

ANNUAL CIVIL DEBT COLLECTION ACTIVITY REPORT TO CONGRESS

FISCAL
YEAR
2023

UNITED STATES DEPARTMENT OF JUSTICE
DEBT COLLECTION MANAGEMENT STAFF
JANUARY 2024



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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) authorized a pilot program for three years in which the Attorney General could retain PC to represent the Department in federal debt collection efforts in several judicial districts. FDRA was amended several times in the next few years, increasing the number of districts until the Debt Collection Improvement Act of 1996 expanded the Attorney General's authority to contract with as many PC in any of the federal judicial districts as necessary. As of the end of Fiscal Year (FY) 2023, the Department is contracted with PC in 28 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 2023. 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.

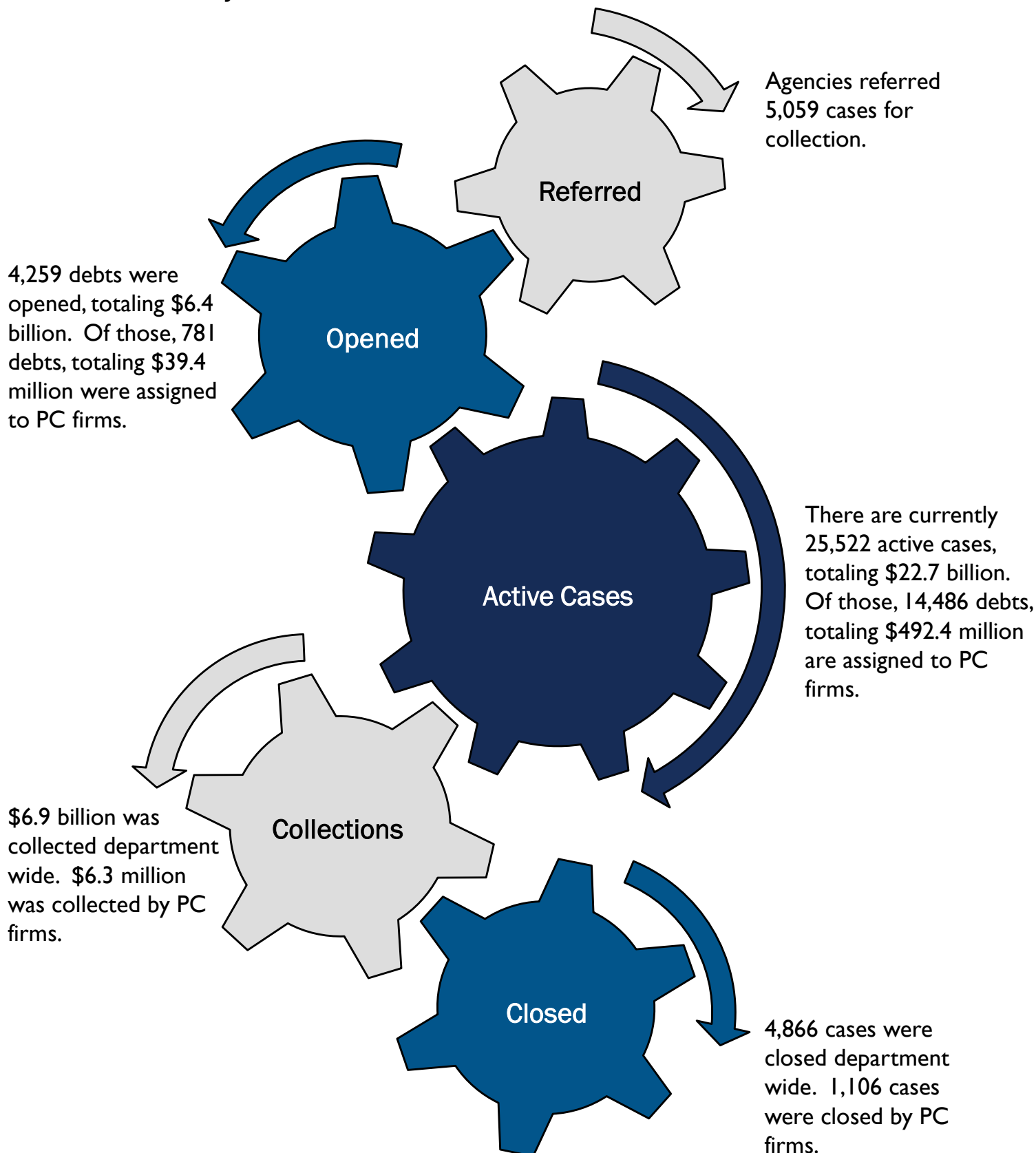
Reporting Requirement

