

Hello. My name is Michael Horowitz, and I am the Inspector General for the U.S. Department of Justice.

Today the Department of Justice Office of the Inspector General, or OIG, released a report examining the efforts of the U.S. Attorneys' Offices and the Executive Office for the U.S. Attorneys, to collect debts resulting from criminal and civil cases.

Most people know that U.S. Attorneys' Offices, also called USAOs, are responsible for prosecuting federal criminal cases, and for representing the United States in civil cases. But many people may not be aware that U.S. Attorneys' Offices are also responsible for collecting debts owed to the United States government and to victims of federal crimes.

The Department has indicated that it places a high priority on improving debt collection, and on ensuring that crime victims receive full and timely restitution. But today's report found that in many cases, the USAOs have not devoted the resources or put in place the policies and procedures needed to make this a reality -- thereby hindering their ability to fulfill this important part of their mission.

I have invited Erin Lane and Eric Petersen, who helped lead this review, to provide some more detail about the key findings in today's report.

Hello, my name is Erin Lane, and I am a Deputy Assistant Inspector General at the Justice OIG.

The amount of outstanding criminal debt owed to private individuals and entities or to the U.S. government, as a result of the work of U.S. Attorneys' Offices, is very large, and it has been growing for years. In fact, the U.S. Attorneys' Offices have reported that over the past 20 years, the size of the principal balance and interest owed on outstanding criminal debts has increased 23-fold – from 4.4 billion dollars at the end of fiscal year 1994, to 101.5 billion dollars at the end of FY 2014.

Not all of that debt will ultimately be collected, of course. For example, because most restitution amounts don't take into account a defendant's ability to pay, the USAO's have classified a large portion of the outstanding criminal debt balance as uncollectible.

But even so, collecting as much as possible of the outstanding debt is important, because the Crime Victims' Rights Act of 2004 gives crime victims the right to full and timely restitution and charges the Department with making its best efforts to ensure that this occurs. Moreover, the Department has indicated that prompt and effective debt collection is necessary to uphold the public's confidence in the government and the criminal justice system.

Hello, my name is Eric Petersen. I am a Program Analyst and, like Erin, one of the OIG employees who helped lead this review.

As part of our review, we looked at USAOs' staffing, policies, and procedures for debt collection. We found several opportunities for improvement.

For example, we found that many of the USAOs' Financial Litigation Units, which are primarily responsible for collecting criminal and civil debts, were understaffed. Despite the dramatic increase in the outstanding criminal debt balance that Erin just described, we found that most USAOs have less than one full-time Assistant U.S. Attorney position devoted to debt collection work, and a third of the Financial Litigation Units at the time of our review were operating with only one or two support staff members.

As a result, we found that each full-time-equivalent employee in the Financial Litigations Unit was on average responsible for over 900 debt collection cases, with a total outstanding balance of over 330 million dollars, in FY 2014. In addition, support staff members often have to spend a disproportionate amount of time on administrative tasks instead of comprehensive enforcement actions necessary to collect debts.

We also found that in many USAOs, there is ineffective communication and coordination between the different units that make up a U.S. Attorney's Office, particularly when it comes to identifying and recovering assets during the pre-judgment phase of a criminal case – when it often is most important to look for assets. In addition, we identified problems with the system used by the USAO's to track their debt collection cases, including issues with inaccurate data and unreliable reports, that limit the system's usefulness as a case management and reporting tool for the USAOs' debt collection program.

To help the U.S. Attorneys' Offices address these problems, we identified some USAOs that have adopted practices that enhance their ability to collect debts. These include practices for prioritizing debt collection work and increasing coordination between the Financial Litigation Unit and other USAO units. We believe these practices can be replicated in other USAOs as well.

Our report today makes five recommendations to the Executive Office for U.S. Attorneys to improve the ability of the USAO's to fulfill their mission to collect debts. These include recommending that the Executive Office establish guidelines for how USAOs should staff and structure their Financial Litigation Units, including how much time and staff USAO's should devote to debt collection; and considering measures to emphasize the importance of Financial Litigation Units to the USAOs' missions and their coordination with other units.

Transcript: "A Message from IG Horowitz: The Debt Collection Program of the United States Attorneys' Offices"
" – June 2015

Today's full report on debt collection, as well as our other reports and descriptions of our ongoing work, is now available on our website, at oig.justice.gov.

I appreciate your interest in the OIG's work. Thank you for joining us today.