

SIGNIFICANT ACCOMPLISHMENT HIGHLIGHTS Fiscal Year 2006 (October 1, 2005 through September 30, 2006)

During Fiscal Year 2006, United States Trustees initiated more than 58,000 informal inquiries and formal civil enforcement and related actions. In total, these inquiries and actions resulted in an overall potential benefit to creditors or fines imposed in excess of **\$878 million**, including unsecured debts not discharged in chapter 7, fines imposed, petition preparers fees recovered, and attorney fees disgorged. (The informal inquiries and formal civil enforcement actions included 38,076 actions pursued pursuant to §§ 707(b), 727, 110 and 329 of the Bankruptcy Code, and also actions in such matters as chapter 11 cases and objections to fee requests.)

Substantial Abuse

- □ During Fiscal Year 2006, United States Trustees filed 4,301 motions to dismiss for substantial abuse under § 707(b). This includes 3,121 motions under § 707(b) in cases filed prior to the effective date of BAPCPA, 938 motions in cases that were presumed abusive under § 707(b)(2), and 242 motions based on bad faith or totality of the circumstances under § 707(b)(3).
- □ Of the 3,104 motions to dismiss resolved by judicial decision or by debtor consent during Fiscal Year 2006, United States Trustees were successful in 3,005 or 96.8% of the motions.
- □ During Fiscal Year 2006, United States Trustees initiated 31,165 inquiries and formal court actions pursuant to § 707(b). United States Trustee activity under § 707(b) prevented 9,733 debtors from the immediate discharge in chapter 7 of over **\$299 million** of general unsecured debt.¹

Discharge of Debtor

- During Fiscal Year 2006, United States Trustees filed 1,704 complaints objecting to the entry or seeking revocation of the debtor's discharge under § 727.
- Of the 1,338 complaints objecting to discharge that were resolved by judicial decision or by debtor consent during Fiscal Year 2006, the discharge was denied, waived or revoked in 1,328 or 99.3% of the cases.
- During Fiscal Year 2006, United States Trustees initiated 4,530 inquiries and formal court actions pursuant to § 727. United States Trustee activity under § 727 prevented 2,020 debtors from discharging over **\$297 million** of general unsecured debt as a result of formal complaints or investigations that resulted in voluntary waivers of discharge, dismissals, or conversions to chapter 13.²

¹ The amount of debt not discharged in chapter 7 as a result of actions taken by the United States Trustee pursuant to § 707(b) is the actual amount of unsecured debt listed on Schedule F.

² The amount of debt not discharged in chapter 7 as a result of actions taken by the United States Trustee is the actual amount of unsecured debt listed on Schedule F.

Petition Preparers

- □ During Fiscal Year 2006, United States Trustees filed 246 motions and/or complaints seeking relief against petition preparers under § 110.
- □ Of the 313 matters resolved by judicial decision or consent during Fiscal Year 2006, United States Trustees were successful in 306 actions against petition preparers or 97.8% of the matters resolved.
- □ During Fiscal Year 2006, United States Trustees pursued petition preparers through informal inquiries and formal court actions in 1,063 cases. United States Trustee activity under § 110 resulted in the recovery of fees in excess of **\$87,000**, the imposition of over **\$258,000** in fines, and the issuance of **103 injunctions**.

Attorneys

- During Fiscal Year 2006, United States Trustees filed 421 motions seeking disgorgement of attorney fees under § 329.
- Of the 340 motions resolved by judicial decision or consent during Fiscal Year 2006, the United States Trustees were successful in 304 motions against debtors' attorneys or 89.4% of the motions resolved.
- During Fiscal Year 2006, United States Trustees initiated 1,318 informal inquiries and formal court actions against debtors' attorneys that resulted in the disgorgement of attorney fees.
- During Fiscal Year 2006, United States Trustees reported monetary sanctions against attorneys in excess of **\$1.1 million** and reductions of fee requests (in all chapters) in excess of **\$90 million**.

Other Notable Actions

- In chapter 11 cases during Fiscal Year 2006, United States Trustees filed 2,429 motions to convert or dismiss, 408 objections to disclosure statements, 281 objections to confirmation, and 63 motions for appointment of a trustee or examiner.
- During Fiscal Year 2006, United States Trustees filed 6,477 motions to dismiss under § 707(a), including 2,342 motions to dismiss for failure to file a credit counseling certificate.
- During Fiscal Year 2006, United States Trustees identified more than 3,000 debtor identification problems. Most were resolved after the debtors amended their petitions or Form B21. However, United States Trustees also filed 212 formal actions regarding debtor identification during the year.