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—

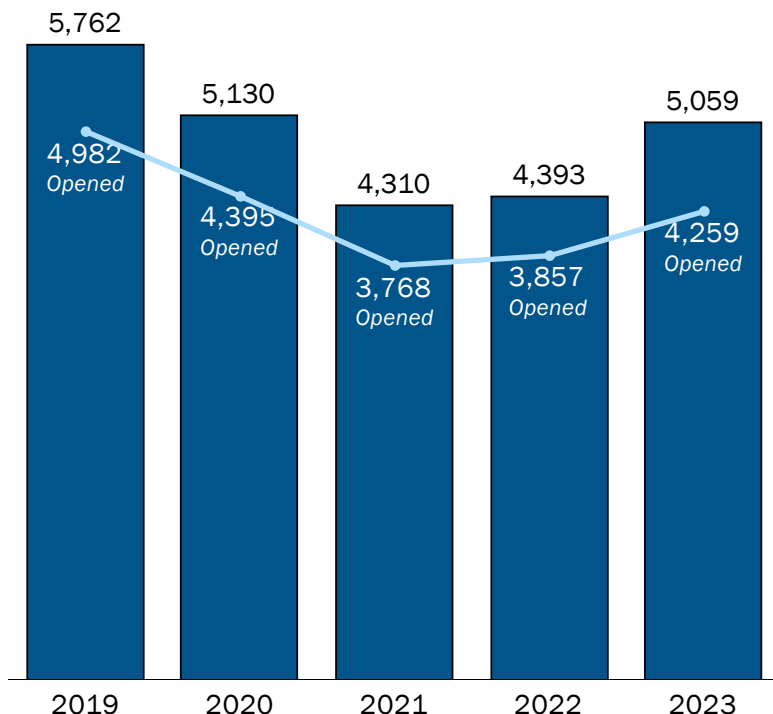
- (1) the total number and amounts of claims which were referred for legal services to the Department and to Private Counsel under subsection (b) during the 1-year period covered by the report;
- (2) the total number and amount of those claims referred for legal services to the Department which were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



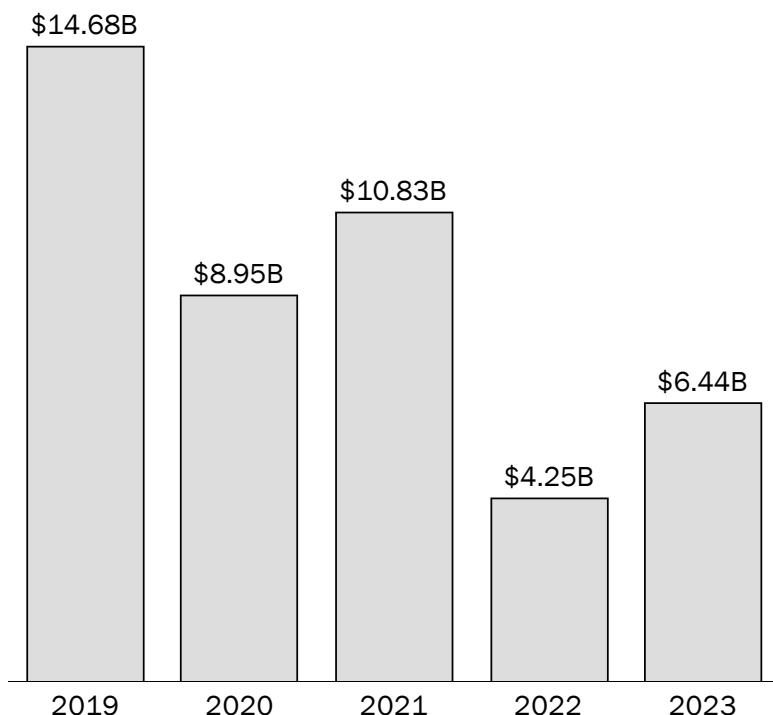
Number of Civil Debt Referrals by Fiscal Year



The number of FY 2023 referrals increased by 15% from FY 2022, resulting in a 10% increase in debts opened in FY 2023.

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

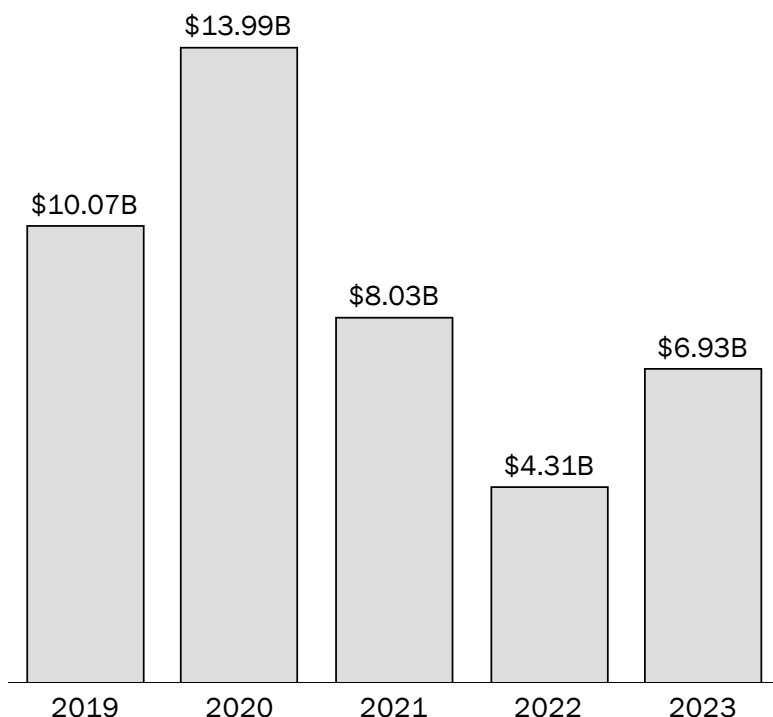
Balance of Civil Debts Opened by Fiscal Year



The balance of debts opened increased by 51% from FY 2022 to FY 2023. This increase is primarily due to more high dollar cases being opened in FY 2023.

