



Department of Justice  
Justice Management Division  
Office of Debt Collection Management  
Private Counsel Program

May 24, 2018



# DOJ Private Counsel Program Agenda

- Authorization
- Benefits to Agency
- Debt Assignment to Private Counsel
- Judicial District Participation
- Collections
- Questions



# DOJ Private Counsel Program Authorization

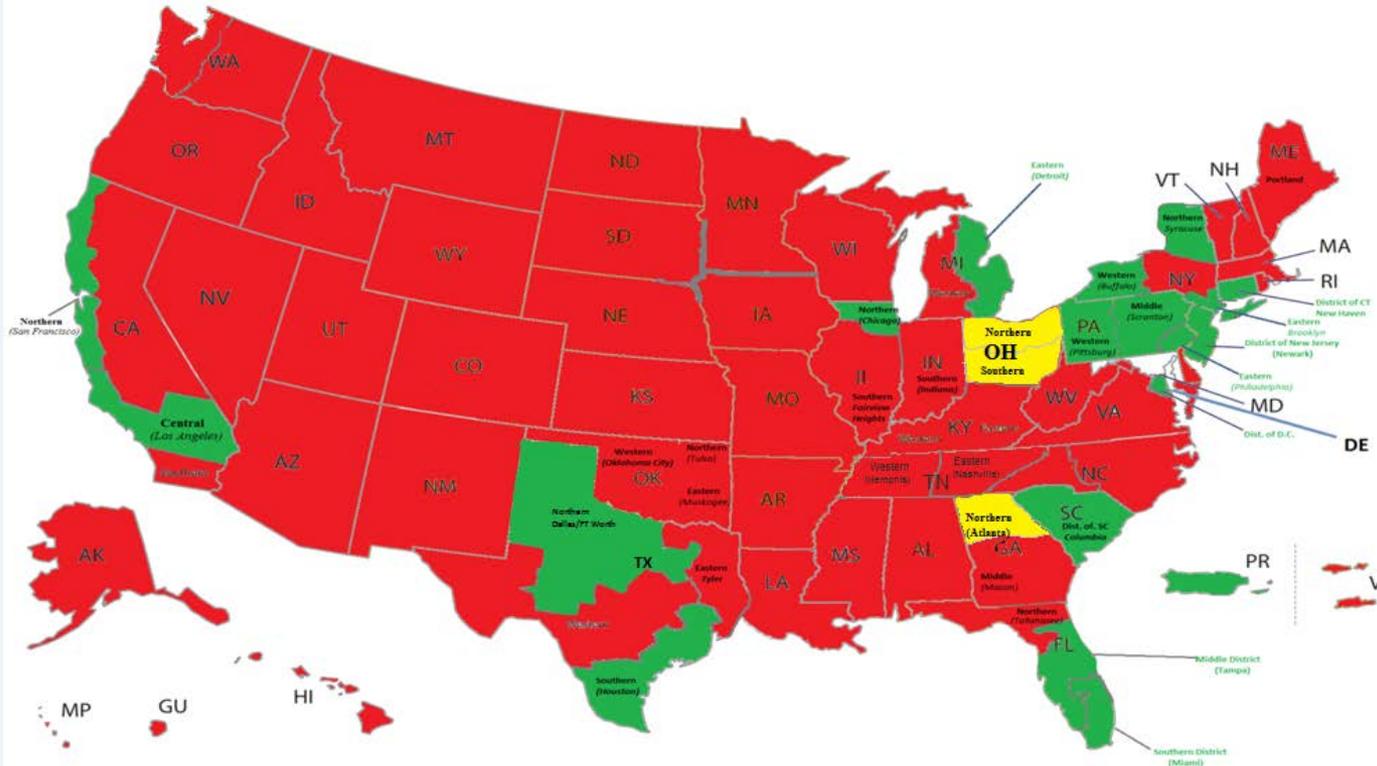
- Federal Debt Recovery Act (FDRA) of 1986 authorized pilot program for Attorney General to retain at least 4 Private Counsels for a 3-year period to collect delinquent federal debts
- Debt Collection Improvement Act of 1996 expanded Attorney General's authority to retain Private Counsel in as many USAO districts as deemed appropriate





