



780 Regent Street
Suite 304
Madison, WI 53715

(608) 264-5522
FAX (608) 264-5182

NOTICE OF DEBTOR AUDITS

Commencing with cases filed by individual debtors on and after October 20, 2006, Chapter 7 and Chapter 13 cases will be selected for audit pursuant to §603 of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 ("BAPCPA"). These Debtor Audits will be focused on determining the accuracy, veracity and completeness of petitions, schedules and other information provided by debtors under §521 and §1322 of the Bankruptcy Code.

Cases will be selected both randomly (one out of at least every 250 cases filed for the district) and based upon debtor's income or expenses having a greater than average variance from the statistical norm for the district. The Debtor Audits will be performed by independent firms selected by the United States Trustee using auditing standards developed by the United States Trustee Program (the "USTP"). These Debtor Audit Standards have been published in the Federal Register and are posted to the USTP's website at: www.usdoj.gov/ust.

The Office of United States Trustee will send a letter to Debtor's Attorney, or a *pro se* Debtor, indicating that a case has been selected for audit, enclosing a form for the attorney to indicate whether the audit firm can directly contact a represented debtor about documents and an information sheet about the audit for the debtor. The letter will also identify the firm that will be conducting the audit and the documents that must be produced to the audit firm. These documents include the following:

- Pay stubs for the six calendar months prior to filing;
- Two years of federal tax returns, including any schedules and forms;
- Account statements for all depository and investment accounts for the six calendar months preceding the date of the filing of the petition, plus the month in which the petition was filed, along with sufficient documentation to reasonably explain the source of deposits or credits, and the purpose of checks, withdrawals or debits; and
- A copy of any divorce decree and/or property settlement entered within the last three years, and any current child support/alimony obligation involving the debtor.