



U.S. Trustees (USTP)

FY 2018 Budget Request At A Glance

FY 2017 Continuing Resolution:	\$225.5 million (1,314 positions; 436 attorneys)
Current Services Adjustments:	+\$0
Program Changes:	+\$0
FY 2018 Budget Request:	\$225.5 million (1,028 positions; 360 attorneys)
Change From FY 2017 Continuing Resolution:	+\$0 (-286 positions)

Mission:

USTP's mission is to promote the integrity and efficiency of the bankruptcy system for the benefit of all stakeholders – debtors, creditors, and the public.

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, each headed by a U.S. Trustee, and 92 district office locations. (The USTP does not operate in the judicial districts established for Alabama and North Carolina.)

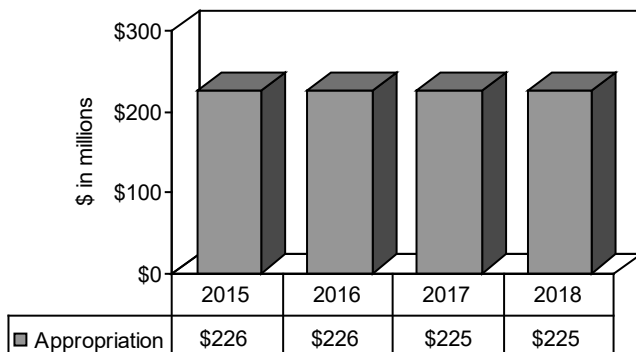
Resources:

The FY 2018 budget request for USTP totals \$225.5 million, which is the same as 2017 Continuing Resolution.

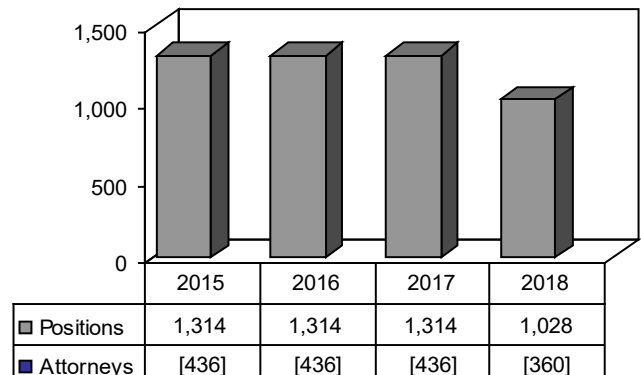
Personnel:

The USTP's direct positions for FY 2018 total 1,028 positions. USTP's FY 2018 request includes a decrease of -286 positions from the FY 2017 Continuing Resolution of 1,314 direct positions.

Funding (FY 2015 - 2018)



Personnel (FY 2015 - 2018)



FY 2018 Strategy:

The “USTP” or the “Program” is a litigating component of the Department whose mission is to promote the integrity and efficiency of the nation’s bankruptcy system for the benefit of all stakeholders – debtors, creditors, and the public. Based solely upon recent filing rates, the USTP projects 733,000 bankruptcy filings during FY 2018.

The USTP oversees the administration of and, by statute, has standing to participate in all bankruptcy cases filed by individual and business debtors in every federal judicial district (except those in Alabama and North Carolina). To ensure the integrity of the bankruptcy system, the Program employs a broad range of enforcement and oversight activities. These activities include conducting tens of thousands of civil enforcement actions each year against debtors and others who violate bankruptcy law; protecting consumer debtors from being victimized by unscrupulous creditors, bankruptcy petition preparers or attorneys; providing oversight of chapter 11 cases; supervising private trustees who administer chapters 7, 12, and 13 bankruptcy cases; and participating in appeals to bankruptcy appellate panels, district courts, circuit courts of appeals, and the U.S. Supreme Court to ensure the Bankruptcy Code is consistently interpreted and applied.

