U.S. Department of Justice
Office of the Attorney General

FY 2012
PERFORMANCE AND ACCOUNTABILITY REPORT

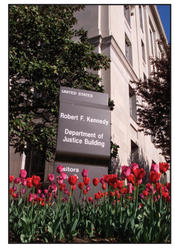
U.S. DEPARTMENT OF JUSTICE

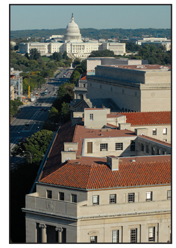
DEPARTMENT OVERVIEW

www.justice.gov









History and Enabling Legislation

The Department of Justice, often referred to as the largest law office in the world, began in 1789 with a staff of two: the Attorney General and a clerk. The Judiciary Act of 1789 created the Office of the Attorney General, providing for the appointment of "a person, learned in the law, to act as attorney-general for the United States." By 1870, the duties of the Office of the Attorney General had expanded so much that Congress adopted "An Act to establish the Department of Justice." As its head, the Attorney General is the chief litigator and the chief law enforcement officer of the United States.

Mission

The Department of Justice serves to enforce the law and defend the interests of the United States according to the law; to ensure public safety against threats foreign and domestic; to provide federal leadership in preventing and controlling crime; to seek just punishment for those guilty of unlawful behavior; and to ensure fair and impartial administration of justice for all Americans.

Strategic Goals

Goal I: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law

Goal II: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law

Goal III: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels

Location

The Department is headquartered in Washington, DC, at the Robert F. Kennedy Building, occupying a city block bounded by 9th and 10th Streets and Pennsylvania and Constitution Avenues, NW. The Department also has field offices in all states and territories and maintains offices in over 100 countries worldwide.

Component Organizations

Attorney General
Deputy Attorney General
Associate Attorney General
Antitrust Division (ATR)
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
Bureau of Prisons (BOP)
Civil Division (CIV)
Civil Rights Division (CRT)
Community Oriented Policing Services (COPS)
Community Relations Service (CRS)
Criminal Division (CRM)
Drug Enforcement Administration (DEA)
Environment & Natural Resources Division (ENRD)
Executive Office for Immigration Review (EOIR)
Executive Office for Organized Crime Drug Enforcement Task Forces (OCDETF)
Executive Office for U.S. Attorneys (EOUSA)
Executive Office for U.S. Trustees (UST)
Federal Bureau of Investigation (FBI)
Foreign Claims Settlement Commission (FCSC)
INTERPOL Washington
Justice Management Division (JMD)
National Security Division (NSD)
Office of the Federal Detention Trustee (OFDT)
Office of Information Policy (OIP)
Office of Legal Counsel (OLC)
Office of Legal Policy (OLP)
Office of Legislative Affairs (OLA)
Office of the Inspector General (OIG)
Office of the Pardon Attorney (OPA)
Office of Justice Programs (OJP)
Office of Professional Responsibility (OPR)
Office of Public Affairs
Office of the Solicitor General (OSG)
Office of Tribal Justice (OTJ)
Office on Violence Against Women (OVW)
Professional Responsibility Advisory Office (PRAO)
Tax Division (TAX)
U.S. Attorneys (USAO)
U.S. Marshals Service (USMS)
U.S. Parole Commission (USPC)

U.S. DEPARTMENT OF JUSTICE

FY 2012 PERFORMANCE AND ACCOUNTABILITY REPORT

NOVEMBER 2012

Office of the Attorney General
Washington, D.C. 20530

November 9, 2012

A MESSAGE FROM THE ATTORNEY GENERAL

On my first day as Attorney General, I promised that the Justice Department's top priority would be to protect the safety, rights, and interests of the American people. More than 3 years later, that promise has been fulfilled. I'm proud to report that the Department's commitment to empowering and defending our people – and to aggressively and fairly enforcing our laws – has never been stronger. And our approach to protecting the American people from national security threats; reducing and preventing violent crime; eradicating financial, health care, and mortgage fraud; and safeguarding the most vulnerable among us has, quite simply, never been more effective.

Defending the United States from terrorism and other threats to national security remains the Department's highest concern. The Department has strengthened its essential surveillance and intelligence-gathering capabilities in a manner that is not only consistent with the rule of law – but also with our most sacred values. Since 2009, the Department has convicted more than 100 individuals of serious federal terrorism violations. We've uncovered – and prevented – multiple plots hatched by terrorist groups abroad, as well as extremists here at home. For example, in 2012, we convicted a man in connection with his purchase of materials to make a bomb and his research of potential U.S. targets, including the Dallas home of former President George W. Bush. We obtained a guilty verdict in the case of a former U.S. service member who planned a bomb attack against American soldiers at a restaurant in Killeen, Texas. We also prevented U.S. military and strategic technologies from falling into the wrong hands, including the disruption of a network conspiring to illegally export to Iran U.S.-origin materials for the construction of gas centrifuges to enrich uranium.

At the same time, our resolve to protect our citizens from violent crime has never been stronger. Over the last 3 years the Department has successfully fought gangs and transnational organized crime groups; prosecuted more than 55,000 defendants for violations of firearms laws; and successfully arrested and prosecuted large numbers of dangerous fugitives, including 19 individuals who had been featured on the FBI's 15 "Most Wanted" list. We also have worked to make communities safer by supporting effective offender reentry and reinvestment programs with more than $200 million in Second Chance Act grants. These funds are helping to provide critical educational and training opportunities to ensure that individuals released from jails and prisons can successfully return to their communities as productive, law-abiding citizens.

Beyond this, the Department has taken decisive action to combat a wide range of financial and health care fraud crimes. Through new initiatives such as the Financial Fraud Enforcement Task Force, Health Care Fraud Prevention and Enforcement Action Team, and the Residential Mortgage-Backed Securities Working Group, we are working with both public and private sector partners to identify financial fraud schemes and hold accountable those responsible for these crimes. Working closely with the Department of Housing and Urban Development and a bipartisan group of 49 state attorneys general, we achieved the largest federal-state settlement in history – totaling $25 billion – with five of the nation's top mortgage servicers. Our health care fraud prevention efforts recovered nearly $4.1 billion in FY 2011, a single-year record.

In addition, we have worked tirelessly to safeguard the most vulnerable members of society by working to stop the abuse, neglect, trafficking, and exploitation of children, the elderly, and other populations. Over the past 3 fiscal years, we prosecuted 35 percent more hate crime cases than during the preceding 3-year period. Thanks to new protections included in the Matthew Shepard and James Byrd, Jr. Hate Crimes Prevention Act – which was signed into law in 2009 – we've strengthened our ability to achieve justice on behalf of all those who are victimized simply because of who they are. Additionally, through the Department's Access to Justice Initiative, we are helping to fulfill the promise of equal justice under law by working to ensure that our justice system can efficiently deliver outcomes that are fair and accessible to all, irrespective of wealth or status.

Furthermore, the Department remains committed to using its resources both efficiently effectively – and to acting as a sound steward of precious taxpayer dollars. During FY 2012, the Department realigned functions of the National Drug Intelligence Center saving $19.2 million. We also saved $39.3 million by using economies of scale to reduce administrative costs across multiple DOJ components in areas including printing, publications, travel and conferences. And we will continue to seek savings and find efficiencies throughout the Department, while successfully executing our mission responsibilities.

Prepared pursuant to the Reports Consolidation Act of 2000 and guidance in Office of Management and Budget (OMB) Circulars A-11, A-123, and A-136, the FY 2012 Department of Justice *Performance and Accountability Report* contains: our performance report, as required by the Government Performance and Results Act; our audited consolidated financial statements, as required by the Chief Financial Officers Act and the Government Management Reform Act; and a statement of assurance regarding our internal control and financial management systems, as required by the Federal Managers' Financial Integrity Act (FMFIA).

In FY 2012, the Department again earned an unqualified audit opinion on our consolidated financial statements. For the sixth straight year, the auditor's report on internal control identified no material weaknesses at the consolidated level. While we continue as a Department to demonstrate noteworthy progress, we are committed to pursuing actions to correct remaining areas where we have deficiencies. In addition, the Department is implementing the Unified Financial Management System (UFMS), which has allowed DOJ to retire four legacy systems and improve financial accountability. The number of users of UFMS will double in the first quarter of FY 2013, and the system is an integral part of the Department's strategy and commitment to ensure transparency.

The Department conducted its annual assessment of the effectiveness of internal controls to support effective and efficient programmatic operations and compliance with applicable laws and regulations (FMFIA Section 2) and to determine whether financial management systems conform to government-wide requirements (FMFIA Section 4). Based on the results of this assessment, I provide qualified assurance that the Department met the objectives of FMFIA. The assessment did not identify any systems non-conformances required to be reported under FMFIA Section 4; however, the assessment identified one material weakness required to be reported under FMFIA Section 2 related to prison crowding. In addition, I provide reasonable assurance that the Department's internal control over financial reporting met the objectives of OMB Circular A-123, Appendix A.

The financial and performance data presented in this report are complete and reliable, providing timely and useful information on the Department's accomplishments for the American public. We will not rest on our achievements, but will continue to be unyielding in our efforts to prevent terrorism, fight violent crime, prosecute financial fraud, protect our most vulnerable citizens, and to carry out the entirety of our critical mission.

Eric H. Holder, Jr.
Attorney General

PAR

U.S. Department of Justice – FY 2012 Performance and Accountability Report

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PAR Introduction

This Report's Purpose and Reporting Process

This Performance and Accountability Report (PAR) for fiscal year (FY) 2012 provides financial and performance information, enabling the President, Congress, and the American public to assess the annual performance of the Department of Justice (DOJ or the Department).

This report is prepared under the direction of the Department's Chief Financial Officer (CFO). The financial statements contained within this report are prepared by the Department's Justice Management Division, Finance Staff, and audited by the Office of the Inspector General (OIG). This report includes the Department's financial statements for FY 2012 and for the preceding fiscal year (FY 2011) and reports on all accounts and associated activities of each office, bureau, and activity of the Department. The Department's FY 2012 audited financial statements have been consolidated or combined based upon the results of audits undertaken in each of the nine Departmental financial reporting entities.

The Department continues to enforce vigorously the broad spectrum of laws of the United States; notably, the fight against terrorism continues to be the highest priority of the Department. In FY 2012, the Attorney General announced the Department's Strategic Plan for FYs 2012-2016 (available electronically on the Department's website at http://www.justice.gov/jmd/strategic2012-2016/index.html). The Strategic Plan includes three strategic goals and related objectives, which are mentioned throughout this report.

Organization of the Report

Message from the Attorney General: This report begins with a message from the Attorney General. In it, the Attorney General provides his assessment of the completeness and reliability of the performance and financial data, as required by Office of Management and Budget (OMB) Circulars A-11 and A-136.

Section I – Management's Discussion and Analysis: This section includes summary information about the mission and organization of the Department; resource information; an analysis of the Department's financial statements; an analysis of performance information for the Department's key performance measures; and assurances and information related to internal control and financial management systems conformance with government-wide requirements, as required by the Federal Managers' Financial Integrity Act (FMFIA) and OMB Circular A-123.

Section II – FY 2012 Performance Report: This section provides the Department's FY 2012 Performance Report, which presents how the Department is working toward accomplishing its mission. The Performance Report provides a summary discussion of the Department's three strategic goals. It also reports on key performance measures by detailing program objectives and FY 2012 target and actual performance, as well as whether target performance levels were or were not achieved. In addition, this section provides an update on the Department's progress toward achieving the FY 2016 long-term outcome goals set forth in its FYs 2012-2016 Strategic Plan.

Section III – Financial Section: This section begins with a message from the Department's CFO and is followed by the OIG's Commentary and Summary on the Department's FY 2012 Annual Financial Statements. This section also includes the reports of the Independent Auditors and the Department's consolidated financial statements and associated notes.

Section IV – Management Section: This section includes the OIG-identified Top Management and Performance Challenges in the Department of Justice, the Department of Justice Management's response to those challenges, and the corrective action plans required by the Federal Manager's Financial Integrity Act (FMFIA) for the internal control weaknesses.

Appendices (A) Improper Payments Information Act Reporting Details; (B) FY 2012 Financial Management Status Report; (C) Major Program Evaluations Completed During FY 2012; (D) Intellectual Property Report; (E) Acronyms; and (F) Department Websites.

This report is available at http://www.justice.gov/ag/annualreports/pr2012/TableofContents.htm.

Compliance with Legislated Reporting Requirements

This report meets the following legislated reporting requirements:

Inspector General (IG) Act of 1978 (Amended) – Requires information on management actions in response to Inspector General audits

Federal Managers' Financial Integrity Act of 1982 (FMFIA) – Requires a report on agency internal controls that protect the integrity of federal programs and whether agency financial systems conform with related requirements

Government Performance and Results Act of 1993 (GPRA) and GPRA Modernization Act of 2010 (GPRAMA) – Requires performance reporting against all established agency goals outlined in current strategic planning documents

Government Management Reform Act of 1994 (GMRA) – Requires an audit of agency financial statements

Federal Financial Management Improvement Act of 1996 (FFMIA) – Requires an assessment of agency financial systems for adherence to government-wide requirements and standards

Reports Consolidation Act of 2000 (RCA) – Authorizes the consolidation of certain financial and performance management reports of federal agencies in an annual Performance and Accountability Report

Improper Payments Elimination and Recovery Act of 2010 (IPERA) – Requires reporting on agency efforts to identify and reduce improper payments

SECTION I

MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

Section I Management's Discussion and Analysis (Unaudited)

Established July 1, 1870 (28 U.S.C. § 501 and 503), the Department of Justice (DOJ or the Department) is headed by the Attorney General of the United States. The Department was created to control federal law enforcement, and all criminal prosecutions and civil suits in which the United States has an interest. The structure of the Department has changed over the years, with the addition of a Deputy Attorney General, Associate Attorney General, Assistant Attorneys General, and the formation of Divisions and components; however, unchanged is the commitment and response to securing equal justice for all, enhancing respect for the rule of law, and making America a safer and more secure Nation.