# DOJ Private Counsel Program Judicial District Participation

33 Private Counsel Contracts in \*18  
Districts



USAO District	Private Counsel
CAC	5
CAN	1
CT	1
DC	0
FLM	2
FLS	3
ILN	1
MIE	2
NJ	2
NYE	2
NYN	3
NYW	1
PAE	1
PAM	1
PAW	3
PR	1
SC	1
TXN	1
TXS	2

- Private Counsel Program District
- Potential District
- Non-Participating District



# DOJ Private Counsel Program Benefits to Agencies

- Support the Agency's mission to resolve the debt balances by primarily securing the government's interest through obtaining a judgment and ultimately collecting the debt or resolving the matter satisfactorily.
- PC furnishes all legal services, including representation in negotiation, compromise, settlement, and litigation, to collect delinquent debts owed the United States



# DOJ Private Counsel Program Debt Assignments

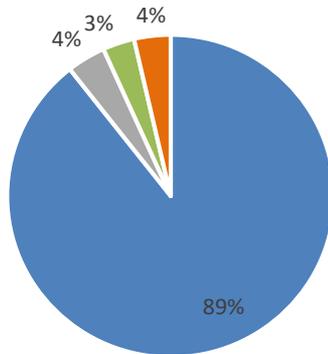
- As of 2018, participating USAOs assigned over 32,000 debts to Private Counsel
- Debt Assignments to Private Counsel are made up of federal non-tax civil debt, both secured and unsecured.
- Secured debt mainly consists of foreclosures which take a significant amount of time to complete. Private Counsel are compensated for secured debt collections and associated activities on a fixed fee basis.
- Unsecured debt mainly consists of Department of Education student loans with principal balances less than \$100K. Private Counsel are compensated for unsecured debt collection on a contingency fee basis.



# DOJ Private Counsel Program Secured and Unsecured Debts

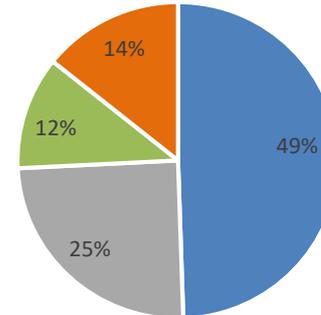
### Debt Count Assigned by Agency

■ Education ■ Agriculture ■ HHS ■ Other



### Debt Assigned by Current Balance

■ Education ■ Agriculture ■ HHS ■ Other



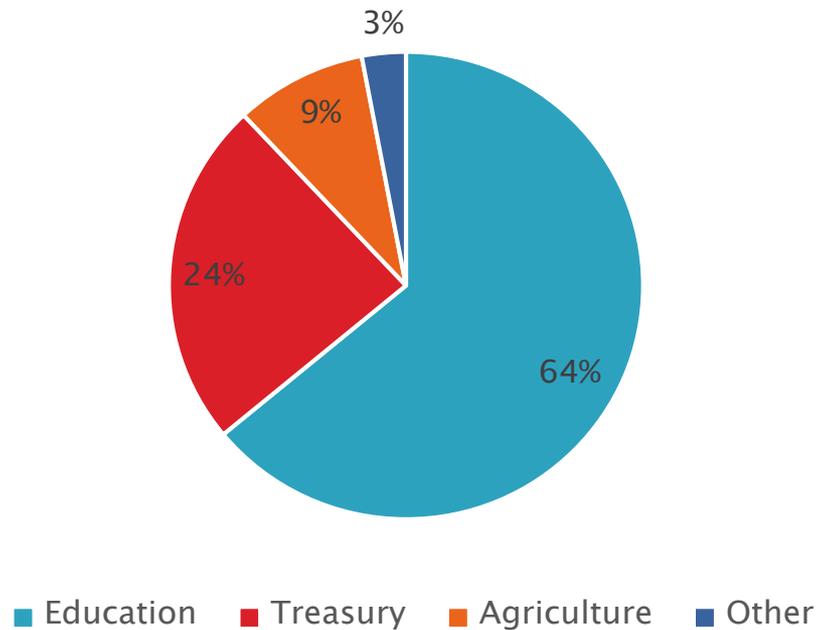
Agency Description	Count
Education	29,398
Agriculture	1,260
HHS	1,032
Other	1,187
<b>Total</b>	<b>32,877</b>



