

## **Standing Trustee Training is High Priority for USTP**

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Standing trustee training is a high priority for the U.S. Trustee Program (USTP or Program), whether for new trustees, more experienced trustees or trustee employees. To ensure that all trustees and their staffs receive useful job-related training, the USTP provides and supports a wide variety of training opportunities.

### **Recent New Trustee Training**

While new trustees bring a broad range of experience in bankruptcy, management and financial oversight, it is important that they also understand the Program's role in supervising standing trustees and bankruptcy cases. On January 20, 2016, representatives of the USTP were pleased to meet with the 16 chapter 13 standing trustees appointed since our last trustee training session in August 2012. Many of the trustee participants already planned to be in Washington, D.C., for the NACTT's Midwinter Meeting. Arriving one day early gave them the chance to meet with senior USTP personnel and receive training on a variety of important issues.

The three-hour training focused on Program oversight, with the goal of communicating the USTP's expectations concerning standing trustee performance. Cliff White, Director of the Executive Office for U.S. Trustees, welcomed the participants and engaged them in discussions regarding the greatest challenges they have encountered as they take on their statutory and fiduciary responsibilities as standing trustees. Other senior Program staff addressed a variety of topics including the trustee's legal, office management and financial oversight responsibilities. The informal format encouraged substantive discussions. NACTT officers also participated in the discussions, adding their considerable expertise and perspectives.

In discussing legal responsibilities, the USTP focused on civil and criminal enforcement. Trustees are in a unique position to identify suspected fraud and abuse within the bankruptcy system. The Program relies on trustees to forward this information to the USTP, so the U.S. Trustee can pursue appropriate enforcement remedies to protect the integrity of the system. Participants discussed some of the most critical abuses, such as mortgage servicer violations, under-performing debtors' attorneys and stale-dated claims, as well as the expectation that trustees will report their observations and concerns to USTP staff.

We also extensively reviewed the proper conduct of section 341 meetings of creditors. The Program's reporting requirements for trustees were examined with an emphasis on issues of concern when reviewing trustee reports. In addition, we discussed the biennial trustee performance review, which provides an overarching framework for the consideration of a number of key trustee duties.

This training session offered the newer standing trustees an opportunity to meet with Program staff, to learn about our expectations and to engage in open discussion, while providing Program personnel an opportunity to hear directly from the new trustees on issues they face. We

are pleased that all the newer trustees were able to attend, and we believe the meeting benefited both the Program and the trustees.

#### Onsite Training and Mentorship for New Trustees

Other important forms of training for newer trustees include onsite training and mentorship. After a new standing trustee is selected, the USTP encourages the trustee-designee to receive as much onsite training as possible from the outgoing trustee before formally taking over the trustee's responsibilities. This helps facilitate a smooth transition. To that end, we encourage the trustee-designee to spend time at the trust office in a consulting capacity working with the outgoing trustee. This provides the new trustee an opportunity to learn the trust operation's practices and procedures from the outgoing trustee, to meet and work with the trustee's staff and to become more familiar with court practices and the local bar.

As an additional resource, the U.S. Trustee may assign a trustee in the region to act as a mentor to the new trustee. The NACTT also pairs the new trustee with a mentor to further assist in the transition. We have heard from a number of newly appointed trustees that this mentoring program is quite beneficial. We commend the NACTT's efforts to provide newer trustees with this resource as they take on their new responsibilities.

#### Other USTP-Sponsored Training

The USTP provides a variety of opportunities for new and experienced trustees to meet with Program representatives to discuss new policies and Program initiatives and ongoing requirements. These range from multi-day national seminars conducted at the USTP's National Bankruptcy Training Institute (NBTI) in Columbia, South Carolina, to regional trainings sponsored by the U.S. Trustees to quarterly telephone calls for discussion of critical issues.

The training programs at the NBTI are substantial undertakings involving from 50 to 70 trustees, drawn from all USTP regions, as well as a number of Program staff members involved in trustee oversight. The sessions cover a range of issues including case law developments, information technology, internal controls and employment law. The NBTI format provides ample opportunity for interactions among trustees and with Program staff, both in the classroom and in more informal settings.

Many U.S. Trustees sponsor annual regional training sessions with the standing trustees and their staffs. Those sessions not only afford opportunities to discuss new policies and initiatives as well as emerging case law and other issues, but also allow trustees, their staff members and Program personnel to spend time together developing and improving their working relationships. For example, trustees, trustee staff and USTP staff coordinate efforts to develop panel presentations that foster discussions on issues of concern to the USTP and the trustee community. In addition, experienced trustees may highlight "best practices" they have instituted in their own offices.

A number of U.S. Trustees hold quarterly conference calls with trustees. These periodic calls may be scheduled as a complement to, or instead of, annual regional training.

#### Training of Trustee Employees

In addition to offering and supporting training programs for standing trustees, the Program encourages the training of trustee employees. A trust operation handles millions of dollars every year. It is critical that employees receive ongoing training in areas related to their duties in the trust office. That often includes periodic training on case administration software, or training in specialized areas such as legal issues for attorneys and human resources issues for operations managers. The NACTT also recognizes this need and has developed a formal staff training program conducted several times a year in different parts of the country. It is also imperative that trustees provide employees with periodic in-house training on office procedures to ensure that employees continue to follow proper practices.

To encourage educational efforts, the Program has authorized a training allowance. This allowance may be used for both trustee training and employee training and we encourage a robust employee training effort to ensure superior work performance.

### Conclusion

The Program strongly supports training for trustees and trustee employees related to their job duties. In furtherance of this objective, we provide a variety of training experiences and support other efforts provided by the NACTT and other organizations. A knowledgeable trustee with a well-trained staff can engage in effective and efficient case administration with the strong internal controls necessary to protect the bankruptcy estate.