Mission

The mission of the Department of Justice, as reflected in its new Strategic Plan for fiscal years (FY) 2012-2016, is as follows:

> *To enforce the law and defend the interests of the United States according to the law, to ensure public safety against threats foreign and domestic, to provide federal leadership in preventing and controlling crime, to seek just punishment for those guilty of unlawful behavior, and to ensure fair and impartial administration of justice for all Americans.*

In carrying out the Department's mission, we are guided by the following core values:

Equal Justice Under the Law. Upholding the laws of the United States is the solemn responsibility entrusted to us by the American people. We enforce these laws fairly and uniformly to ensure that all Americans receive equal protection and justice under the law.

Honesty and Integrity. We adhere to the highest standards of ethical behavior.

Commitment to Excellence. We seek to provide the highest levels of service to the American people. We are effective and responsible stewards of the taxpayers' dollars.

Respect for the Worth and Dignity of Each Human Being. We treat each other and those we serve with fairness, dignity, and compassion. We value differences in people and ideas. We are committed to the well-being of our employees and to providing opportunities for individual growth and development.

Strategic Goals and Objectives

From our mission and core values stem the Department's strategic and annual planning processes. The Department embraces the concepts of performance-based management. At the heart of these concepts is the understanding that improved performance is realized through greater focus on mission, agreement on goals and objectives, and timely reporting of results. In the Department, strategic planning is the first step in an iterative planning and implementation cycle. This cycle, which is the center of the Department's efforts to implement performance-based management, involves setting long-term goals and objectives, translating these goals and objectives into budgets and program plans, implementing programs, monitoring performance, and evaluating results. In this cycle, the Department's Strategic Plan provides the overarching framework for component and function-specific plans as well as annual performance plans, budgets, and reports. The Strategic Plan is available electronically on the Department's website at: http://www.justice.gov.

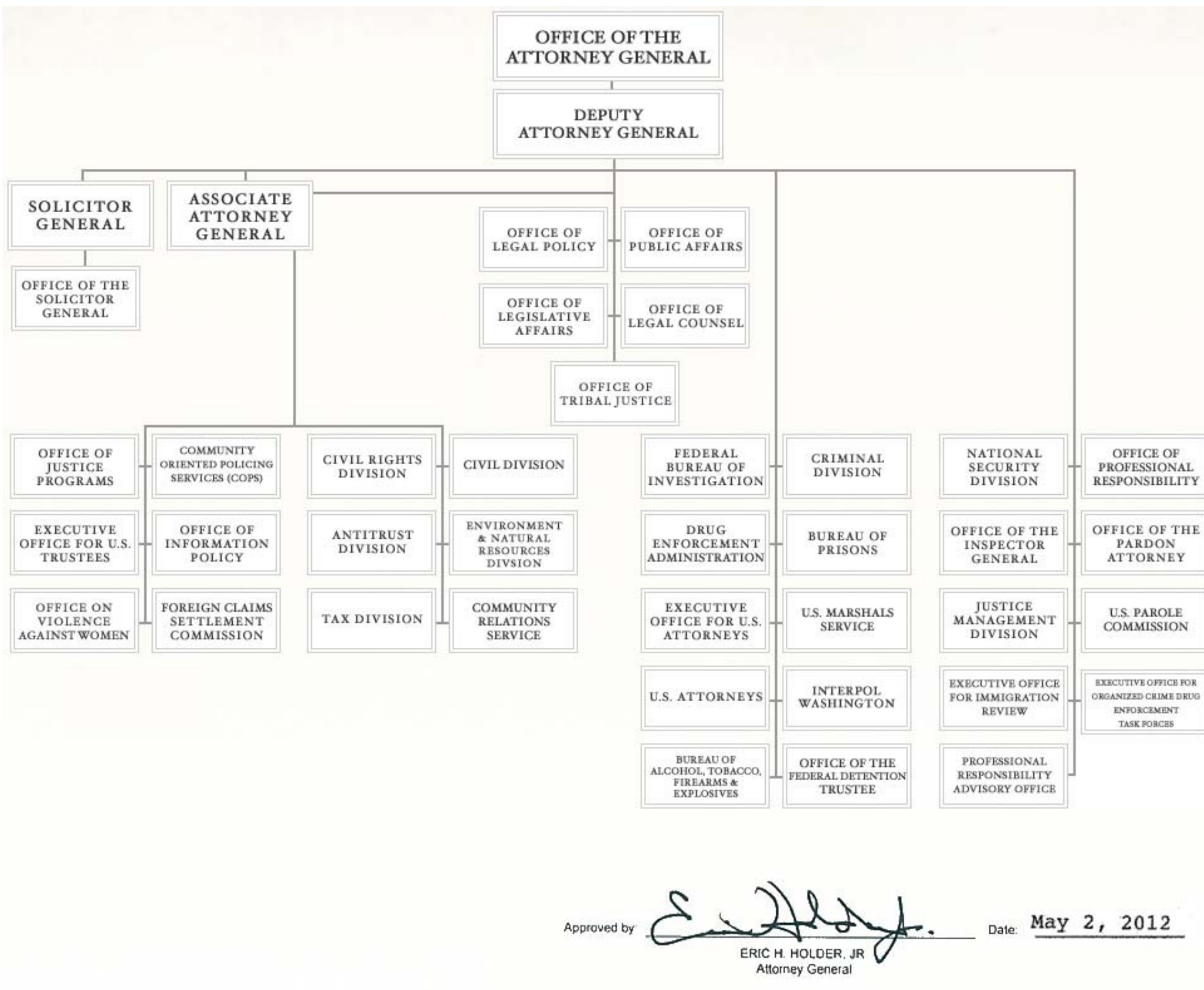
The table below provides an overview of the Department's strategic goals and objectives.

Strategic Goal		Strategic Objectives
I	Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law	**1.1** Prevent, disrupt, and defeat terrorist operations before they occur **1.2** Prosecute those involved in terrorists acts **1.3** Combat espionage against the United States
II	Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law	**2.1** Combat the threat, incidence, and prevalence of violent crime **2.2** Prevent and intervene in crimes against vulnerable populations; uphold the rights of, and improve services to, America's crime victims **2.3** Combat the threat, trafficking, and use of illegal drugs and the diversion of licit drugs **2.4** Combat corruption, economic crimes, and international organized crime **2.5** Promote and protect Americans' civil rights **2.6** Protect the federal fisc and defend the interests of the United States
III	Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels	**3.1** Promote and strengthen relationships and strategies for the administration of justice with state, local, tribal, and international law enforcement **3.2** Protect judges, witnesses, and other participants in federal proceedings; apprehend fugitives; and ensure the appearance of criminal defendants for judicial proceedings or confinement **3.3** Provide for the safe, secure, humane, and cost-effective confinement of detainees awaiting trial and/or sentencing, and those in the custody of the federal prison system **3.4** Adjudicate all immigration cases promptly and impartially in accordance with due process

Organizational Structure

Led by the Attorney General, the Department is comprised of more than forty separate component organizations. These include the U.S. Attorneys (USAs) who prosecute offenders and represent the United States government in court; the major investigative agencies – the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), which deter and investigate crimes and arrest criminal suspects; the U.S. Marshals Service (USMS), which protects the federal judiciary, apprehends fugitives, and detains persons in federal custody; the Bureau of Prisons (BOP), which confines convicted offenders; and the National Security Division (NSD), which brings together national security, counterterrorism, counterintelligence, and foreign intelligence surveillance operations under a single authority.

The Department's litigating divisions represent the rights and interests of the American people and enforce federal criminal and civil laws. The litigating divisions are comprised of the Antitrust (ATR), Civil (CIV), Civil Rights (CRT), Criminal (CRM), Environment and Natural Resources (ENRD), and Tax (TAX) Divisions. The Office of Justice Programs (OJP), the Office on Violence Against Women (OVW), and the Office of Community Oriented Policing Services (COPS) provide leadership and assistance to state, local, and tribal governments. Other major Departmental components include the Executive Office for U.S. Trustees (UST), the Office of the Federal Detention Trustee (OFDT), the Justice Management Division (JMD), the Executive Office for Immigration Review (EOIR), the Community Relations Service (CRS), the Office of the Inspector General (OIG), and several offices that advise the Attorney General on policy, law, legislation, tribal justice matters, external affairs, and oversight. Headquartered in Washington, D.C., the Department conducts its work in offices located throughout the country and overseas.



Financial Structure

The Department's financial reporting structure is comprised of nine principal components.

Components:

- Assets Forfeiture Fund and Seized Asset Deposit Fund (AFF/SADF)
- Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
- Bureau of Prisons (BOP)
- Drug Enforcement Administration (DEA)
- Federal Bureau of Investigation (FBI)
- Federal Prison Industries, Inc. (FPI)
- Office of Justice Programs (OJP)
- Offices, Boards and Divisions (OBDs) *
- U.S. Marshals Service (USMS)

OBDs*:

Offices
Office of the Attorney General
Office of the Deputy Attorney General
Office of the Associate Attorney General
Community Relations Service
Executive Office for Immigration Review
Executive Office for U.S. Attorneys
Executive Office for U.S. Trustees
Executive Office for Organized Crime Drug Enforcement Task Forces
Office of Community Oriented Policing Services
Office of Information Policy
Office of Legal Counsel
Office of Legal Policy
Office of Legislative Affairs
Office of Professional Responsibility
Office of Public Affairs
Office of the Federal Detention Trustee
Office of the Inspector General
Office of the Pardon Attorney
Office of the Solicitor General
Office of Tribal Justice
Office on Violence Against Women
Professional Responsibility Advisory Office
U.S. Attorneys
INTERPOL Washington

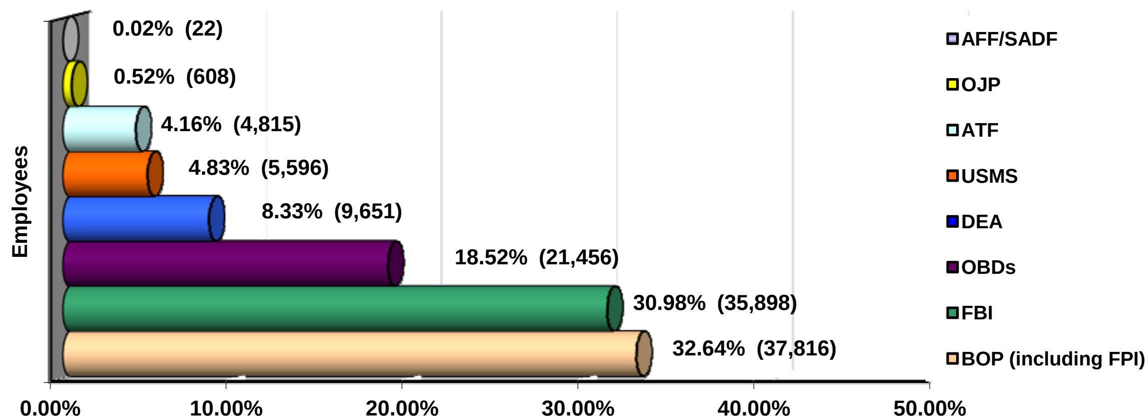
Boards
Foreign Claims Settlement Commission
U.S. Parole Commission

Divisions
Antitrust Division
Civil Division
Civil Rights Division
Criminal Division
Environment and Natural Resources Division
Justice Management Division
National Security Division
Tax Division

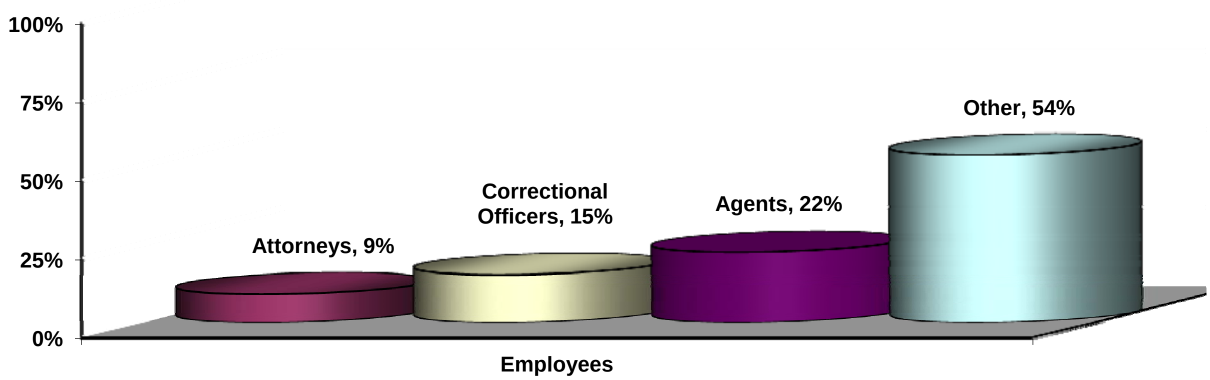
FY 2012 Resource Information

The following pages provide summary-level resource and performance information regarding the Department's operations for FY 2012. The charts on this page reflect employees on board as of September 22, 2012.

