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## Overview of the United States Trustee Program

In 88 judicial districts, the 21 United States Trustees are responsible for the effective administration of bankruptcy cases arising under chapters 7, 11, 12, and 13 of the Bankruptcy Code (Title 11, U.S. Code). They are also charged with the duty to serve as "watch-dogs to prevent fraud, dishonesty and overreaching in the bankruptcy arena." Responsibilities include monitoring and supervising private bankruptcy case trustees, and debtors-in-possession, to ensure that the interests of all parties are protected. The offices of the United States Trustees maintain duplicate copies of certain court pleadings and material relating to specific cases or entities. Case files are not centralized in Washington, D.C. Accordingly, requests for records, if made to the Executive Office for United States Trustees in Washington, D.C., should indicate the particular judicial district in question. EOUST also maintains certain administrative records.

The U.S. Trustee Program acts in the public interest to promote the efficiency and protect the integrity of the bankruptcy system. To help secure the just, speedy, and economical resolution of bankruptcy cases, it oversees administrative functions, monitors parties' conduct, and acts to ensure compliance with applicable laws and procedures. It also identifies and helps investigate bankruptcy fraud and abuse in conjunction with United States Attorneys, the Federal Bureau of Investigation, and other law enforcement agencies.

### Background of the United States Trustee Program

The Program was established by the Bankruptcy Reform Act of 1978 (11 U.S.C. 101, et seq.) as a pilot effort in ten regions encompassing 18 Federal judicial districts. It was expanded to 21 regions nationwide by enactment of the Bankruptcy Judges, United States Trustees, & Family Farmer Bankruptcy Act of 1986 (Pub. L. 99-554, 100 Stat. 3088, reprinted in part at 28 U.S.C. § 581, note). The Program is funded by the U.S. Trustee System Fund, which consists primarily of fees paid by parties and businesses invoking Federal bankruptcy protection.

The primary role of the U.S. Trustee Program is to serve as the "watchdog over the bankruptcy process." 1/ The Program's official Mission Statement further provides as follows: "The United States Trustee Program acts in the public interest to promote the efficiency and to protect and preserve the integrity of the bankruptcy system. It works to secure the just, speedy, and economical resolution of bankruptcy cases; monitors the conduct of parties and takes action to ensure compliance with applicable laws and procedures; identifies and investigates bankruptcy fraud and abuse; and oversees administrative functions in bankruptcy cases." 2/

The Attorney General is charged with the appointment of United States Trustees and Assistant United States Trustees. Day-to-day policy and legal direction, coordination, and guidance are provided by the Director of the Executive Office for United States Trustees in Washington, D.C. The Executive Office also provides administrative and management support to individual U.S. Trustee Offices in their implementation of Federal bankruptcy laws. See generally 28 U.S.C. ~~mm~~<sup>3</sup>

581-589a.

The U.S. Trustees supervise the administration of the following cases filed under the Bankruptcy Code:

- Liquidation proceedings under Chapter 7;
- Reorganization proceedings (usually business-related) under Chapter 11;
- Family farm reorganization proceedings under Chapter 12; and
- "Wage-earner" reorganization proceedings under Chapter 13.

Specific responsibilities of the U.S. Trustees include:

- Appointing and supervising private trustees who administer Chapter 7, 12, and 13 bankruptcy cases (and serving as trustees in such cases where private trustees are unable or unwilling to serve);

- Taking legal action to enforce the requirements of the Bankruptcy Code and to prevent fraud and abuse;

- Referring matters for investigation and criminal prosecution when appropriate;

- Ensuring that bankruptcy estates are administered promptly and efficiently and that professional fees are reasonable;

- Appointing and convening creditors' committees in Chapter 11 business reorganization cases;

- Reviewing disclosure statements and applications for the retention of professionals; and

- Advocating matters relating to the Bankruptcy Code and rules of procedure in court.

For Further Information:

Send an E-Mail to the address shown on the  
USTP home-page on the Dept. of Justice website

Or Contact Us Via:

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