# DOJ Private Counsel Program Federal Agency Collections

- In FY 2017, Private Counsel were referred 1,400 cases

Case Referrals





# DOJ Private Counsel Program Department of Treasury Pilot

- In October 2016, DOJ and Treasury's Bureau of Fiscal Service (BFS) began a pilot program to :
  - Test the feasibility of having DOJ's Nationwide Central Intake Facility (NCIF) assist BFS with completing packages to refer to DOJ for litigation or enforced collection;
  - Evaluate the DOJ policy of requiring the identification of assets before referral to DOJ;
  - Examine the criteria that should be used for cases referred to the PC; and,
  - Support BFS' mission to resolve debt balances by primarily securing the government's interest through obtaining a judgment and collecting the debt.



# DOJ Private Counsel Program Department of Treasury Pilot

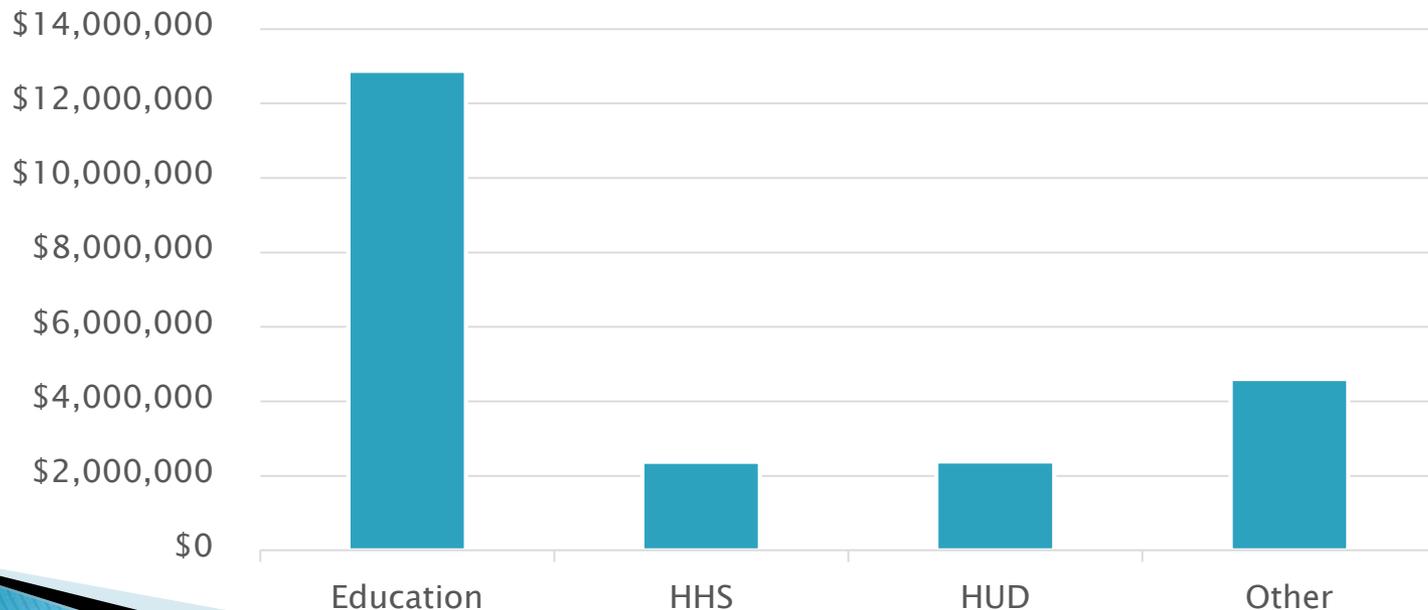
- Of the 297 pilot cases\* assigned to Private Counsel:
  - 85 complaints have filed;
  - 46 judgments have been entered;
  - 25 liens have been obtained;
  - Over \$80,000 in payments have been received;
  - 13 payment plans have been established for debts totaling over \$180,000.



# DOJ Private Counsel Program Federal Agency Collections

- Private Counsel collected over \$125 Million in the last 5 years for Federal Agencies
- Private Counsel collected \$22 million in delinquent debt on behalf of Federal Agencies in FY 2017

## Collections





# DOJ Private Counsel Program

## Questions