FY 2012 DOJ Employees On Board by Component
115,862 Employees



FY 2012 DOJ Employees On Board by Category
Attorneys, Correctional Officers, Agents, and Other*



*"Other" includes pay class categories such as general administrative, clerical, analyst, information technology specialist, security specialist, and legal services.

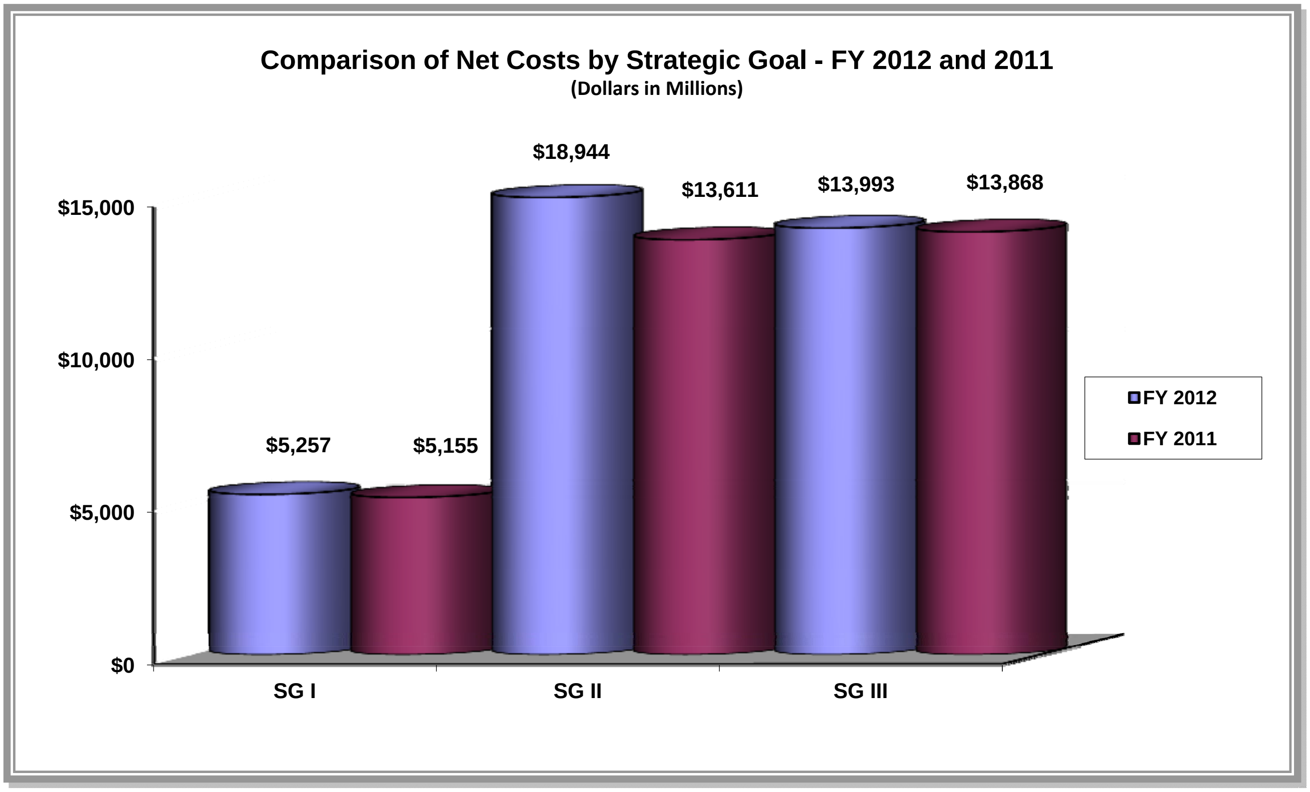
Table 1. Sources of DOJ Resources
(Dollars in Thousands)

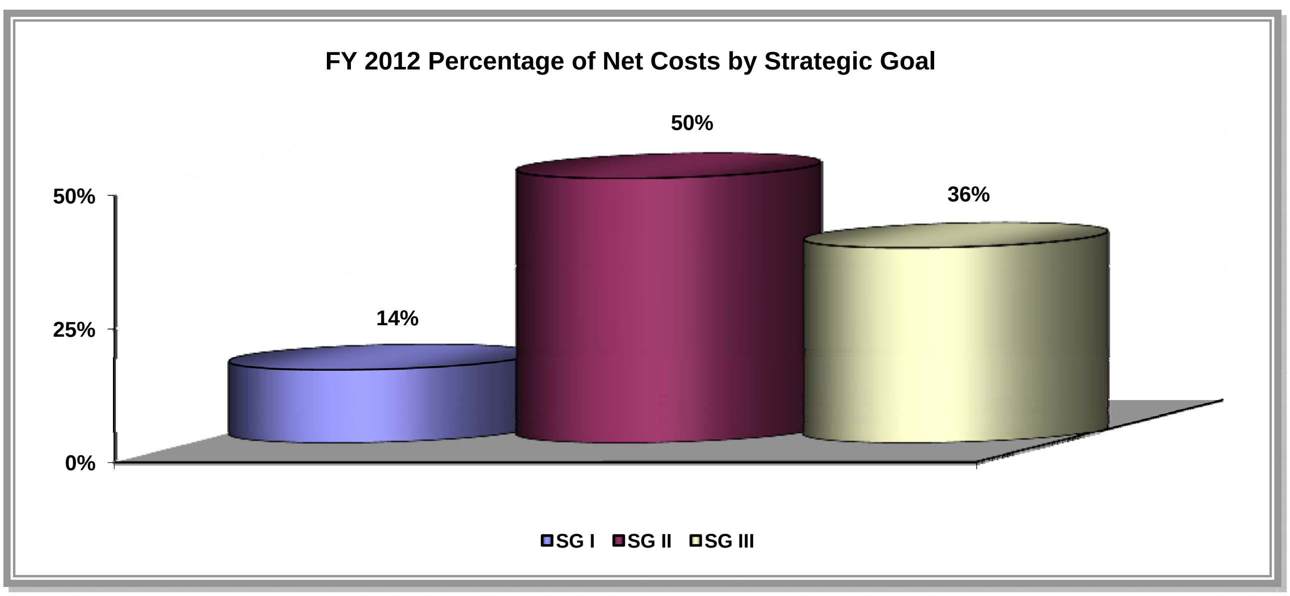
Source	FY 2012	FY 2011	% Change
Earned Revenue:	$3,115,804	$3,331,777	**-6.5%**
Budgetary Financing Sources:			
Appropriations Received	27,693,689	27,479,834	**0.8%**
Appropriations Transferred-In/Out	330,471	400,839	**-17.6%**
Nonexchange Revenues	2,803,960	2,004,395	**39.9%**
Donations and Forfeitures of Cash and Cash Equivalents	4,194,465	1,580,584	**165.4%**
Transfers-In/Out Without Reimbursement	109,395	113,735	**-3.8%**
Other Adjustments	(192,761)	(132,256)	**-45.7%**
Other Financing Sources:			
Donations and Forfeitures of Property	120,275	157,607	**-23.7%**
Transfers-In/Out Without Reimbursement	(12,623)	44,556	**-128.3%**
Imputed Financing from Costs Absorbed by Others	878,014	998,485	**-12.1%**
Other Financing Sources	(5,199)	(4,613)	**-12.7%**
Total DOJ Resources	**$39,035,490**	**$35,974,943**	**8.5%**

Table 2. How DOJ Resources Were Spent
(Dollars in Thousands)

	Strategic Goal (SG)	FY 2012	FY 2011	% Change
I	Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law			
	Gross Cost	$5,727,278	$5,626,149	
	Less: Earned Revenue	470,233	470,783	
	Net Cost	5,257,045	5,155,366	**2.0%**
II	Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law			
	Gross Cost	20,059,682	14,666,708	
	Less: Earned Revenue	1,115,263	1,055,269	
	Net Cost	18,944,419	13,611,439	**39.2%**
III	Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels			
	Gross Cost	15,523,414	15,674,026	
	Less: Earned Revenue	1,530,308	1,805,725	
	Net Cost	13,993,106	13,868,301	**0.9%**
	Total Gross Cost	**41,310,374**	**35,966,883**	
	Less: Total Earned Revenue	**3,115,804**	**3,331,777**	
	Total Net Cost of Operations	**$38,194,570**	**$32,635,106**	**17.0%**

Note: FY 2011 net cost has been reclassified in the current year to align with the Department's FY 2012-2016 Strategic Plan.


Comparison of Net Costs by Strategic Goal - FY 2012 and 2011
(Dollars in Millions)
$15,000
$10,000
$5,000
$0
$5,257
$5,155
$18,944
$13,611
$13,993
$13,868
SG I
SG II
SG III
FY 2012
FY 2011


FY 2012 Percentage of Net Costs by Strategic Goal
50%
25%
0%
14%
50%
36%
SG I
SG II
SG III

Analysis of Financial Statements

The Department's financial statements, which are provided in Section III of this document, received an unqualified audit opinion for the fiscal years ended September 30, 2012 and 2011. These statements were prepared from the accounting records of the Department in conformity with the accounting principles generally accepted in the United States and Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. These principles are the standards promulgated by the Federal Accounting Standards Advisory Board (FASAB).

The following information highlights the Department's financial position and results of operations in FY 2012. The complete set of financial statements, related notes, and the opinion of the Department's auditors are provided in Section III of this document.

Assets: The Department's Consolidated Balance Sheet as of September 30, 2012, shows $43.2 billion in total assets, an increase of $398 million over the previous year's total assets of $42.8 billion. Fund Balance with U.S. Treasury (FBWT) was $24.7 billion, which represented 57 percent of total assets.

Liabilities: Total Department liabilities were $15.9 billion as of September 30, 2012, an increase of $2.7 billion from the previous year's total liabilities of $13.3 billion. This increase is primarily due to the reactivation of the September 11th Victim Compensation Fund of 2001 and the recognition of related unfunded liabilities.

Net Cost of Operations: The Consolidated Statement of Net Cost presents the Department's gross and net cost by strategic goal. The net cost of the Department's operations totaled $38.2 billion for the year ended September 30, 2012, an increase of $5.6 billion (17 percent) from the previous year's net cost of operations of $32.6 billion. This increase is partially due to the recognition of unfunded expenses related to the reactivation of the September 11th Victim Compensation Fund of 2001.

Brief descriptions of some of the major costs for each Strategic Goal are as follows:

Strategic Goal	Description of Major Costs
I	Includes resources dedicated to counterterrorism initiatives for ATF, CRM, DEA, FBI, NSD, USAs, and USMS
II	Includes resources for the AFF, ATF, BOP, COPS, CRS, DEA, FBI, Foreign Claims Settlement Commission (FCSC), Organized Crime Drug Enforcement Task Force (OCDETF), OJP, Office of Legal Counsel, Office of the Pardon Attorney (OPA), Office of the Solicitor General (OSG), OVW, USAs, USMS, INTERPOL Washington, UST, ATR, CIV, CRT, CRM, ENRD,TAX and services to America's crime victims
III	Includes resources for BOP, EOIR, Fees and Expenses of Witnesses, FPI, OJP, Justice Prisoner Alien Transportation System, USMS, and U.S. Parole Commission

Management and administrative costs, including the costs for the Department's leadership offices, JMD, Wireless Management Office, and others, are allocated to each strategic goal based on full-time equivalent (FTE) employment.[1]

[1] FTE employment means the total number of regular straight-time hours (i.e., not including overtime or holiday hours) worked by employees, divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave, compensatory time off, and other approved leave categories are considered "hours worked" for purposes of defining FTE employment.

Budgetary Resources: The Department's FY 2012 Combined Statement of Budgetary Resources shows $45.3 billion in total budgetary resources, an increase of $2.9 billion from the previous year's total budgetary resources of $42.4 billion. This increase is primarily related to deposits from the settlement of large cases.

Net Outlays: The Department's FY 2012 Combined Statement of Budgetary Resources shows $31.6 billion in net outlays, an increase of $669 million from the previous year's total net outlays of $30.9 billion.

Data Reliability and Validity

The Department views data reliability and validity as critically important in the planning and assessment of its performance. As such, the Department makes every effort to ensure completeness and improve reliability of its performance information by performing "data scrubs" (routine examination of current and historical data sets, as well as looking toward the future for trends) to ensure the data we rely on to make day-to-day management decisions are as accurate and reliable as possible and targets are ambitious enough given the resources provided. In an effort to communicate our data limitations and commitment to providing accurate data, this document includes a discussion of data validation, verification, and any identified data limitations for each performance measure presented. The Department ensures each reporting component providing data for this report meets the following criteria:

> *At a minimum, performance data are considered reliable if transactions and other data that support reported performance measures are properly recorded, processed, and summarized to permit the preparation of performance information in accordance with criteria stated by management. Performance data need not be perfect to be reliable, particularly if the cost and effort to secure the best performance data possible will exceed the value of any data so obtained.*

Analysis of Performance Information

The Government Performance and Results Act (GPRA) requires an agency's Strategic Plan to be updated every four years and cover a period of not less than four years forward from the fiscal year in which it is submitted.