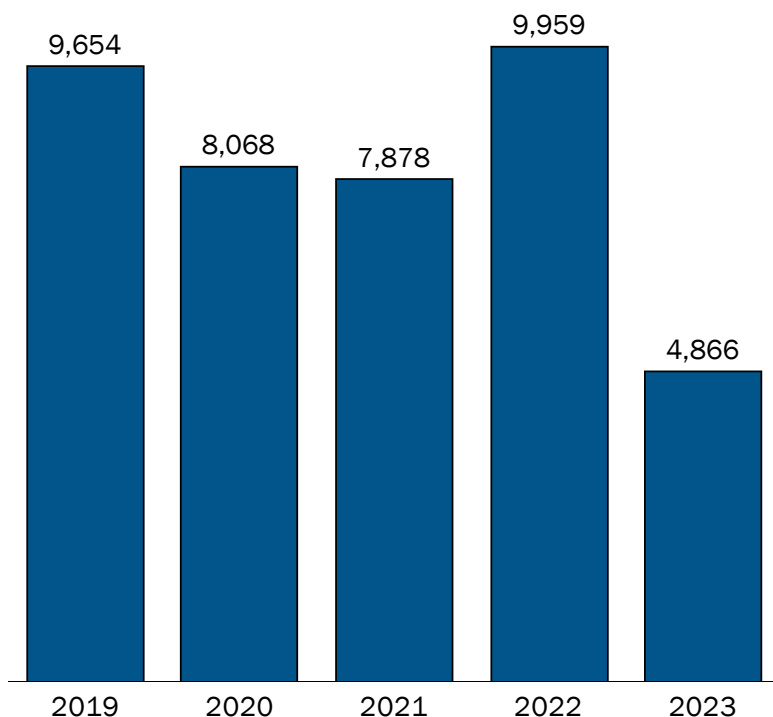
***"Opened," refers to cases opened by the Department during the fiscal year. "Opened" cases can include cases referred to the Department in previous fiscal years.*

Amount of Civil Debt Collections by Fiscal Year



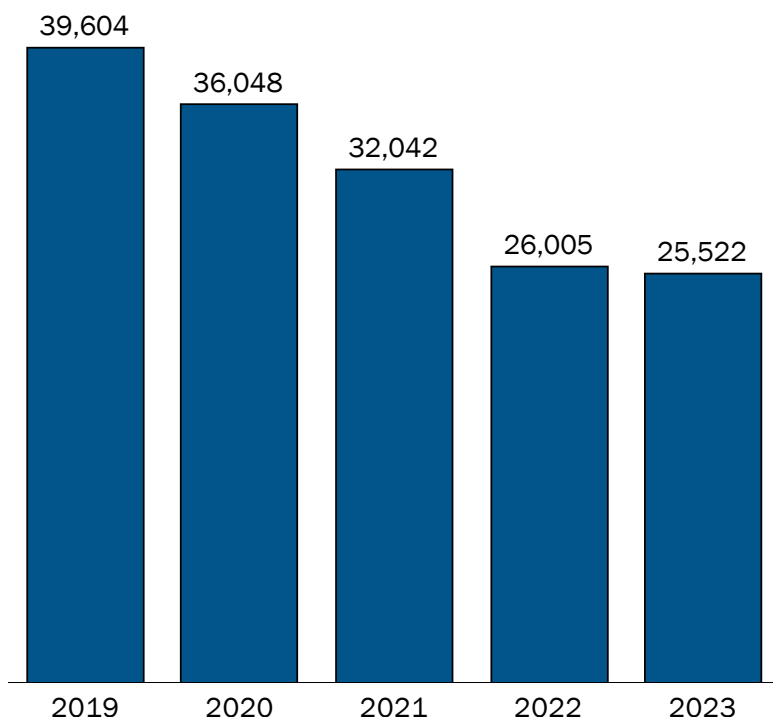
The amount of collections increased by 60% from FY 2022 to FY 2023. The FY 2023 increase is due to collections in high dollar cases.

Number of Civil Debt Closures by Fiscal Year



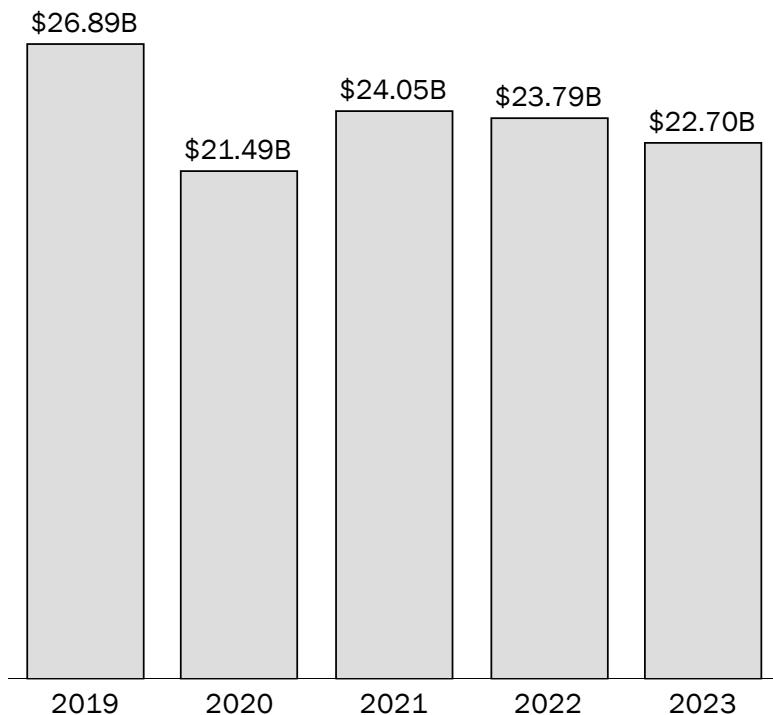
The number of debt closures has decreased by 51% from FY 2022 to FY 2023. The FY 2023 decrease is due to the high number of debt closures in FY 2022 as a result of the U.S. Department of Education's (Education) Fresh Start initiative announced on April 6, 2022.

