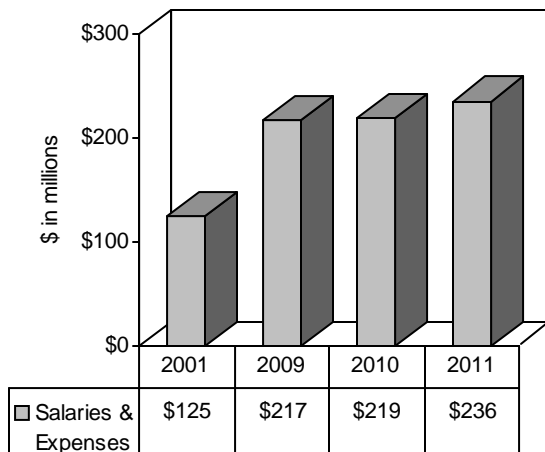
Organization:

The USTP is managed by an Executive Office in Washington DC, which is headed by a Director, a career appointee in the Senior Executive Service, who provides comprehensive policy and management direction to the U.S. Trustees and their staffs. The USTP operates in 88 judicial districts through a system of 21 regions and 95 district offices in 46 states. Each region is headed by a U.S. Trustee. The USTP does not operate in the judicial districts in Alabama and North Carolina. U.S. Trustees are appointed by the Attorney General to five-year terms.

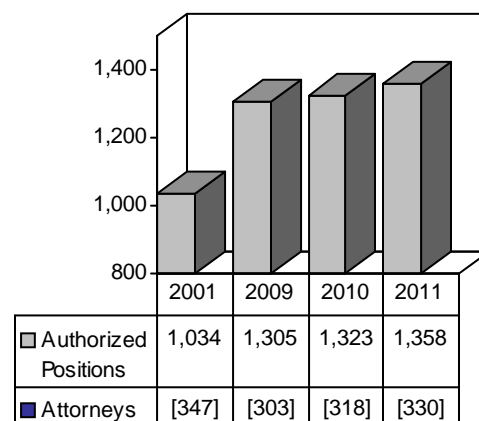
Personnel:

The USTP's authorized positions for FY 2011 total 1,358 positions, of which 330 are attorneys. The FY 2011 budget request includes an increase of 35 positions (12 attorneys), over the FY 2010 enacted funding level of 1,323 direct authorized positions.

Funding (FY 2001 - 2011)



Personnel (FY 2001 - 2011)



*Includes reimbursable attorneys

FY 2011 Strategy:

One of the basic principles of our nation’s bankruptcy system is that the honest but unfortunate debtor deserves a fresh start. Those who prey upon debtors for their own financial gain undermine that basic principle. Thus, protecting consumer debtors and being able to quickly mobilize to address increasingly complex abuse is an important objective of USTP enforcement efforts.

In FY 2011, the USTP anticipates a significant rise in bankruptcy filings and will generate offsetting collections of \$282.0 million, \$46.0 million over the FY 2011 request level. With a significant caseload increase, responsibilities mandated in the BAPCPA, and the increased fraud and abuse activities being investigated and litigated, it is critical that the USTP have the resources to address this workload and maintain the high level of integrity in the bankruptcy system.

Under the BAPCPA, the USTP must contract for random and non-random audits to verify the financial information provided by debtors. This provision helps the USTP identify fraud, abuse, and errors, deter the filing of false financial information, and potentially provide a baseline for measuring fraud, abuse, and errors in the bankruptcy system. While the conduct of debtor audits is statutorily mandated under the BAPCPA, the USTP has not received funding to support this requirement. The USTP has used carry-over funds from FY 2006 to pay for its debtor audit activities in FY 2007, and will continue to use carryover funding for this purpose until the balance is exhausted in FY 2010.

The USTP plan highlights the need to replace critical equipment every four years. The Program relies heavily on its data collection systems to increase productivity, for performance measurement, to track case activities and criminal referrals, to meet statutorily required mandates of the bankruptcy reform law, and to monitor fee collections. This technology would ultimately allow staff to work more productively by providing them with access to critical information resources from a single location and replace critical equipment.

FY 2011 Program Changes:

Increased Workload and Responsibilities: \$2.7 million and 35 positions (12 attorneys) to address significant increased caseload and case complexities. Bankruptcy filings increased from less than 800 thousand in FY 2007 to over 1.3 million thus far in FY 2009. By FY 2011, filings are projected to exceed 1.6 million, an increase of 100 percent over a four-year period. Mortgage, corporate, and other sophisticated fraud schemes rarely encountered in the past require an enormous amount of time and expertise to identify and litigate, and can take years to bring to closure. There are no dedicated resources available to handle the kind of complex cases that the USTP will have to address in FY 2011.

IT Requirements: \$2.5 million for life cycle replacement of servers, portal development for data sharing and, development of a data collection system for large chapter 11 cases. There are no current services for this initiative.

Financial Snapshot 2009

Clean Opinion on Financial Statements	Yes
Timely Financial Reporting	Yes
Material Weaknesses	None