The Department's new FY 2012-2016 Strategic Plan, which contains three strategic goals, is used for this report. The Department's Plan also includes 12 key performance measures addressing DOJ's highest priorities toward achieving its long-term outcome goals. The performance measures are included in the Department's annual *Budget and Performance Summary* and reported in this document. The Department's full Performance Report for these measures, including an update on our progress toward meeting the FY 2016 long-term outcome goals, is included in Section II of this document. The Department strives to present the highest-level outcome-oriented measures available and fully report the accomplishments achieved during the reporting period. However, data for the 12 key measures are compiled 30 days after the end of the fiscal year and, occasionally, data for the entire year are not available at the time of publication.

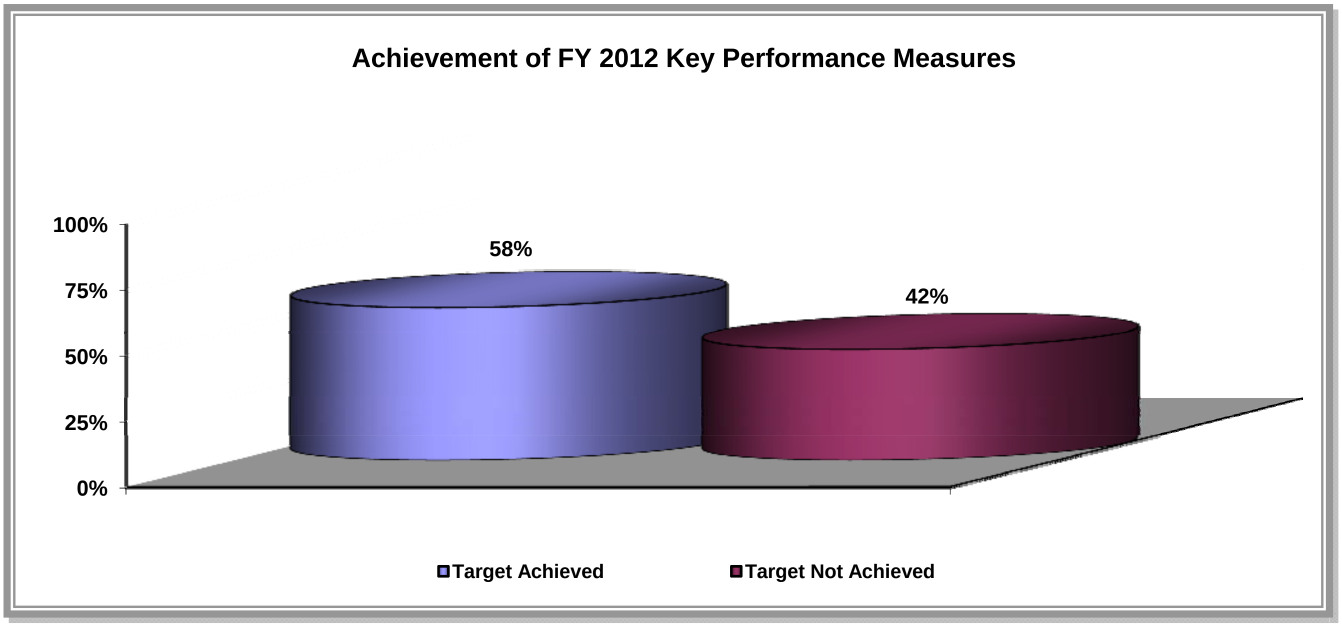
During FY 2012, Departmental leadership continued to display a clear commitment to performance management through the reliance on formal quarterly status reviews. Additionally, Departmental components have worked to improve the quality and timeliness of financial and performance information that inform quarterly status reporting and operating plans.

For this report, 100 percent of the performance measures have actual data for FY 2012. The Department achieved 58 percent of its key measures in FY 2012. In certain cases, FY 2012 data have yet to be finalized and could change the final outcome. The Department continues to emphasize long-term and annual performance measure development, placement of key performance indicators on cascading employee work plans, and Department-wide quarterly status reporting.

In FY 2012, the Department successfully developed and implemented a new web-based performance management system. The Department will continue to examine its performance management system and implement improvements, where necessary. Additional improvement areas include developing trend reports, continuing to improve the quality and utility of performance information and continuing to work with OMB and other federal agencies to develop mechanisms to target and measure efficiency of law enforcement and regulatory programs.

In addition to monitoring its annual progress, the Department continues to monitor progress made toward achieving its FY 2016 long-term outcome goals for each of the 12 key performance measures. As of the close of FY 2012, 11 of 12 of the Department's long-term key measures are on-track for full achievement against its FY 2016 long-term outcome goals (targets). Four full years of performance remain until the Department reports against planned progress, and a number of mechanisms are in place to ensure that the current progress is maintained, including quarterly status reporting and performance-informed budget submissions that request the resources necessary for the Department to reach its goals.

The chart below and the table that follows summarize the Department's achievement of its FY 2012 key performance measures.



No.	[ ] Designates the reporting entity	FY 2012 Target	FY 2012 Actual	Target Achieved/ Not Achieved
	Strategic Goal I: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law			
1	Number of counterterrorism intelligence products shared with the U.S. Intelligence Community, state and local Law Enforcement Community partners, and foreign government agencies [FBI]	13,628	12,445	Not Met[1]
	[1] *FBI attributes the measure missing its target to lower Intelligence Information Report (IIR) production. FBI emphasized the production of high-value IIRs which addressed priority intelligence gaps or provided actionable intelligence to Intelligence Community and Law Enforcement partners over low-value IIRs which served only to flood the system with non-actionable intelligence or information of little-to-no intelligence value.*			
	Strategic Goal II: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law			
2	Number of criminal enterprises engaging in white-collar crimes dismantled [FBI]	360	409	Met
3	Percent increase in gang arrests resulting from coordination of gang investigations [FBI, ATF, DEA]	2%	-16%	Not Met[2]
	[2] *This measure represents collective data from FBI, ATF, and DEA. FBI has yet to report its final number for FY 2012. ATF's actual number in FY 2012 is lower than their FY 2011 baseline number. DEA met its target for the year.*			
4	Number of intelligence products to support federal, state, and local law enforcement [FBI]	46	53	Met
5	Number of matters/investigations of child sexual exploitation and human trafficking resolved [CRT, FBI, CRM, USA, USMS]	4,938	4,348	Not Met[3]
	[3] *Cases relating to this measure are trending the same way as all other criminal cases in FY 2012. Overall, criminal cases filed in FY 2012 have dropped when compared to the baseline year, FY 2011.*			
	Consolidated Priority Organizations Target (CPOT)-linked drug trafficking organizations [DEA, FBI (Consolidated data - OCDETF)]			
6	Dismantled	145	171	Met
7	Disrupted	340	446	Met
	Percent of cases favorably resolved: [ENRD, ATR, CRM, USA, TAX, CIV, CRT (Consolidated data - JMD/Budget Staff)]			
8	Criminal Cases	90%	92%	Met
9	Civil Cases	80%	81%	Met
	Strategic Goal III: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels			
10	Percent of system-wide crowding in federal prisons [BOP]	37%	38%	Not Met[4]
	[4] *While the target was not met, FY 2012 actual represents a one percent reduction from FY 2011 system-wide crowding rate.*			

	[ ] Designates the reporting entity	FY 2012 Target	FY 2012 Actual	Target Achieved/ Not Achieved
11	Number of inmate participants in the Residual Drug Abuse Program [BOP]	18,500 (baseline)	14,482	Not Met[5]
	[5] *New methodology was developed in FY 2012 to calculate RDAP participation to reduce potential for double-counting of inmates. The more precise methodology has resulted in the number of participants during FY 2012 less than the initial target number.*			
12	Number and percent of primary felony fugitives apprehended or cleared [USMS]	34,421 52%	36,229 50%	Met

FY 2012 – 2013 Priority Goals

The FY 2012 OMB Budget and Performance Plan guidance memorandum required federal agencies to identify a limited number of Priority Goals that are considered priorities for both the Administration and the agency, have high relevance to the public or reflect the achievement of key agency missions, and would produce significant results over a 12 to 24 month timeframe. The Priority Goals should also represent critical elements of a federal agency's strategic plan.

The following comprise the Department's four Priority Goals for FY 2012–2013 and are linked to the larger DOJ policy framework and strategic plan goals.

Priority Goal 1, National Security: Better inform the Intelligence Community, thereby increasing the ability to protect Americans from terrorism or other threats to national security - both at home and abroad:

- **By the end of 2013, increase the number of intelligence products shared with the U.S. Intelligence Community and state and local Law Enforcement Community partners by 6 percent**
- **By the end of 2013, increase the number of intelligence products shared with foreign government agencies by 6 percent**

Terrorism is the most significant national security threat the country faces. Accordingly, the number one priority of the Department is, and will continue to be, protecting the security of this Nation's citizens. The Administration has recognized that terrorism cannot be defeated by military means alone and the Department is at the forefront of the fight against terrorism. DOJ provides a broad spectrum of tools and skills to combat terrorists. Specifically, DOJ's agents, analysts, and prosecutors will use every available resource and appropriate tool to detect, deter, and disrupt terrorist plots, investigate and prosecute terrorists, and aid in developing rule of law programs in post-conflict countries to help prevent terrorism abroad. The Department will aggressively pursue emerging threats around the world and at home, enhance the ability to gather and analyze actionable intelligence, and engage in outreach efforts to all communities in order to prevent terrorism before it occurs.

- Status: The Department met its FY 2012 target for increasing the number of intelligence products shared with foreign government agencies, but missed its FY 2012 target for increasing the number of intelligence products shared with the U.S. Intelligence Community and state and local Law Enforcement Community Partners.

  The number of intelligence products shared with foreign government agencies decreased from 1,860 to 1,795 from the third to the fourth quarter of FY 2012, but exceeded its fourth quarter target by 200 percent. In comparison, intelligence products shared in FY 2011 for the third and fourth quarters were 850 and 801, respectively. Shared Counterterrorism Division (CTD) intelligence products include a wide variety of disseminations to foreign governments. Coordination and cooperation with foreign partners serve the interests of FBI CTD to identify upcoming threats and better monitor the activities of known entities. CTD Executive Management has identified the need for increased communications with Foreign Governments, and as such, CTD has pushed for increased contact.

  The number of intelligence products shared with the U.S. Intelligence Community and state and local Law Enforcement Community partners increased from 3,061 to 3,347 from the third to the fourth quarter of FY 2012, and missed its fourth quarter target by only 2%. In comparison, intelligence products shared in FY 2011 for the third and fourth quarter were 3,434 and 3,642, respectively. The FBI CTD recognizes coordination and collaboration with Other Government Agency (OGA), Intelligence Community (IC), and domestic Law Enforcement (LE) partners is essential to mitigating the domestic and international threat. CTD attributes the measure missing its fourth quarter target to lower Intelligence Information Report (IIR) production. Based on feedback received from OGA, IC, and LE partners, CTD emphasized the production of high-value IIRs which addressed priority intelligence gaps or provided actionable intelligence to IC and LE partners over low-value IIRs which served only to flood the system with non-actionable intelligence or information of little-to-no intelligence value. This change has been well-received by OGA, IC, and LE partners. CTD Executive Management will continue to focus on increased intelligence sharing in the effort to combat the terrorist threat.

Priority Goal 2, Reduce Gang Violence: By September 30, 2013, in conjunction with state and local law enforcement agencies, reduce the number of violent crimes attributed to gangs by achieving 5 percent increases on 3 key indicators:

- **Youths who exhibited a change in targeted behaviors as a result of participation in DOJ gang prevention program**
- **Coordination on gang investigations among federal, state, and local law enforcement resulting in gang arrests**
- **Intelligence products produced in support of federal, state, and local investigations that are focused on gangs posing a significant threat to communities**

Gangs and gun violence pose a serious threat to public safety in many communities throughout the United States. Too many youth are exposed to violence and gangs. Too many families continue to face substantial challenges in keeping their children safe and free from the conditions that can lead to violence. While data shows that overall violent crime in the United States is decreasing, many communities continue to experience high levels of gun violence and gang-related crimes. Gang members are increasingly migrating from urban to suburban, rural, and tribal communities and are responsible for a growing percentage of crime and violence in many communities. The Department's efforts to protect our citizens from violence will be carried out through collaboration with our state, local, and tribal partners. Through the United States Attorneys and our violent crime task forces, the Department will work with individual jurisdictions to address the impact of gang-related crimes on communities. The federal, state, local, and tribal efforts will be enhanced through increased coordinated enforcement efforts and intelligence sharing. Additionally, prevention of gang violence and gang membership is a necessary element of our strategy to address violent crime. The Department will utilize a number of evidence-based programs to assist state, local, and tribal governments in their efforts to deter youths from participation in gangs through these data-driven prevention programs, which are designed to prevent increases in gang membership and to deter youth violence.

- Status: The percentage of program youth who exhibited a change in targeted behaviors while participating in DOJ prevention programs to reduce youth crime and violence (including gangs) is targeted annually and actual data is reported in the first and third quarters due to data collection cycles. In FY 2012, the Department reported that 67% of program youth exhibited a change in targeted behaviors, exceeding the FY 2012 target of 65%. In FY 2011, 63% of program youth exhibited a change in targeted behaviors.

  The Department exceeded its FY 2012 target for the number of gang cases supported by the Gang Unit, and the National Gang Targeting, Enforcement & Coordination Center/Operations Section: Gangs (GangTECC/OSG) in FY 2012 by 169 or 22%. In FY 2011, the Department increased the number of cases supported by 192 cases or 26%.

  The Department exceeded its FY 2012 target to produce intelligence products in support of federal, state, and local investigations that are focused on gangs posing a significant threat to communities by 7 or 16%. In FY 2012, the number of intelligence products produced increased from FY 2011 by 8 or18%.