Number of Active Civil Debts by Fiscal Year



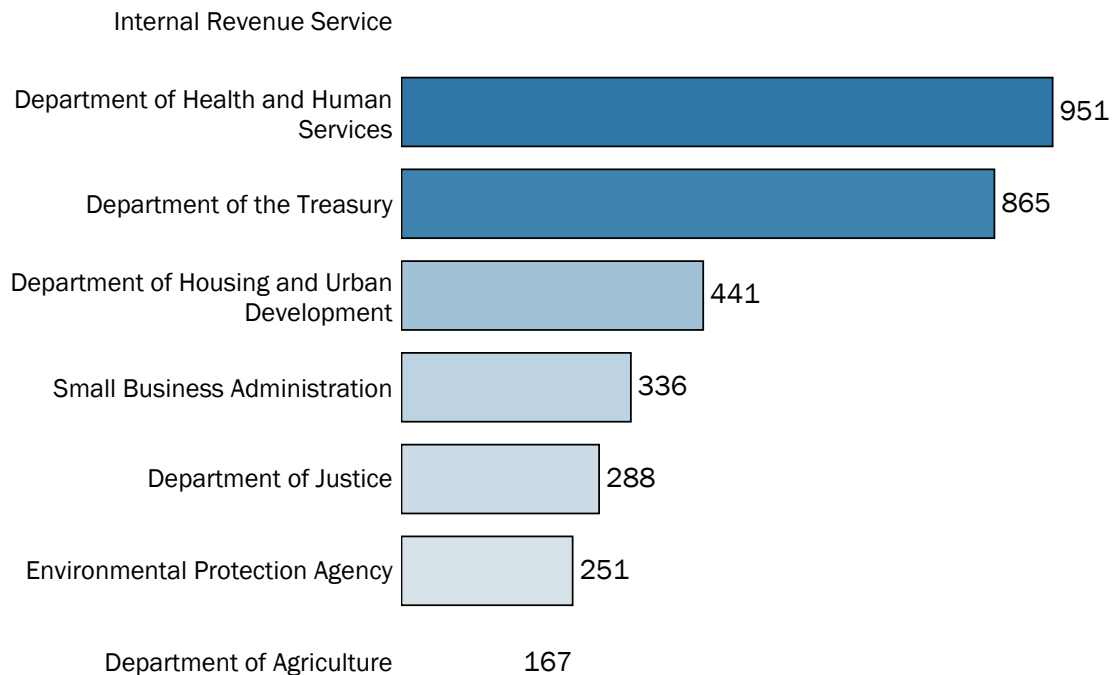
The number of active civil debts remained steady in FY 2023.

Balance of Active Civil Debts by Fiscal Year



The balance of active civil debts slightly decreased by 4% from FY 2022 to FY 2023.

