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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

KEITH B. ASHDOWN, STAFF DIRECTOR
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March 24, 2015

The Honorable Jacob J. Lew
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Room 3330
Washington, D.C. 20220

Dear Mr. Secretary:

We are writing to inquire about the capacity of the Department of the Treasury to collect money won through successful enforcement actions. These funds are used to compensate victims of wrongdoing and to deter future unlawful activity. They also provide significant benefits to the U.S. Treasury. Yet according to recent reports, substantial amounts owed to the government remain outstanding.

According to reports, in recent years, many U.S. government agencies have struggled to collect monetary judgments.¹ For example, the Department of Justice alone has failed to collect more than \$97 billion – a figure that has tripled since 2004. The Department of Justice's collection rate has also reportedly declined over the past decade. In 2004, the Department of Justice collected 28 percent of new criminal judgments and settlements. For 2013, that same figure was 22 percent. The Securities and Exchange Commission has experienced a similar trend, collecting only 42% of judgments and settlements assessed between 2010 and 2013, down from 63% in the prior three-year period.² And between 2003 and 2013, the Commodity Futures Trading Commission collected only \$4.8 million of the \$3.7 billion it won in fines.³ Although it appears that data regarding the Department's uncollected judgments is not publicly available, given the problems at other agencies, we are concerned that the Department may be experiencing similar difficulties.

To assist the Subcommittee, please provide the following information:

1. The Department's policies and procedures for collecting settlements and judgments;
2. A detailed estimate of the following:

¹ See Michael Rothfeld and Brad Reagan, *Prosecutors Are Still Chasing Billions In Uncollected Debts*, Wall St. Journal (Sept. 17, 2014), <http://www.wsj.com/articles/prosecutors-are-still-chasing-97-billion-in-uncollected-debts-1410984264>.

² *Id.*

³ *Id.*

- a. Total settlements and judgments entered into by the Department in each of the past 10 fiscal years (FY2004–2014);
 - b. Share of the settlements and judgments described in 2.a that the Department has collected;
 - c. Share of the settlements and judgments described in 2.a that the Department collected within the first two years after the settlement or judgment was entered;
3. A list of the 20 largest outstanding settlement or judgment debts, by dollar amount, owed to the Department. For purposes of this request, please consider debts tied to settlements agreed to and judgments rendered since January 1, 2004 and please include both settlements and judgments arising out of criminal and civil matters;
 4. The remaining balance of each judgment or settlement;
 5. The office and official or officials responsible for agreeing to each settlement or obtaining each judgment;
 6. The office and official or officials responsible for collecting each settlement or judgment;
 7. A description of the Department's efforts to collect each settlement or judgment;
 8. The name of the defendant or defendants with whom the Department entered into each settlement or against whom each judgment applies and the charges the Department asserted against each such defendant.

The jurisdiction of the Permanent Subcommittee on Investigations is established by Section 12(e) of S. Res. 73 (114th Cong.), which empowers the Subcommittee to investigate, among other things, "the efficiency and economy of operations of all branches of the Government."

The Subcommittee requests that the Department provide responsive materials as soon as possible, but in any event, by no later than April 20, 2015. Please send any official correspondence to Kelsey_Stroud@hsgac.senate.gov. Please contact Phil Alito (Senator Portman) at 202.224.3721 or Jackson Eaton (Senator McCaskill) at 202.224.9872 if you have any questions about this request.

Sincerely,



Rob Portman
Chairman
Permanent Subcommittee on Investigations



Claire McCaskill
Ranking Member
Permanent Subcommittee on Investigations