<u>Priority Goal 3, Protect the American people from Financial and Healthcare fraud</u>: In order to efficiently and effectively address financial fraud and healthcare fraud, by the end of FY 2013, increase by 5 percent over FY 2011 levels, the number of investigations completed per Department of Justice attorney working on financial fraud and healthcare fraud cases; additionally, institute a system for tracking compliance by corporate defendants with the terms of judgments, consent decrees, settlements, deferred prosecution agreements, and non-prosecution agreements.

The recent financial crisis, which has impacted every American, has resulted in fraud and deception in the finance and housing markets as well as fraudulent schemes that misuse the public's unprecedented investment in economic recovery. Criminals who commit mortgage fraud, securities and commodities fraud, and other types of fraud relating to the response to the economic crisis, including the funds disbursed through the American Recovery and Reinvestment Act and the Troubled Asset Relief Program, victimize the American public as a whole. Similarly, those who defraud Medicare, Medicaid, and other government health care programs defraud every American. Fraudsters take critical resources out of our health care system—thus contributing to the rising cost of health care for all Americans and endangering the short-term and long-term solvency of these essential health care programs. The Department will continue to address these critical problems by vigorously investigating and prosecuting both health care fraud and financial fraud, in order to protect American businesses, consumers, and taxpayers.

- <u>Status</u>: The Department did not achieve its FY 2012 goal of increasing by 2.5% the number of investigations completed per DOJ attorney working on financial fraud and healthcare fraud cases. The target for FY 2012 was 11.92 investigations per attorney. However, actual results show only 10.28 investigations per attorney. Several factors have contributed to the decline in the number of investigations completed in FY 2012. Over the last several years, including the baseline year, FY 2011, the number of health care fraud and financial fraud cases reached all-time highs. The complexity of these health care fraud and financial fraud cases continues to increase, e.g., number of defendants and methods of fraud. As complexity increases, more attorney effort is expended on these complex cases, thereby reducing the overall number of investigations completed. Finally, the Speedy Trial Act necessitates that priority be placed on existing cases. Therefore, the availability of attorneys to devote effort to new matters is further limited.

<u>Priority Goal 4, Protect those most in need of help:</u> With special emphasis on child exploitation and civil rights. By September 30, 2013, working with state and local law enforcement agencies, protect potential victims from abuse and exploitation by achieving a 5 percent increase for 3 sets of key indicators:

- **open investigations concerning non-compliant sex offenders, sexual exploitation of children, and human trafficking**
- **matters/investigations resolved concerning sexual exploitation of children and human trafficking**
- **number of children depicted in child pornography that are identified by the FBI**

The abuse, neglect, exploitation, and trafficking, including sexual abuse, of children, the elderly, and other vulnerable populations, causes irrevocable harm to victims and society. Ensuring that our children, seniors, and all citizens can live without being disturbed by sexual trauma, exploitation, or human trafficking are more than criminal justice issues, they are societal and moral issues. Despite efforts to date, the threat of these crimes remains very real. In the broadest terms, the goal of the Department is to prevent child sexual exploitation, elder abuse, hate crimes, and human trafficking from occurring in the first place, in order to protect every person from the physical and mental traumas associated with these crimes.

- <u>Status:</u> Overall, DOJ is on track to achieve this goal. Five out of six performance measures for this goal exceeded their FY 2012 annual targets. At the beginning of FY 2012, the USMS brought on-board additional full time sex offender investigative coordinators to focus on non-compliant sex offenders, and it exceeded its FY 2012 annual target (1,305) for *Open investigations concerning non-compliant sex* *offenders* by 17% (1,531); this is a 19 % increase as compared to the FY 2011 activity. *Open investigations concerning human trafficking* exceeded its annual target of 188 by 37%t (258); this is a 41% increase compared to the FY 2011 activity. *Matters/investigations resolved concerning human trafficking* exceeded its annual target of 83 by 29% (107); this is a 34% increase as compared to the FY 2011 activity. *Number of children depicted in child pornography that are identified by the FBI* exceeded its annual target of 175 by 37 percent (239). This is one less than identified in FY 2011. *Open investigations concerning sexual exploitation of children* surpassed its FY 2012 annual target (560) by 41 percent (792); this is 45% increase as compared to the FY 2011 activity. *Matters/investigations resolved concerning sexual exploitation of children*, reached only 87% (4,245) of its FY 2012 annual target (4,855); this is a 10% decrease as compared to the FY 2011 activity.

There are three factors contributing to the slower progress in *resolving matters/investigations concerning the sexual exploitation of children.* First, the Criminal Division resolved an unusually large number of matters in FY 2011 (a particularly large international child pornography ring was investigated and charged in FY 2011, resulting in a large number of matters resolved) that produced a particularly high FY 2011 baseline. Second, due to increasing sophistication of many offenders' use of technologies to help evade detection, it often is taking more time to investigate individual matters. Third, the difficulty in replacing experienced child exploitation prosecutors may be another reason that DOJ is slightly below expectations on this performance measure.

Analysis of Systems, Controls, and Legal Compliance

Internal Control Program in the Department of Justice

The objective of the Department of Justice's internal control program is to provide reasonable assurance that operations are effective, efficient, and comply with applicable laws and regulations; financial reporting is reliable; and assets are safeguarded against waste, loss, and unauthorized use. The Department identifies issues of concern through a strong network of oversight councils and internal review teams. These include the Department's Senior Assessment Team, the Justice Management Division's Internal Review and Evaluation Office and Quality Control and Compliance Group, and Departmental component internal review teams. In addition, the Department considers reports issued by the Office of the Inspector General (OIG) when assessing internal control.

The Department's internal control continues to improve through the corrective actions implemented by management. The Department's commitment to management excellence, accountability, and compliance with applicable laws and regulations is evidenced in our continuing actions to establish effective controls, make sound determinations on corrective actions, and verify and validate the results. This commitment is further evidenced by the many control improvements and actions taken by Departmental management in response to new legislation, OMB initiatives, and OIG recommendations, as discussed later in this section and in Appendix A.

Departmental management continued in FY 2012 to further strengthen and maximize the effectiveness of its annual assessment of internal control over financial reporting. Examples of such actions include:

- refining the assessment framework,
- enhancing the oversight process to ensure prompt implementation of corrective actions,
- providing direct assistance to components with previously identified reportable conditions, and
- continuing to support and commit resources to Departmental component internal review programs.

Management Assurances

Federal Managers' Financial Integrity Act of 1982

The Federal Managers' Financial Integrity Act of 1982 (FMFIA or Integrity Act) provides the statutory basis for management's responsibility for and assessment of internal accounting and administrative controls. Such controls include program, operational, and administrative areas, as well as accounting and financial management. The Integrity Act requires federal agencies to establish controls that reasonably ensure obligations and costs are in compliance with applicable law; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and revenues and expenditures are properly recorded and accounted for to maintain accountability over the assets. The Integrity Act also requires agencies to annually assess and report on the internal controls that protect the integrity of federal programs (FMFIA § 2) and whether financial management systems conform to related requirements (FMFIA § 4).

Guidance for implementing the Integrity Act is provided through OMB Circular A-123, *Management's Responsibility for Internal Control*. In addition to requiring agencies to provide an assurance statement on the effectiveness of programmatic internal controls and conformance with financial system requirements, the Circular requires agencies to provide an assurance statement on the effectiveness of internal control over financial reporting.

FMFIA Assurance Statement

Department of Justice management is responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the FMFIA. In accordance with OMB Circular A-123, the Department conducted its annual assessment of the effectiveness of internal controls to support effective and efficient programmatic operations, reliable financial reporting, and compliance with applicable laws and regulations (FMFIA § 2). The Department also assessed whether its financial management systems conform to financial system requirements (FMFIA § 4). Based on the results of the assessments, the Department can provide qualified assurance that its internal controls and financial management systems meet the objectives of the FMFIA. The assessment of systems did not identify any non-conformances required to be reported under FMFIA § 4; however, the assessment of internal controls identified one programmatic material weakness required to be reported under FMFIA § 2. This weakness involves the need to reduce the Federal Bureau of Prisons (BOP) crowding rate, currently at 38 percent over the rated capacity. Details of the weakness are provided in the section Summary of Material Weakness and Corrective Actions. Other than the exception noted, the internal controls were operating effectively as of September 30, 2012, and the assessment identified no other material weaknesses in the design or operation of the controls.

In accordance with Appendix A of OMB Circular A-123, the Department conducted its assessment of the effectiveness of internal control over financial reporting, which included the safeguarding of assets and compliance with applicable laws and regulations. Based on the results of this assessment, the Department can provide reasonable assurance that its internal control over financial reporting was operating effectively as of June 30, 2012, and the assessment identified no material weaknesses in the design or operation of the controls.

The Department of Justice is committed to maintaining strong program and financial management as we continue our mission of fighting terrorism and protecting our communities from crime. We take our program and financial accountability seriously and are dedicated to ensuring that funds received are expended responsibly and in a transparent manner. We will continue to strengthen controls in areas where we are aware of concerns identified through the Department's internal review activities or by the Office of the Inspector General and Government Accountability Office. We look forward in FY 2013 to building on our achievements as we continue the important work of the Department.

Eric H. Holder, Jr.
Attorney General
November 9, 2012

Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act of 1996 (FFMIA) was designed to advance federal financial management by ensuring that federal financial management systems provide accurate, reliable, and timely financial management information to the government's managers. Compliance with the FFMIA provides the basis for the continuing use of reliable financial management information by program managers, as well as by the President, Congress, and public. The FFMIA requires agencies to have financial management systems that substantially comply with federal financial management system requirements, applicable federal accounting standards, and the application of the U.S. Government Standard General Ledger at the transaction level. Guidance for implementing the FFMIA is provided through OMB Circular A-127, *Financial Management Systems.*

FFMIA Compliance Determination

During FY 2012, the Department assessed its financial management systems for compliance with the FFMIA and determined that, when taken as a whole, they substantially comply with the FFMIA. This determination is based on the results of FISMA reviews and testing performed for OMB Circular A-123, Appendix A. Consideration was also given to issues identified during the Department's financial statement audit.
A summary of the Department's compliance with the specific requirements of the FFMIA is provided at the end of this sub-section.

Financial Management Systems Strategy, Goals, and Framework

The Department's financial management systems strategy is to ultimately replace the three remaining major non-integrated legacy accounting systems in use in the Department with the single, integrated financial management system the Department is deploying – the Unified Financial Management System (UFMS). UFMS delivers standard, core accounting processes, as well as the data needed for effective financial and budget management. In FYs 2009 through 2012, the Department made measurable progress in implementing UFMS. In FY 2009, the DEA successfully migrated to UFMS and, importantly, obtained an unqualified audit opinion on its financial statements produced from UFMS that year and in every year since. As expected, the DEA project was a large, complex, and difficult migration, but one that helped to lay the foundation for the migration of the ATF, which occurred in FY 2011, and the migrations of the USMS and FBI, which are underway and scheduled for completion in FYs 2013 and 2014, respectively. The migration of the USMS will replace one of the three major non-integrated legacy accounting systems, leaving two in use in the Department. The UFMS implementation goals, such as the migrations of the USMS and FBI, leverage lessons learned from previous migrations and are based on and aligned with operational risks and requirements unique to each component.

The Department's UFMS implementation has already enabled components to improve financial and budget management and realize increased efficiencies. Additional improvements and efficiencies are guaranteed to be realized as additional components fully migrate to UFMS. For example, UFMS has standardized and integrated financial processes to more effectively support accounting operations, provide accurate and timely financial information throughout the year, facilitate preparation of financial statements, and streamline audit processes.

Summary of Financial Statement Audit and Management Assurances

The following two tables summarize the results of the Department's financial statement audit and management assurances regarding the effectiveness of internal control over programmatic operations and financial reporting (FMFIA § 2), conformance with financial system requirements (FMFIA § 4), and compliance with the FFMIA.

Table 3. Summary of Financial Statement Audit

Financial Statement Audit Opinion and Material Weaknesses					
Audit Opinion	Unqualified				
Restatement	No				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
None	0	0	0	0	0
Total Material Weaknesses	**0**	**0**	**0**	**0**	**0**

Table 4. Summary of Management Assurances

Effectiveness of Internal Control over Programmatic Operations (FMFIA § 2)						
Statement of Assurance	Qualified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Prison Crowding	1	0	0	0	0	1
Total Material Weaknesses	**1**	**0**	**0**	**0**	**0**	**1**

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Total Material Weaknesses	**0**	**0**	**0**	**0**	**0**	**0**

Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Systems Conform					
Non-conformances	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Total Non-conformances	**0**	**0**	**0**	**0**	**0**	**0**

Compliance with Federal Financial Management Improvement Act (FFMIA)		
Overall Substantial Compliance	**Agency**	**Auditor**
	Yes	Yes
Compliance with Specific Requirements		
Systems Requirements	Yes	
Accounting Standards	Yes	
USSGL at Transaction Level	Yes	

Summary of Material Weakness and Corrective Actions

A summary of the material weakness identified in the Department's FY 2012 assessment of the effectiveness of internal control over programmatic operations (FMFIA § 2) follows, along with details regarding corrective actions. The associated Corrective Action Plan is provided in Section IV of this document.