Top Eight Agencies by Number of Referrals



Top Eight Agencies by Number of Cases Closed

Department of Education

Department of Health and
Human Services

Internal Revenue Service

Department of the Treasury

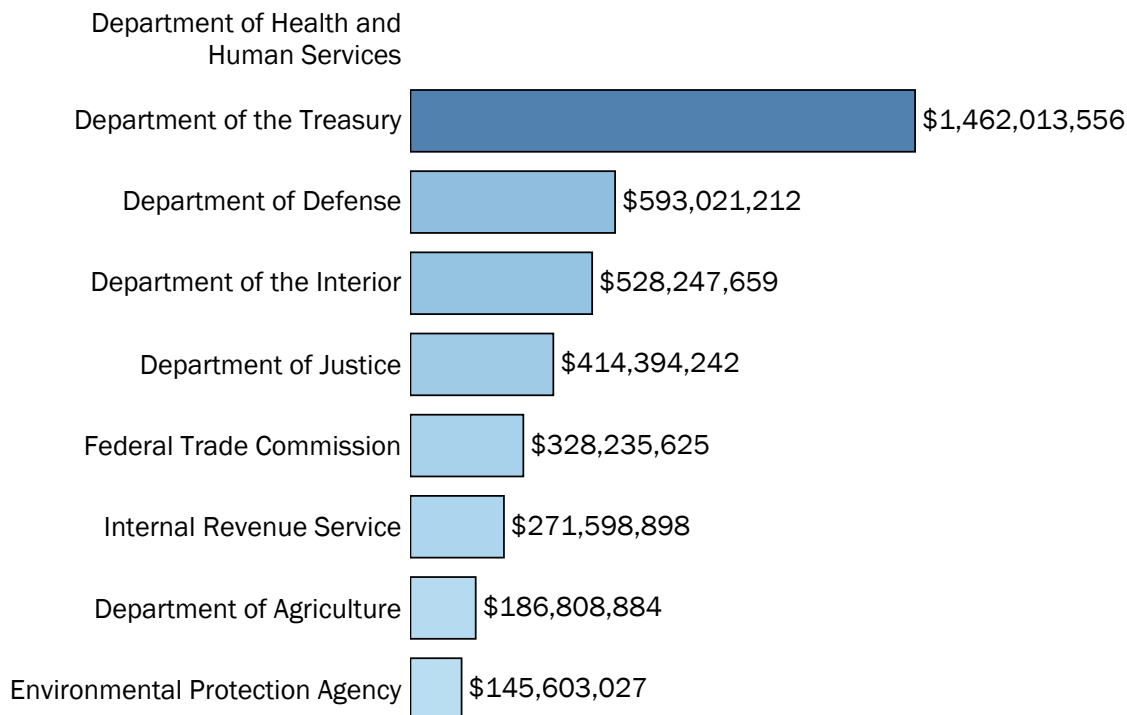
Department of Justice

Department of Agriculture

Department of Housing and
Urban Development

Department of Defense

Top Eight Agencies by Amount Collected



Top Eight Agencies by Balance of Active Cases

Department of Health and Human
Services

Department of the Interior

Internal Revenue Service

Department of Justice

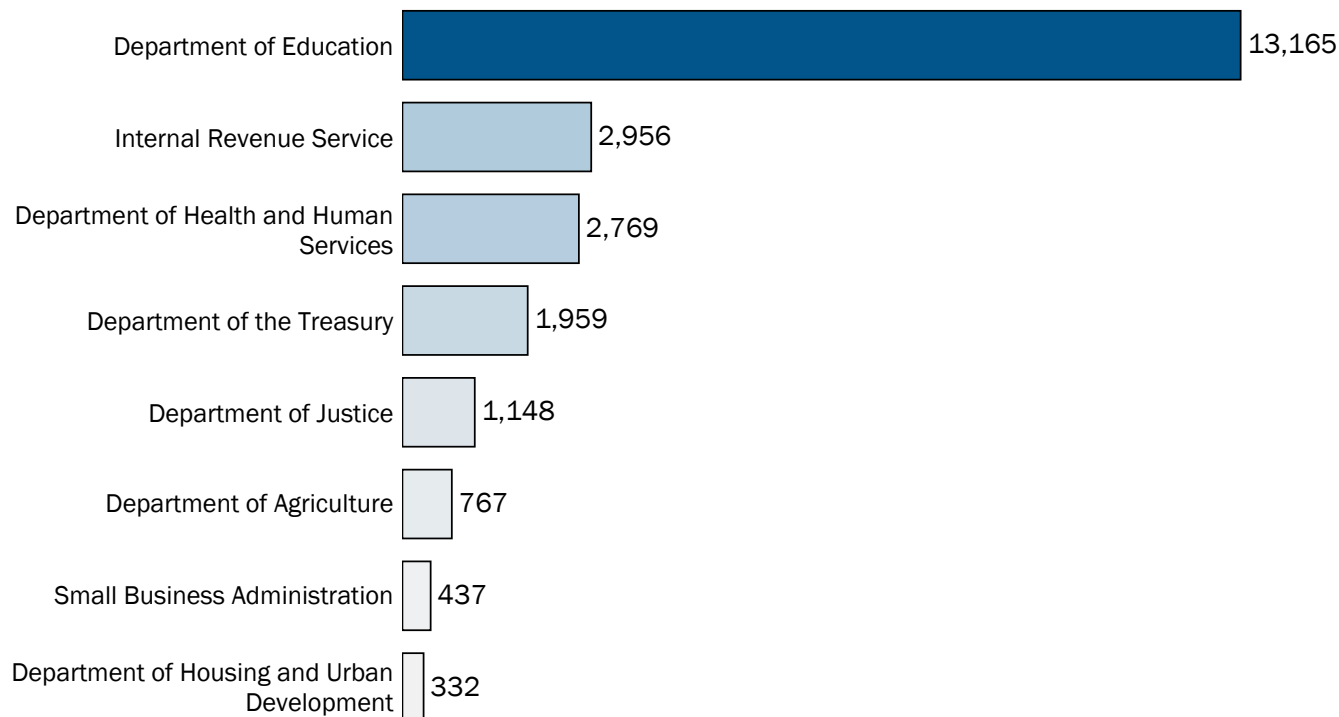
Department of Transportation

Department of the Treasury

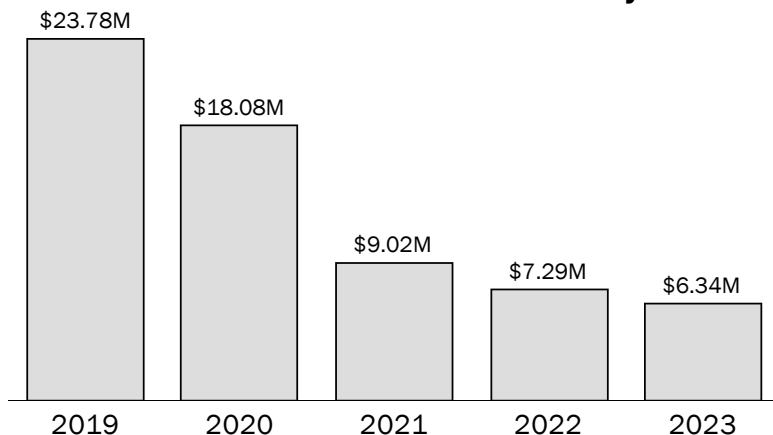
Department of Education

Department of Agriculture

Top Eight Agencies by Number of Active Cases



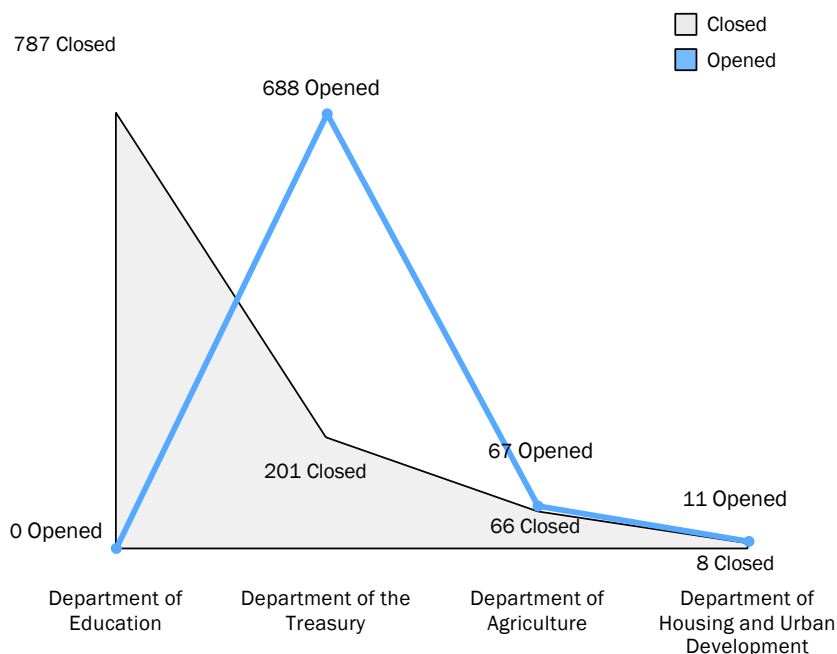
