

**Statement of the Honorable John Conyers, Jr. for the Hearing on  
“A Time to Reform: Oversight of the Activities of the Justice  
Department’s Civil, Tax, and Environment and Natural Resources  
Divisions and the U.S. Trustee Program” Before the Subcommittee  
on Regulatory Reform, Commercial and Antitrust Law**

**Thursday, June 8, 2017, at 1:00 p.m.  
2141 Rayburn House Office Building**

The Department of Justice plays a critical role in enforcing our Nation’s laws and protecting the rights of all Americans. Today, 4 components of the Justice Department—namely the Civil Division, the Environment and Natural Resources Division, the Tax Division, and the U.S. Trustee Program—will report to us about their work and accomplishments.

**As many of you know**, the Judiciary Committee is the authorizing committee for the Justice Department and, to that end, we must ensure that the agency has sufficient resources and funding from Congress so the Department can perform its critical duties on behalf of the American people.

These agencies are charged with safeguarding public health, protecting the environment, and ensuring the integrity of our Nation's financial and bankruptcy systems.

And, although they are good stewards of the public fisc – as demonstrated by the fact that the Tax Division consistently collects more each year than its entire budget -- the House in past years has passed appropriations legislation that failed to fully fund each of these Divisions' critical programs.

This is a penny-wise, dollar-foolish approach that irrationally prioritizes budget cuts and undermines the agencies' ability to fulfill their statutorily-mandated responsibilities.

**With respect to the U.S. Trustee Program, it was justly criticized in the past for its overzealous debtor abuse enforcement efforts, while ignoring creditor abuse.**

More recently, however, the Program has played a leadership role in ferreting out creditor abuse, especially with respect to robo-signing practices by mortgage servicers and the filing of baseless claims by creditors.

These enforcement efforts are commendable as it is critical that the Program fully perform its mission to protect *all* stakeholders in bankruptcy.

Nevertheless, I believe the Program could do more to lessen its paperwork burdens on consumer debtors.

In addition, I am concerned that the Program's recently announced professional misconduct initiative with respect to attorneys for consumer debtors appears to ignore ongoing professional misconduct by creditors' counsel.

Just last month, the Supreme Court issued a decision dealing with the problem of creditors filing time-barred claims in bankruptcy cases.

Accordingly, I look forward to hearing from Director White regarding my concerns.

**Finally**, I note that Attorney General Jeff Sessions earlier this week issued a directive to all Justice Department components to refrain from entering into settlement agreements involving payments to non-governmental, third-party organizations, with only limited exception.

As amply demonstrated by the settlement agreements dealing with mortgage investor fraud and catastrophic environment harms by the Justice Department during the prior Administration, not everyone affected by such violations can be easily identified as “victims”.

As a result, these settlements ensured that the harms suffered by indirect victims were addressed through payments to third party organizations.

Worse yet, if the use of consent decrees and settlement agreements is discouraged, the American taxpayer will have to foot the bill for the additional litigation that will undoubtedly ensue.

For example, the nonpartisan Congressional Budget Office, in the last Congress, found that the so-called “Sunshine for Regulatory Decrees and Settlements Act” – which would severely limit the Department’s use of consent decrees and settlement agreements -- would cost millions of dollars to implement.

It concluded: “additional costs would be incurred because litigation involving consent decrees and settlement agreements would probably take longer under the bill and agencies would face additional administrative requirements.”

As we all know, justice delayed is justice denied.

Accordingly, I look forward to hearing from all of today’s witnesses about ways we can ensure that will not be a result of the Attorney General’s directive.