Programmatic Material Weakness and Corrective Actions – Prison Crowding

As of September 30, 2012, the inmate population housed in BOP operated institutions exceeded the rated housing capacity by 38 percent. The BOP's Long Range Capacity Plan relies on multiple approaches to house the increasing federal inmate population, such as contracting with the private sector and state and local facilities for certain groups of low-security inmates; expanding existing institutions where infrastructure permits, programmatically appropriate, and cost effective to do so; and acquiring, constructing, and activating new facilities as funding permits.

To address this material weakness, the BOP will continue implementing its Long Range Capacity Plan, making enhancements and modifications to the plan, as needed, commensurate with funding received through enacted budgets. The BOP's formal Corrective Action Plan includes utilizing contract facilities; expanding existing institutions; and acquiring, constructing, and activating new institutions as funding permits. The BOP will continue to validate progress on construction projects at new and existing facilities through on-site inspections or by reviewing monthly construction progress reports.

This material weakness was first reported in 2006. Remediation of the weakness through increasing prison capacity is primarily dependent on funding. Other correctional reforms and alternatives will require policy and/or statutory changes. Other initiatives notwithstanding, if the acquisition, expansion, construction, and activation plans detailed in the BOP's Long Range Capacity Plan are funded as proposed, the over-crowding rate for FY 2018 is projected to be 44 percent.

The Department's corrective action efforts are not limited to the BOP alone. The Department continues to consider and implement an array of crime prevention, sentencing, and corrections management improvements that focus on accountability and rehabilitation, while protecting public safety. The Department recognizes that the BOP's capacity management efforts must be teamed with targeted programs that are proven to reduce recidivism and promote effective re-entry. The BOP will continue to work with the Department on these programs.

Improper Payments Elimination and Recovery Act of 2010

The Department recognizes the importance of maintaining adequate internal controls to ensure proper payments and is committed to the continuous improvement of the overall disbursement management process. A summary of actions taken by Departmental management in FY 2012 to implement the Improper Payments Elimination and Recovery Act (IPERA) follow. Additional details, as well as the Department's submission of the required improper payments reporting, are provided in Appendix A of this document.

Risk Assessment

The IPERA and OMB April 2011 implementing guidance, OMB Circular A-123, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*, require agencies to review all programs and activities they administer to identify those that are susceptible to significant improper payments. OMB defines significant improper payments as gross annual improper payments (i.e., the total amount of overpayments plus underpayments) in a program exceeding (1) both 2.5 percent of program outlays and $10 million of all program or activity payments made during the fiscal year reported or (2) $100 million, regardless of the improper payment percentage of total program outlays. The Department's top-down approach for assessing the risk of significant improper payments allows the reporting of results by the Department's five mission-aligned programs – Law Enforcement; Litigation; Prisons and Detention; State, Local, Tribal, and Other Assistance; and Administrative, Technology, and Other.

In accordance with the IPERA and OMB implementing guidance, the Department assessed its programs and activities for susceptibility to significant improper payments. Based on the results of the risk assessment for the year ended September 30, 2012, the Department concluded there were no programs susceptible to significant improper payments, i.e., improper payments exceeding the OMB thresholds of both 2.5 percent of program outlays and $10 million or $100 million.

Payment Recapture Audits

The IPERA and OMB implementing guidance require agencies to conduct payment recapture audits (also known as recovery audits) for each program and activity that expends $1 million or more annually – including contracts, grants, and benefit payments – if conducting such audits would be cost-effective. Prior to FY 2011, payment recapture audits were only required for agencies that entered into contracts with a total value in excess of $500 million in a fiscal year, and for certain other programs that were not applicable to the Department. The OMB implementing guidance also requires agencies to establish annual targets for their payment recapture audit programs – based on the rate of recovery – to drive performance. Agencies have the discretion to set their own payment recovery rate targets for review and approval by OMB, but agencies are to strive to achieve an annual recovery rate target of at least 85 percent by the end of FY 2013.

In FY 2011, the Department expanded the scope of its payment recapture audits to contracts, grants, and benefit and other payments as required by the IPERA and OMB implementing guidance. The Department also established annual payment recovery rate targets through FY 2014 to drive performance. In FY 2012, the Department updated its targets and added an annual target for FY 2015.

In accordance with the IPERA and OMB implementing guidance, the Department measured payment recapture performance. Based on performance through the year ended September 30, 2012, the Department achieved a payment recovery rate of 93 percent for the cumulative period of FYs 2004 through 2012. Additional details, to include the Department's annual payment recovery rate, are provided in Appendix A.

Possible Effects of Existing, Currently Known Demands, Risks, Uncertainties, Events, Conditions, and Trends

The Department's leadership is committed to ensuring its programs and activities will continue to be focused on meeting the dynamic demands of the changing legal, economic, and technological environments of the future.

James Zadroga 9/11 Health and Compensation Act of 2010

- DOJ workload could potentially increase resulting from the James Zadroga 9/11 Health and Compensation Act of 2010. The Act provides compensation to any individual (or personal representative of a deceased individual) who suffered physical harm as a result of the terror-related aircraft crashes of September 11, 2001, or the debris removal efforts that took place in the immediate aftermath.

Technology

- Advances in high-speed telecommunications, computers, and other technologies are creating new opportunities for criminals, new classes of crimes, and new challenges for law enforcement.
- Growing dependence on technology is creating an increasing vulnerability to illegal acts, especially white collar crime and terrorism.

Economy

- Amount of regulation and the pace of economic growth and globalization are changing the volume and nature of anti-competitive behavior.
- The interconnected nature of the world's economy is increasing opportunities for criminal activity, including money laundering, white collar crime, and alien smuggling, as well as the complexity and scope of civil justice matters.

Government

- Changes in the fiscal posture or policies of state and local governments could have dramatic effects on their capacity to remain effective law enforcement partners, e.g., the ability and willingness of these governments to allow federal use of their jail space affects achievement of detention goals.

Globalization

- Issues of criminal and civil justice increasingly transcend national boundaries, requiring the cooperation of foreign governments and involving treaty obligations, multinational environment and trade agreements, and other foreign policy concerns.

Social-Demographic

- The numbers of adolescents and young adults, now the most crime-prone segment of the population, are expected to grow rapidly over the next several years.

Unpredictable

- Overseas Contingency Operations require continual adjustments to new conditions. The Department is determined to confront proactively new challenges in its efforts to protect the Nation.
- Responses to unanticipated natural disasters and their aftermath require the Department to divert resources to deter, investigate, and prosecute disaster-related federal crimes, such as charity fraud, insurance fraud and other crimes.
- Changes in federal laws may affect responsibilities and workload.
- Much of the litigation caseload is defensive. The Department has little control over the number, size, and complexity of the civil lawsuits it must defend.

Other Management Information, Initiatives, and Issues

American Recovery and Reinvestment Act

- The Department received $4.0 billion in funding for programs, under the American Recovery and Reinvestment Act of 2009. In addition, $2.0 million was provided for the Department's Office of the Inspector General oversight activities related to Recovery Act funding. The Department is fully committed to ensuring that the funds received are expended responsibly and in a transparent manner to further job creation, economic recovery, and other purposes of the Act.

- Additional information regarding the Department's Recovery Act activities can be found on: http://www.justice.gov/recovery/; government-wide Recovery Act information can also be found on: http://www.recovery.gov/Pages/home.aspx.

- The following table summarizes appropriations, obligations, and outlays by component, as of September 30, 2012:

(Dollars in Thousands)

Component	Appropriation Amount	Obligations	Outlays
OJP	$2,761,930	$2,761,172	$2,510,180
OVW	$225,564	$221,911	$201,947
COPS	$1,002,506	$989,458	$724,151
ATF	$10,000	$9,713	$9,475
OIG	$2,000	$1,800	$1,800
DOJ Total	**$4,002,000**	**$3,984,054**	**$3,447,553**

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the Department of Justice, pursuant to the requirements of 31 U.S.C. § 3515(b).

While the statements have been prepared from the books and records of the Department in accordance with U.S. generally accepted accounting principles for federal entities and the formats prescribed by the OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the United States Government, a sovereign entity.

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SECTION II

PERFORMANCE SECTION

(UNAUDITED)

Section II

Performance Section – FY 2012 Performance Report (Unaudited)

Overview

This section of the PAR presents to the President, the Congress, and the public a clear picture of how the Department of Justice (DOJ or the Department) is working toward accomplishing its mission. The Performance Report provides a summary discussion of the Department's three strategic goals. It also reports on the 12 key performance measures for these goals by detailing program objectives and FY 2012 targets and actual performance, as well as whether targets were or were not achieved. Each key performance measure also includes information related to data collection and storage, data validation and verification, and data limitations. In addition, this section includes information regarding the Department's progress toward achieving the FY 2016 long-term outcome goals set forth in its FYs 2012-2016 Strategic Plan.

At the Department, performance planning and reporting is companion to the budget process. We recognize that performance information is vital to making resource allocation decisions and should be an integral part of the budget. The Department provides detailed component-specific annual performance plans within individual budget submissions, which also serve as the Department's annual performance plan.

In FY 2012, the Department continued to demonstrate clear management commitment to timely and accurate financial and budget information through the use of Department-wide quarterly status reporting. As the Department continues to develop its capacity to gather and use performance information, we will continue to communicate performance information. Quarterly status reporting has provided the Department the ability to identify problems early, take necessary corrective actions, develop more effective strategies, and allocate necessary resources.

Measuring Departmental Impact

For FY 2012, the Department introduced a new set of key performance measures that track the progress of the long-term performance goals. Our long-term performance goals continue to reflect results, not just workload or processes. For example, we have focused law enforcement efforts on disrupting and dismantling targeted criminal groups, such as major drug trafficking organizations. In areas such as litigation, where results-oriented measurement is particularly difficult, we continue to reevaluate our long-term targets to ensure that we are being aggressive enough in our goals for case resolutions for all of our litigating divisions.

Measuring law enforcement performance presents unique challenges. Success for the Department is highlighted when justice is served fairly and impartially and the public is protected. In many areas, our efforts cannot be reduced to numerical counts of activities. Additionally, isolating the effects of our work from other factors that affect outcomes over which the Department has little or no control presents a formidable challenge. Many factors contribute to the rise and fall of crime rates, including federal, state, local, and tribal law enforcement activities and sociological, economic, and other factors. As a result, we have focused on more targeted measures of programmatic performance such as those described above.

Measure Refinement, Data Revisions, and Subsequent Year Reporting

The *FY 2012 Performance and Accountability Report* presents the highest-level outcome-oriented measures available and fully reports on the accomplishments achieved during the reporting period. Occasionally, however, data for an entire year are not available at the time of publication. Also, the Department is unable to report on a limited number of performance measures due to calendar year reporting or other limitations. In those instances, performance for those measures will be reported in the subsequent year's *Performance and Accountability Report*. For this report, ten years of data will be presented unless the performance outcome goal has less than ten years, in which case all information is then presented.

For purposes of this report, the Department's new FY 2012-2016 Strategic Plan is used with key performance measures fully aligning to the Plan's priorities and goals. Therefore, the *FY 2012 Performance and Accountability Report* highlights the key goals and performance measures reflected in the FY 2012-2016 Strategic Plan. The Report also provides details on the Department's success in meeting its performance measure targets in FY 2012. Additional programmatic and performance information can be found in individual components' budget submissions, specifically within the Performance and Resources Tables (http://www.justice.gov/jmd/strategic2012-2016/index.html).

I

STRATEGIC GOAL 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law

14% of the Department's Net Costs supports this Goal.

Terrorism is the most significant national security threat that faces our Nation. The Department's focus is protecting the Homeland from future terrorist attacks. To ensure attainment of this goal, prevention is our highest priority. The Department has taken, and will continue to take assertive actions to prevent, disrupt, and defeat terrorist operations before they occur; investigate and prosecute those who commit or intend to commit terrorist acts; and strengthen partnerships to prevent, deter and respond to terrorist incidents. In order to have the information we need to keep our Nation safe, we are continuing to strengthen and expand our counterintelligence capabilities and to ensure that the people that intend to do us harm come to justice.

FY 2016 Outcome Goal: Increase by 15 percent the number of counterterrorism intelligence products shared with the U.S. Intelligence Community (IC), state and local Law Enforcement Community partners, and foreign government agencies in order to protect Americans from terrorism (baseline = 13,231)
FY 2012 Progress: FY 2012 target was not met. However, the Department is on target to achieve this long-term outcome goal.