Private Counsel Civil Debt Collections by Fiscal Year



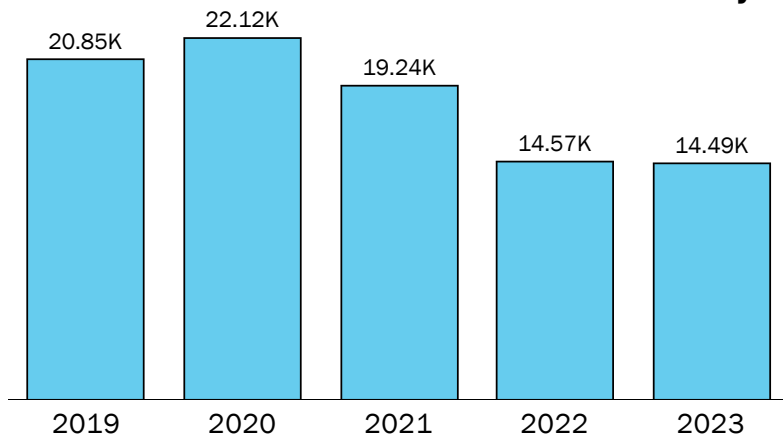
PC firms collections decreased in FY 2023 by 13%. This decline is largely due to a decrease in number of active debts as a result of Education's Fresh Start initiative.

Private Counsel Top Opened/Closed Case Ratio Changes

In FY 2023, PC firms received no new cases from Education, however, PCs closed 787 existing Education cases. Department of the Treasury cases increased by 170% in FY 2023. Department of Agriculture referrals increased by 415% in FY 2023. Department of Housing and Urban Development referrals decreased by 47% in FY 2023.



Private Counsel Number of Active Civil Debts by Fiscal Year



PC firms active debt count remained steady this fiscal year. The decrease in active debts from Education was largely offset by an increase in active debts from other agencies.