The USTP has two main strategies to protect the bankruptcy system: (1) address fraud and abuse of the system by debtors, financial institutions and other creditors, and third parties such as attorneys and non-attorney petition preparers; and (2) ensure accountability by management of chapter 11 corporate debtors by ensuring that entrenched management does not cut off the rights of other parties, by opposing insider bonuses that do not satisfy strict statutory standards, and by ensuring that attorneys and other professional firms adhere to statutory requirements pertaining to disclosure, conflicts of interest, and payment of fees.

The USTP is instrumental in helping to combat mortgage fraud and creditor abuse activities that could otherwise result in significant adverse consequences to the nation’s financial systems. Since 2008, the USTP has reached 12 national settlements, nine of which resulted from the Program’s creditor enforcement efforts. In 2016, the USTP participated in a settlement between DOJ and its federal and state partners with HSBC Bank resolving multiple issues relating to mortgage loan origination and servicing. The agreement provided for \$470 million in relief to consumers, as well as payments to federal and state parties. It is critical that the USTP maintain a capability to mobilize quickly to address increasingly complex abuse of the consumer and business bankruptcy system. Among current projects is an effort to address bankruptcy fraud and abuse committed through use of the Internet.

The USTP receives filing fees from consumer and business debtors and quarterly fees based on disbursements from chapter 11 debtors. These fees are deposited into the United States Trustee System Fund (“Fund”) and are used to offset amounts expended by the USTP pursuant to Congressional appropriations.

For the past century, filings have generally increased about two-thirds of the time and decreased the other one-third. However, in recent years, bankruptcy filing rates have been extraordinarily unpredictable. After a historic rise in the number of bankruptcy filings from FY 2007 to FY 2010, filing rates have declined through the first half of FY 2017. The USTP does not project a significant rebound in bankruptcy filings and associated fees in FY 2018. During FY 2017, the USTP is predicted to exhaust the balance of the Fund and fall short of fully offsetting the FY 2017 appropriation. To address this issue in FY 2018 and beyond, the USTP proposes to adjust quarterly fees for the largest chapter 11 debtors (those with disbursements of more than \$1 million quarterly). If the fee adjustment is effective October 1, 2017, the FY 2018 budget request is anticipated to be fully offset by bankruptcy fees collected and on deposit in the Fund.

FY 2018 Program Changes:

The budget proposal includes funds for current services for USTP. No program changes are requested.

U.S. Trustees
(Dollars in Thousands)

	U.S. Trustees		
	Pos	FTE	Amount
2016 Appropriation	[1,314]	1,088	225,908
2017 Continuing Resolution	[1,314]	1,184	225,908
2017 Rescission - 0.1901%	0	0	-429
2017 Continuing Resolution	[1,314]	1,184	225,479
2018 Request	[1,028]	1,028	225,479
Change 2018 from 2017 Continuing Resolution	-286	-156	0
Technical Adjustments			
Total Technical Adjustments	0	0	0
Base Adjustments			
Pay & Benefits	[-286]	-156	-71
Domestic Rent & Facilities	0	0	71
Total Base Adjustments	[-286]	-156	0
2018 Current Services	[1,028]	1,028	225,479
Program Changes			
Increases:			
Subtotal, Program Increases	0	0	0
Decreases:			
Subtotal, Program Decreases	0	0	0
Total Program Changes	0	0	0
2018 Request	[1,028]	1,028	225,479

U.S. Trustees
(Dollars in Thousands)

Comparison by activity and program	2017 Continuing Resolution			2018 Current Services		
	Pos.	FTE	Amount	Pos.	FTE	Amount
Administration of Cases	1,314	1,184	225,479	1,028	1,028	225,479
Total	1,314	1,184	225,479	1,028	1,028	225,479
Grand Total	1,314	1,184	225,479	1,028	1,028	225,479

Comparison by activity and program	2018 Total Program Changes			2018 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount
Administration of Cases	0	0	0	1,028	1,028	225,479
Total	0	0	0	1,028	1,028	225,479
Grand Total	0	0	0	1,028	1,028	225,479