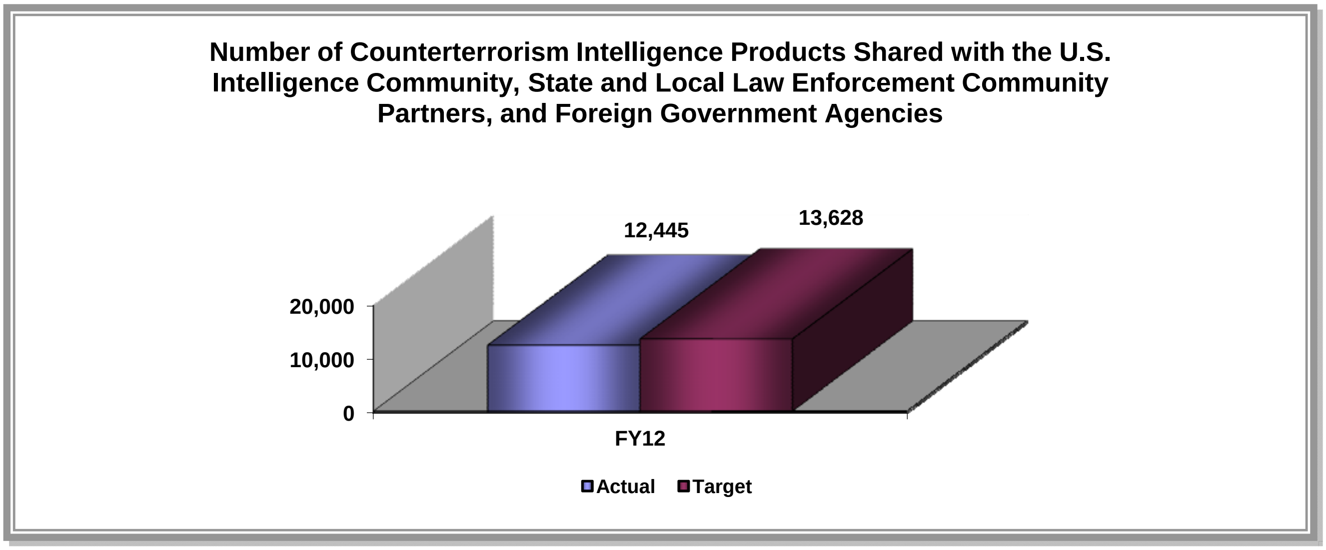
Background/Program Objectives: The FBI is committed to disrupting and preventing terrorism, from thwarting those intending to conduct a terrorist act, to investigating the financiers of terrorist operations. All counterterrorism investigations are managed at FBI Headquarters by the Counterterrorism Division (CTD). The CTD provides a centralized, comprehensive, and intelligence-driven approach to addressing both international and domestic terrorism-related matters.

Only through broad and timely sharing of relevant information among all agencies of government with national security responsibilities, as well as our state and local and foreign partners, can we effectively identify and work to prevent terrorist plots and other threats before they occur. As a result, the FBI disseminates intelligence products to numerous partners and stakeholders in the U.S. Intelligence Community, federal, state, municipal and tribal law enforcement community, and foreign government agencies.

Performance Measure: NEW MEASURE: Number of Counterterrorism Intelligence Products Shared with the U.S. Intelligence Community, state and local law enforcement community partners, and Foreign Government Agencies

FY 2012 Target: 13,628
FY 2012 Actual: 12,445

Discussion of FY 2012 Results: The FBI missed its target for this measure in FY 2012. Based on feedback received from Other Government Agency (OGA), IC, and law enforcement partners, CTD emphasized the production of high-value Intelligence Information Reports (IIRs) which addressed priority intelligence gaps or provided actionable intelligence to IC and law enforcement partners over low-value IIRs which served only to flood the system with non-actionable intelligence or information of little-to-no intelligence value. Although the emphasis on high-value IIRs resulted in missing the FY 2012 target, the change has been well-received by OGA, IC, and law enforcement partners. CTD executive management will continue to focus on increased intelligence sharing in the effort to combat the terrorist threat.



Data Definition: Data represents the number of intelligence products shared with domestic partners. Intelligence products for domestic partners include: White Papers, Intelligence Information Reports, Intelligence Bulletins, Intelligence Assessments, National Threat Bulletins, Current Intelligence Reports, Intel Studies, Intel Notes, meetings, and briefings.

Data Collection and Storage: Data are stored on multiple platforms and collected routinely. Some data are calculated manually.

Data Validation and Verification: Data are validated and verified through FBI reports and communications.

Data Limitations: Some data are calculated manually.

II STRATEGIC GOAL 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law

50% of the Department's Net Costs supports this Goal.

The heart of the Department of Justice's mission is to enforce federal laws and represent the rights and interests of the American people. Preventing and controlling crime is critical to ensuring the strength and vitality of the democratic principles, rule of law, and the administration of justice. The enforcement of federal laws keeps society safe by combating economic crime and reducing the threat, trafficking, and use of illegal drugs and related violence. The strengthening of partnerships between federal, state, local, and tribal law enforcement will enhance our ability to prevent, solve, and control crime. Through the enforcement of our laws, we protect the rights of the vulnerable by reducing the threat, incidence, and prevalence of violent crime, including crimes against children, and upholding the civil and constitutional rights of all Americans. The Justice Department enforces federal civil and criminal statutes, including those protecting rights, safeguarding the environment, preserving a competitive market structure, defending the public fisc against unwarranted claims, and preserving the integrity of the Nation's bankruptcy system. In addition, the Department combats public and corporate corruption, fraud, economic crime and cybercrime.

FY 2016 Outcome Goal: Dismantle a cumulative total of 1,861 criminal enterprises engaging in white-collar crime (FY 2012-2016)
FY 2012 Progress: Department is on target to achieve this long-term outcome goal.

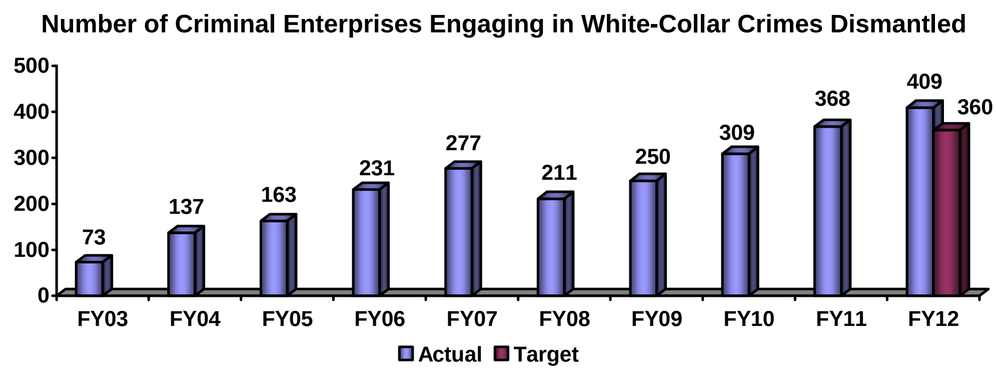
Background/Program Objectives: Through the White-Collar Crime Program, the FBI investigates criminals and criminal enterprises that seek illicit gains through fraud and guile. Illegal activities investigated include corporate, health care, securities and commodities, financial institution, mortgage, government (defense procurement and other areas), insurance, mass marketing, and bankruptcy fraud; environmental crimes; and money laundering. U.S. citizens and businesses lose billions of dollars each year to criminals engaged in non-violent fraudulent enterprises. The globalization of economic and financial systems, technological advances, declining corporate and individual ethics, and the sophistication of criminal organizations have resulted in annual increases in the number of illegal acts characterized by deceit, concealment, or violations of trust. These crimes contribute to a loss of confidence in financial institutions, public institutions, and industry.

Performance Measure: Number of Organized Criminal Enterprises Engaging in White-Collar Crimes Dismantled

FY 2011 Revised Actual: 368 (Previous Actual: 340)

FY 2012 Target: 360
FY 2012 Actual: 409

Discussion of FY 2012 Results: The FBI met and exceeded its target for this measure in FY 2012 through proactive investigative techniques and technological advances. Increased use of Group I Undercover Operations, Title IIIs, and other advanced techniques not commonly used in past white-collar crime (WCC) cases enabled significant investigative achievements against WCC threat actors. It should be noted that there is a potential lag in the reporting of the data for this measure, meaning that the final result may ultimately vary from this report. FY 2012 final results will be reflected in the FY 2014 President's budget detailed congressional justifications.



Note: FY 2011 actual number has been updated and does not reflect the number reported in the FY 2011 Performance Accountability Report.

Data Definition: Dismantlement means destroying the organization's leadership, financial base, and supply network such that the organization is incapable of operating and/or reconstituting itself.

Data Collection and Storage: The data source is the FBI's Integrated Statistical Reporting and Analysis Application database that tracks accomplishments from inception to closure.

Data Validation and Verification: Data are reviewed and approved by an FBI field manager and subsequently verified through inspection. Inspections occur at least once annually, tracing sampled data to source documents contained in FBI files.

Data Limitations: FBI field personnel are required to enter accomplishment data within 30 days of the accomplishment or a change in the status, such as those resulting from appeals. Data are compiled less than 30 days after the end of the fiscal year, and thus may not fully represent the accomplishments during the reporting period.

FY 2016 Outcome Goal: Increase by 8 percent gang arrests resulting from coordination of gang investigations (baseline = 9,305)
FY 2012 Progress: FY 2012 target was not met. However, the Department is on target to achieve this long-term outcome goal.

Background/Program Objectives: Gangs and gun violence pose a serious threat to public safety in many communities throughout the United States. Too many youth are exposed to violence and gangs. Too many families continue to face substantial challenges in keeping their children safe and free from the conditions that can lead to violence. Many communities continue to experience high levels of gun violence and gang-related crimes. Gang members are increasingly migrating from urban to suburban, rural, and tribal communities and are responsible for a growing percentage of crime and violence in many communities. The Department's efforts to protect our citizens from violence will be carried out through collaboration with our state, local, and tribal partners. Through the United States Attorneys and our violent crime task forces, the Department will work with individual jurisdictions to address the impact of gang-related crimes on communities. The federal, state, local, and tribal efforts will be enhanced through increased coordinated enforcement efforts and intelligence sharing. Additionally, prevention of gang violence and gang membership is a necessary element of our strategy to address violent crime. The Department will utilize evidence-based, data driven prevention programs, which are designed to prevent increases in gang membership and to deter youth violence, to assist state, local, and tribal governments in their efforts to deter youths from participation in gangs.

Performance Measure: NEW MEASURE: Percent increase in Gang Arrests Resulting from Coordination of Gang Investigations

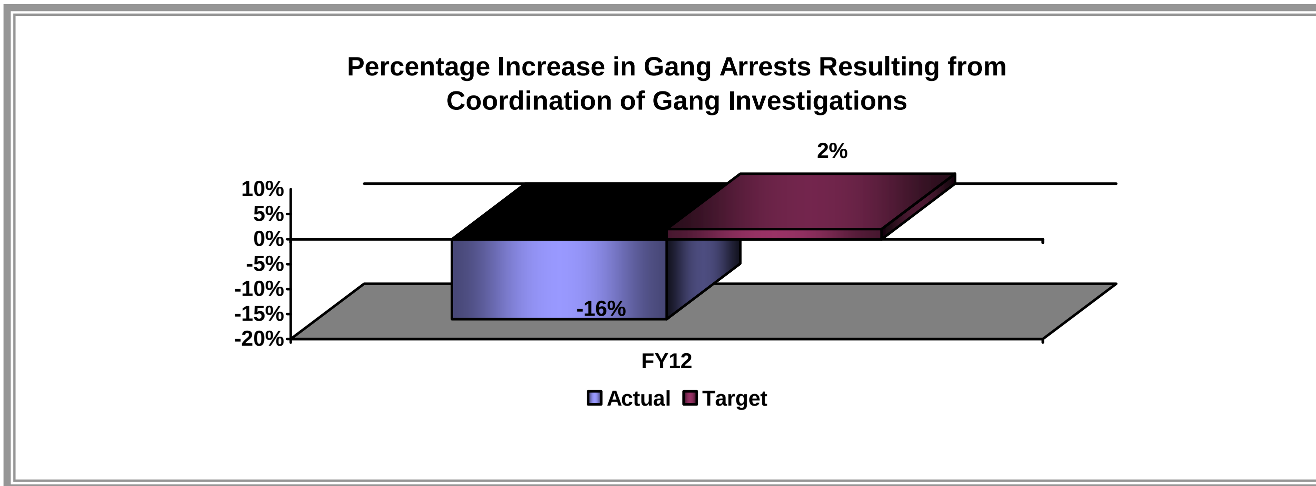
FY 2012 Target: 2%
FY 2012 Actual: - 16%

Discussion of FY 2012 Results: There are 3 contributing DOJ components for this measure, namely, ATF, DEA, and FBI. The overall target for this measure was not met for FY 2012. While DEA met its target for the year, ATF numbers declined from FY 2011 baseline, and FBI has yet to finalize its FY 2012 data.

Addressing violent crime is one of the Attorney General's FY 2012 Priority Goals, and the National Gang Targeting, Enforcement & Coordination Center (GangTECC) section /Operational Section for Gangs (OSG) at DEA's Special Operations Division (SOD) has been fulfilling this priority goal. Since merging under the operational direction of SOD in FY 2010, the GangTECC section within SOD has been successfully coordinating several high impact gang operations. After supporting only approximately 100 cases in three years prior to the SOD merger, under the operational direction of SOD, the GangTECC/OSG supported over 800 cases in just its first full year at SOD. Further, in FY 2012 with a target of 2% increase in gang arrests resulting from coordination, SOD-supported gang cases (DEA) accounted for 891 arrests which represented a 4.4% increase from the previous year. In addition, as part of the GangTECC/OSG mission of coordinating significant local impact cases, the section also conducts outreach to state and locals, bringing them into the operations and providing support. During FY 2012, OSG conducted 34 outreach meetings throughout the country with federal, state and local law enforcement counterparts.

