

## **USTP Works with Judges, Trustees, Federal Partners to Address Security Concerns at Section 341 Meetings**

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U.S. Trustees and private trustees currently conduct section 341 meetings of creditors (341 meetings) at more than 400 sites around the country. Nearly half of those sites are in non-federal facilities with varying degrees of security. The U.S. Trustee Program's discussions with key stakeholders, including the National Conference of Bankruptcy Judges, the National Association of Bankruptcy Trustees (NABT) and the National Association of Chapter Thirteen Trustees (NACTT), have revealed heightened safety concerns arising from a variety of factors. To address these concerns, the U.S. Trustee Program (USTP) has reached out to judges, private trustees and its federal partners to help craft a comprehensive program for improving security at 341 meetings.

Section 341 of the Bankruptcy Code requires the U.S. Trustee to convene and preside at a meeting of creditors. In cases under chapters 7, 12 and 13, this responsibility is delegated to the private trustee appointed to administer each case. Federal Rule of Bankruptcy Procedure 2003, which governs 341 meetings, has always placed a premium on accessibility to meeting sites for debtors, creditors and other parties interested in attending. The rule provides that meetings "may be held at a regular place for holding court or at any other place designated by the United States trustee within the district convenient for the parties in interest."

In keeping with the command of Rule 2003, the USTP prefers to locate 341 meetings within the security perimeter of a federal courthouse. This is not always possible, however, due to the geographic location of a meeting site, lack of available space, potential disruption to other courthouse activities caused by large numbers of meeting attendees, and the infrequency of meetings in some locations. As a result, 341 meetings in chapter 7 cases often are held in non-federal facilities that include commercial space leased by the USTP through the General Services Administration, rented space such as hotel conference rooms, and no-cost local government facilities such as public libraries.

These non-federal locations lack many of the safeguards of secure federal facilities. This is a matter of concern for a number of reasons, including the fact that 341 meetings tend to bring together individuals with strained personal and business relationships and often a greater chance of volatility. To address these concerns, the USTP is following a three-pronged strategy that involves conducting a pilot program with the Federal Protective Service (FPS), working with our partners within the Department of Justice and working with the court system.

First, we are conducting a pilot program under which armed guards provided by the FPS, a division of the Department of Homeland Security, will be present at 341 meetings held in non-federal facilities. We set aside \$1 million to fund the pilot program and in August 2015 began providing security at the following 14 meeting sites:

- Camden, New Jersey;
- El Paso, Texas;

- Greenbelt, Maryland;
- Las Cruces, New Mexico;
- Los Angeles, California;
- Manhattan, New York;
- Memphis, Tennessee;
- Peoria, Illinois;
- Plano, Texas;
- Portland, Oregon;
- Rockford, Illinois;
- San Francisco, California;
- San Juan, Puerto Rico; and
- Yuma, Arizona.

In addition, we have provided security at additional locations when there has been an immediate security concern, and we will do so in the future as appropriate.

From this pilot program we hope to learn how to most efficiently and effectively provide security, including by identifying the optimum number of guards needed to protect multiple rooms and making scheduling adjustments to maximize security and cost effectiveness. We already have identified a number of issues that will assist us in further refining our security protocol. Depending upon the results of the pilot, we hope to expand the use of armed guards provided by the FPS to additional locations and thereby increase our security footprint.

The second prong entails working with our partners within the Department of Justice. Among other things, we will work to identify secure space already used by other Justice components that could also serve as a 341 meeting site. In addition, we are working with the U.S. Marshals Service to establish consistent protocols for providing security when we have advance notice of possible security threats.

Finally, we are working with the Administrative Office of the U.S. Courts (AOUSC), judges and clerks of court to identify opportunities to share or acquire space that the courts do not use on a full-time basis. This space is typically located within secure federal facilities with court security officers available. Reductions in space by the courts in recent years have created greater opportunities for the USTP to move to secure sites. While cost and design restrictions may limit our ability to utilize some of the available space, we hope to work with the AOUSC to replicate the success we recently had in Manhattan where we are preparing to relocate our 341 meeting rooms to vacated court space.

We appreciate the NABT's continuing assistance as we develop strategies to address this issue. We also are grateful to the NCBJ/USTP Liaison Committee for its continuing help and guidance in addressing 341 meeting security. If you have suggestions or concerns, we encourage you to contact your regional U.S. Trustee or Assistant Director for Oversight Doreen Solomon.