\$2,111,550,663

Active Cases by Collection District



951

Debts Referred

FY Change: ▼-13.5%

953

Debts Opened

FY Change: ▼-13.1%

1,036

Debts Closed

FY Change: ▼-13.2%

2,769

Debts Active

FY Change: ▼ -1.9%

Top Debt Types Opened



\$1,462,013,556

Active Cases by Collection District



865

Debts Referred

FY Change: ▲ 95.7%

841

Debts Opened

FY Change: ▲ 95.6%

377

Debts Closed

FY Change: ▲26.5%

1,959

Debts Active

FY Change: ▲ 32.9%

Top Debt Types Opened



\$593,021,212

Active Cases by Collection District



125

Debts Referred

FY Change: ▼ -10.7%

126

Debts Opened

FY Change: ▼ -7.4%

151

Debts Closed

FY Change: ▲15.3%

216

Debts Active

FY Change: ▼ -10.4%

Top Debt Types Opened



\$528,247,659

Active Cases by Collection District



68

Debts Referred

FY Change: ▲ 38.8%

Top Debt Types Opened



41

Debts Opened

FY Change: ▲ 46.4%

31

Debts Closed

FY Change: 0.0%

80

Debts Active

FY Change: ▲ 11.1%

\$414,394,242

Active Cases by Collection District



\$1,279,774,366
Active Balance

\$328,235,625

Active Cases by Collection District



19

Debts Referred
FY Change: ▲ 58.3%

19

Debts Opened
FY Change: ▲ 58.3%

17

Debts Closed
FY Change: ▲ 54.5%

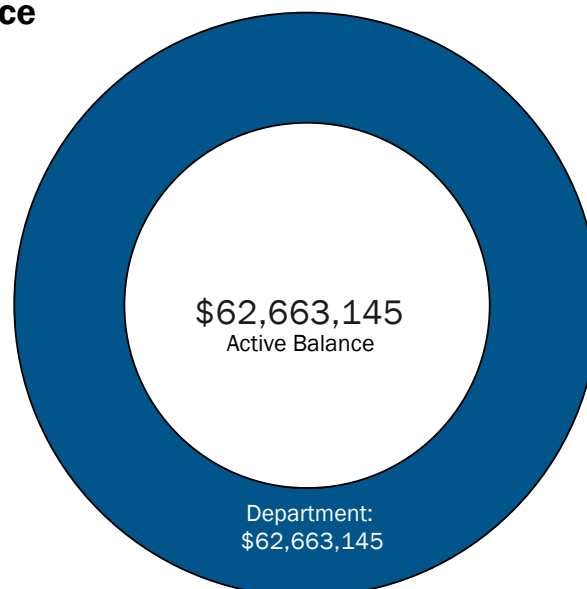
29

Debts Active
FY Change: ▲ 7.4%

Top Debt Types Opened

Civil Penalty

Active Balance



\$271,598,898

Active Cases by Collection District



1,236

Debts Referred
FY Change: ▲ 8.9%

632

Debts Opened
FY Change: ▼-17.0%

738

Debts Closed
FY Change: ▼-11.2%

2,956

Debts Active
FY Change: ▼ -3.4%

Top Debt Types Opened



\$186,808,884

Active Cases by Collection District



167

Debts Referred

FY Change: ▼ -31.6%

258

Debts Opened

FY Change: ▲ 22.3%

308

Debts Closed

FY Change: ▲ 15.8%

767

Debts Active

FY Change: ▼ -6.6%

Top Debt Types Opened



\$145,603,027

Total Collected

Referrals and Recoveries

Active PC Cases

Low High

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251

Debts Referred

FY Change: ▼ -14.0%

117

Debts Opened

FY Change: ▼ -61.8%

110

Debts Closed

FY Change: ▲ 5.8%

310

Debts Active

FY Change: ▲ 1.3%

Environmental

Category	Amount
Department	\$260,649,068
Private Counsel	\$7,878
Active Balance	\$260,656,947

DEBT COLLECTION MANAGEMENT STAFF

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Appendix A: Department-wide Statistics

Agency	Collections	Debts Closed	Debts Opened	Opened Balance	Active	Active Balance
Administrative Office of the US Courts	\$3,614	1	3	\$12,403	7	\$1,079,971
Agency for International Development	\$100,000	1	0	\$0	3	\$1,313,363
Agency for State Collection	\$292,527	1	2	\$105,031	5	\$461,071
All Other Independent Agencies	\$10,305,622	14	22	\$11,797,095	24	\$11,218,039
Amtrak	\$64,793	1	1	\$64,389	1	\$4,295
Commodity Futures Trading Commission	\$132,047	8	7	\$2,860,241	97	\$163,467,093
Consumer Product Safety Commission	\$0	2	0	\$0	0	\$0
Corporation of National & Community Service	\$644,916	1	1	\$639,916	1	\$15,126
Department of Agriculture	\$186,808,884	308	258	\$477,851,399	767	\$347,378,184
Department of Commerce	\$14,502,510	8	7	\$14,974,778	8	\$51,283,181
Department of Defense	\$593,021,212	151	126	\$575,455,280	216	\$82,360,749
Department of Education	\$3,833,324	1,052	2	\$182,883	13,165	\$362,028,955
Department of Energy	\$873,605	3	2	\$829,790	14	\$6,408,457
Department of Health and Human Services	\$2,111,550,663	1,036	953	\$1,866,391,777	2,769	\$6,201,076,675
Department of Homeland Security	\$69,448,666	59	54	\$141,309,624	141	\$259,355,100
Department of Housing and Urban Development	\$48,804,571	282	282	\$65,812,042	332	\$270,677,827
Department of Justice	\$414,394,242	341	352	\$595,793,627	1,148	\$1,279,774,366
Department of Labor	\$20,018,371	12	21	\$29,821,123	81	\$29,165,385
Department of State	\$629,000	4	3	\$629,000	2	\$10,075,280
Department of the Interior	\$528,247,659	31	41	\$35,470,173	80	\$4,292,682,222
Department of the Treasury	\$1,462,013,556	377	841	\$1,493,652,149	1,959	\$406,644,793
Department of Transportation	\$7,584,502	13	21	\$11,365,809	69	\$562,949,218
Department of Veterans Affairs	\$50,984,982	76	76	\$52,087,375	165	\$40,374,954
Environmental Protection Agency	\$145,603,027	110	117	\$145,727,016	310	\$260,656,947
Equal Employment Opportunity Commission	\$957	0	0	\$0	5	\$1,221,926
Export/Import Bank of The U.S.	\$1,046,723	0	7	\$3,315,744	21	\$27,054,041
Federal Communications Commission	\$41,794,401	14	4	\$42,418,160	67	\$16,689,276
Federal Deposit Insurance Corporation	\$129,366	2	0	\$0	5	\$6,680,692
Federal Housing Finance Agency	\$28,045	1	0	\$0	3	\$39,295
Federal Reserve System	\$3,043	0	0	\$0	2	\$43,397

DEBT COLLECTION MANAGEMENT STAFF

ANNUAL REPORT TO
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Appendix A: Department-wide Statistics

Agency	Collections	Debts Closed	Debts Opened	Opened Balance	Active	Active Balance
Federal Trade Commission	\$328,235,625	17	19	\$327,887,500	29	\$62,663,145
General Services Administration	\$20,934,728	2	6	\$19,929,636	16	\$6,649,300
Government Accountability Office	\$0	0	0	\$0	1	\$1,732,136
Government Printing Office	\$5,000	0	0	\$0	2	\$99,876
Internal Revenue Service	\$271,598,898	738	632	\$272,900,792	2,956	\$4,268,105,847
Miscellaneous Agencies	\$0	1	0	\$0	2	\$25,565
Multiple Agencies	\$558,298,955	13	13	\$129,606,157	34	\$3,355,798,178
National Aeronautics and Space Administration	\$5,403,294	6	4	\$3,955,336	10	\$7,138,034
National Archives and Records Service	\$0	0	0	\$0	1	\$26,801
National Endowment of The Arts	\$33,500	0	0	\$0	1	\$0
National Science Foundation	\$59,000	1	0	\$0	4	\$569,489
National Security Agency	\$0	0	0	\$0	1	\$0
National Transportation Safety Board	\$1,577	0	0	\$0	1	\$7,336
Office of Personnel Management	\$40,753	4	3	\$99,000	19	\$2,702,324
Pension Benefit Guaranty Corporation	\$0	0	0	\$0	1	\$725
Railroad Retirement Board	\$184,264	18	7	\$1,504,877	137	\$5,767,589
Securities and Exchange Commission	\$0	0	0	\$0	2	\$48,739,194
Small Business Administration	\$12,840,279	67	326	\$52,789,463	437	\$156,750,234
Smithsonian Institute	\$0	0	0	\$0	2	\$314,675
Social Security Administration	\$851,836	45	19	\$1,210,377	306	\$15,677,166
State/County/Municipal Authorities	\$343,966	1	0	\$0	5	\$1,098,326
Tennessee Valley Authority Corporation	\$1,450,000	2	1	\$1,450,000	0	\$0
U.S. Army Corps of Engineers	\$13,392,522	20	10	\$18,399,867	19	\$13,682,075
U.S. Courts	\$27,556	6	1	\$20,000	19	\$92,968
U.S. International Development Finance Corp..	\$25,614	0	0	\$0	1	\$25,423
U.S. Postal Service	\$6,340,399	15	15	\$39,682,397	48	\$62,634,561
U.S. Trade and Development Agency	\$0	0	0	\$0	1	\$123,929
United States Senate	\$0	1	0	\$0	0	\$0

DEBT COLLECTION MANAGEMENT STAFF

ANNUAL REPORT TO
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Appendix B: Private Counsel Statistics

Agency	Collections	Debts Closed	Opened And Referred to PC	Opened Balance	Active	Active Balance
Commodity Futures Trading Commission	\$8,310	0	0	\$0	8	\$1,513,950
Department of Agriculture	\$1,446,772	66	67	\$11,561,561	289	\$50,957,787
Department of Defense	\$18,028	1	0	\$0	33	\$1,308,055
Department of Education	\$2,085,779	787	0	\$0	11,494	\$233,197,370
Department of Health and Human Services	\$668,858	24	0	\$0	912	\$105,652,796
Department of Homeland Security	\$0	0	9	\$221,919	10	\$383,184
Department of Housing and Urban Development	\$1,645,680	8	11	\$4,628,962	128	\$22,973,361
Department of Justice	\$3,073	3	0	\$0	7	\$2,942,799
Department of Labor	\$30,000	0	1	\$10,104	7	\$382,602
Department of the Treasury	\$294,451	201	688	\$21,794,873	1,401	\$59,011,794
Department of Transportation	\$4,400	1	2	\$498,611	14	\$1,777,327
Department of Veterans Affairs	\$21,929	6	0	\$0	71	\$4,761,930
Environmental Protection Agency	\$0	1	0	\$0	1	\$7,878
Export/Import Bank of The U.S.	\$7,800	0	0	\$0	1	\$607,115
Federal Communications Commission	\$24,675	1	0	\$0	16	\$225,704
Federal Housing Finance Agency	\$26,395	0	0	\$0	1	\$26,395
Internal Revenue Service	\$0	0	0	\$0	1	\$70,194
Railroad Retirement Board	\$0	0	0	\$0	2	\$33,728
Small Business Administration	\$14,250	2	1	\$498,407	22	\$3,811,677
Social Security Administration	\$31,298	5	2	\$214,457	61	\$2,646,420
U.S. Courts	\$3,957	0	0	\$0	3	\$6,251
U.S. Postal Service	\$0	0	0	\$0	4	\$169,217

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