The FBI has yet to finalize its FY 2012 actual number. FBI expects an additional increase in the final results for this measure once field personnel submit their statistics into the FBI's Integrated Statistical Reporting and Analysis Application later in the calendar year. The final end of year performance data for this measure will be reflected in DOJ's FY 2012 Violent Crime Priority Goal reporting process. In comparison to FY 2011, the FBI has exceeded many statistical accomplishments for FY 2012. While the FBI's Violent Gang Safe Streets Task Forces (VGSSTFs) fell short of their target of 8,531 arrests for FY 2012, VGSSTFs dismantled 123 criminal organizations – the second highest dismantlement total of the past 13 fiscal years. In addition, FBI Special Agents and task force officers posted a greater number of indictments/information, convictions, and disruptions. The FBI views indictments, convictions, disruptions, and dismantlements as relevant measures as these statistical accomplishments show a greater impact on combating violent gangs. As of September 30, 2012, the VGSSTFs arrested 7,758 individuals; filed indictments/information against 4,292 subjects; convicted 3,149 defendants; and disrupted the activities of 1,557 criminal enterprises. The FBI recognizes that violent gangs are one of the biggest threats in the United States as 52 out of 56 FBI field offices have ranked violent gangs as a priority criminal threat. VGSSTFs are examples of the FBI's longstanding and continued commitment to address violent gang activity across the U.S. As of September 30, 2012, the FBI's safe streets and gang unit administered 164 VGSSTFs nationwide.

The ATF did not meet its target for this measure in FY 2012. ATF's contribution to this measure, which is also one of DOJ's Violent Crime Priority Goal indicators, is 74 arrests in FY 2012, which is a 16 percent decrease from the FY 2011 baseline figure of 88 arrests. However, while the number of arrests is down, the total number of ATF cases coordinated through GangTECC has increased from 22 in FY 2011 to 108 in FY 2012. Approximately 70 percent of these cases were initiated during the 3rd and 4th quarters of FY 2012, and will result in arrests and referrals for prosecution during FY 2013. Inclusive of the cases coordinated through GangTECC, in FY 2012, 1,889 gang-related and 1,500 trafficking-related defendants in ATF cases were convicted. The following case highlights ATF's FY 2012 efforts: In September 2008, the President of the San Francisco Chapter of the Hells Angels was murdered in a gang related incident in the Mission District of San Francisco. Pursuant to an extensive ATF investigation, in February 2012, a member of the Mongols Motorcycle Club was found guilty of murder in aid of racketeering, assault with a deadly weapon (in aid of racketeering), use of firearm during/in relation to a crime of violence, and using a firearm causing murder during a crime of violence. The jury found that he had murdered the President of the Hells Angels Chapter to maintain or increase his position in the Mongols Motorcycle Club. In May 2012, he was sentenced to four life terms of imprisonment.



Data Definition: ATF's data reflect the number of gang-related cases and arrests resulting from coordination with state and local law enforcement and supported by the Gang Targeting, Enforcement, and Coordination Center/Operational Section for Gangs. DEA's Defendant Statistical System (DSS) is designated as the database of record for all arrest statistics and data. The Case Status System (CAST) is an automated on-line record-keeping system for entering, updating, and retrieving information on all DEA case files and general files. Every file opened since October 1, 1986 must have a CAST record. CAST also provides authorized users with file status statistics and case review scheduling. FBI data represent the number of gang investigations that were reported in the Integrated Statistical Reporting and Analysis Application.

Data Collection and Storage: ATF's data source is their National Field Office Case Information System, an integrated and centralized data management solution allowing real time monitoring and oversight of all criminal enforcement activities in the field. Statistics associated with DEA's GangTECC activities are gathered and tracked by SOD using DEA DSS and CAST systems. FBI data are collected and stored in the Integrated Statistical Reporting and Analysis Application.

Data Validation and Verification: ATF data are verified through an inspection process which occurs on a four-year cycle and is performed at each ATF field office and division. DEA data are reviewed by quarters. DEA systems of record are also dynamic and data are regularly updated automatically. FBI data are validated and verified through its Integrated Statistical Reporting and Analysis Application.

Data Limitations: ATF investigations often span multiple years from initiation through closure; case-related data are calculated based on the date investigations are closed, and therefore likely to include investigations that have spanned previous time periods. FBI data are collected manually. FBI field personnel are required to enter accomplishment data within 30 days of the accomplishment or a change in the status, such as those resulting from appeals. Data are compiled less than 30 days after the end of the fiscal year, and thus may not fully represent the accomplishments during the reporting period.

FY 2016 Outcome Goal: Increase by 14 percent intelligence products produced in support of federal, state, and local investigations that are focused on gangs posing a significant threat to communities (baseline = 45)
FY 2012 Progress: Department is on target to achieve this long-term outcome goal.

Background/Program Objectives*:* The mission of the FBI's Gangs/Criminal Enterprise Program is to address violent gang threats in the U.S. by aggressively identifying, prioritizing, and targeting the most violent street and prison gangs whose activities constitute criminal enterprises. The FBI established the Safe Streets Violent Crime Initiative to attack gang and drug-related violence through the establishment of long-term, proactive, and coordinated teams of federal, state, and local law enforcement officers and prosecutors. The teams are manifested in Violent Gang Safe Streets Task Forces (VGSSTFs), which are composed of approximately 839 FBI Special Agents, 1,411 state and local law enforcement personnel, and 92 other federal law enforcement agents. Through VGSSTFs, the FBI pursues violent gangs through sustained, proactive, and coordinated investigations and prosecutes gang members for a number of violations that include, but are not limited to, racketeering, drug conspiracy, and firearms violations. The Safe Streets Task Forces (SSTFs) concept expands cooperation and communication amongst federal, state, and local law enforcement agencies, increasing productivity and avoiding duplication of investigative efforts. SSTFs combine short term, street-level enforcement activity with sophisticated investigative techniques like undercover operations and Title III wire taps to root out, prosecute, and disrupt and dismantle the entire gang, from the street-level enforcers and dealers to crew leaders and gang's command structure.

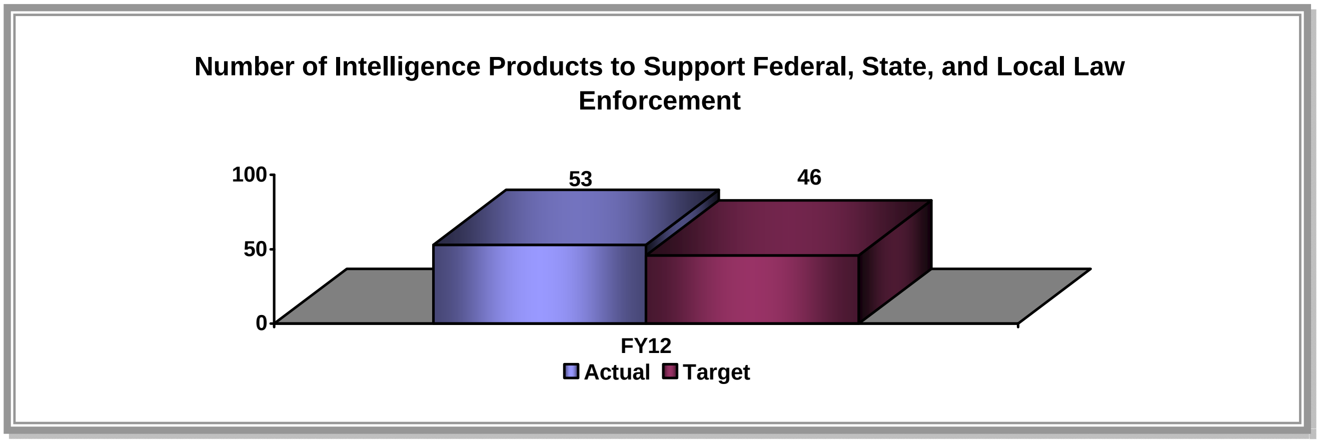
The National Gang Intelligence Center (NGIC) integrates intelligence from across federal, state, and local law enforcement communities on the growth, migration, criminal activity, and association of violent gangs. NGIC supports law enforcement by sharing timely and accurate information and by providing strategic, tactical, and analytical intelligence products. Products are defined as intelligence products that have a nexus to gang matters. These intelligence products include Intelligence Bulletins, Intelligence Assessments, Intelligence Reports, Situational Awareness Bulletins, and Gang Information Reports.

Performance Measure: NEW MEASURE: Number of Intelligence Products to Support Federal, State, and Local Law Enforcement

FY 2012 Target: 46
FY 2012 Actual: 53

Discussion of FY 2012 Results: The FBI met and exceeded its target for this measure in FY 2012 for the number of intelligence products produced in support of federal, state, and local investigations that are focused on gangs posing a significant threat to the U.S. NGIC projected it would produce and disseminate 46 intelligence products in FY 2012. However, NGIC surpassed this goal by producing 53 intelligence products.

In order to accomplish the target set for this measure, NGIC conducted outreach to law enforcement organizations to promote the existence and use of NGIC Online. Through NGIC Online, investigators throughout the country can submit requests for intelligence and analytical support electronically and receive the resulting analytical products electronically. NGIC Online also allows the requestor to check the status of the request online. As a result of the successful implementation of NGIC Online, law enforcement officers can obtain gang intelligence more quickly and effectively. NGIC Online thus represents, and promotes, the efficient use of law enforcement resources.



Data Definitions: Intelligence products such as Intelligence Reports, Bulletins, Assessments, and Notes are produced and disseminated to Federal, state, and local law enforcement agencies. These intelligence products aid law enforcement agencies in their efforts to address violent gangs as they focus on criminal activity, trends, growth, and migration of gangs domestically and internationally.

Data Collection and Storage: All disseminated intelligence products are uploaded into NGIC Online. Reports are generated through NGIC Online to track the type and number of products disseminated.

Data Validation and Verification: The Violent Criminal Threat Section management has the ability to run reports to verify the number of reports produced and disseminated.

Data Limitations: None known at this time.

FY 2016 Outcome Goal: Increase by 8 percent the matters/investigations resolved concerning sexual exploitation of children and human trafficking to protect potential victims from abuse and violence (baseline = 4,817)
FY 2012 Progress: Target was not met for FY 2012. However, the Department is on target to achieve this long-term outcome goal.

Background/Program Objectives: The abuse, neglect, exploitation, and trafficking, including sexual abuse, of children, the elderly, and other vulnerable populations, causes irrevocable harm to victims and society. Ensuring that our children, seniors, and all citizens can live without being disturbed by sexual trauma, exploitation, or human trafficking are more than criminal justice issues, they are societal and moral issues. Despite efforts to date, the threat of these crimes remains very real. In the broadest terms, the goal of the Department is to prevent child sexual exploitation, elder abuse, hate crimes, and human trafficking from occurring in the first place, in order to protect every person from the physical and mental traumas associated with these crimes.

Performance Measure: NEW MEASURE: Number of Matters/Investigations of Child Sexual Exploitation and Human Trafficking Resolved

FY 2012 Target: 4,938
FY 2012 Actual: 4,348

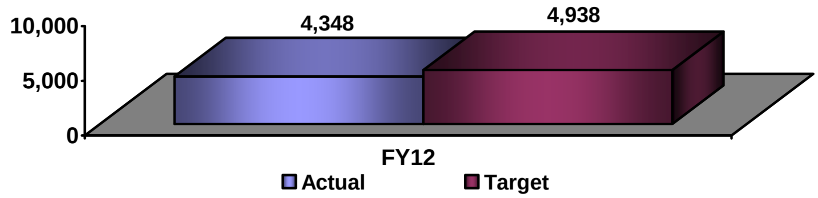
Discussion of FY 2012 Results: The Department did not meet the target for FY 2012. However, the following are highlights of some of the accomplishments in FY 2012.

In the U.S. Attorney Office Eastern District of Pennsylvania, Omelyan Botsvynyuk was sentenced to life plus 20 years for operating a human trafficking organization that smuggled young Ukrainian immigrants into the United States forcing them to work in a cleaning business he ran with his brother Stepan, who was also convicted. Both defendants, along with three other brothers (two awaiting extradition from Canada and one a fugitive), illegally smuggled Ukrainian workers into the country and promised them jobs with good pay. However, once here, the brothers controlled the workers through physical force, threats of force, sexual assault, control of the workers' documents, debt bondage, and extortion of their families in the Ukraine in order to keep them in involuntary servitude. On September 6, 2012, in the Western District of Louisiana, John Wyss, aka "Bones," 55, of Monroe, Wisconsin, was sentenced to life in prison for his participation in an international criminal network known as Dreamboard, a private, members-only, online bulletin board that was created and operated to promote pedophilia, encourage the sexual abuse of very young children, and promote the creation and dissemination of graphic images and videos of child sexual abuse throughout the world. Wyss was convicted at trial of one count of engaging in a child exploitation enterprise, one count of conspiracy to advertise child pornography, and one count of conspiracy to distribute child pornography. A total of 72 individuals, including Wyss, have been charged for their participation in Dreamboard. On June 27, 2012, in the District of Connecticut, Jesse Osmun, 32, of Milford, Connecticut, pleaded guilty to one count of traveling from the United States to South Africa and engaging in illicit sexual conduct with children. Osmun sexually abused four minor girls while he was a volunteer with the U.S. Peace Corps in South Africa. On October 10, 2012, Osmun was sentenced to 15 years imprisonment, followed by 10 years of supervised release.

The CRM announced in May 2012 that Michael Wayne Wooten, a former security officer in the Birmingham City School System and a substitute bus driver for Shelby County Schools, was sentenced to 30 years in prison for producing child pornography. Wooten was also ordered to remain on supervised release for the rest of his life after completing his prison term. The court noted during the hearing that Wooten had numerous child victims. Also, in August 2012, eight more defendants were sentenced for their involvement in an international criminal network organized to sexually exploit children in connection with their participation in the Dreamboard Child Exploitation bulletin board. Altogether, these eight defendants received a collective total of 169 years in prison.

The CRT has spearheaded a number of initiatives aimed at aggressively combating human trafficking, including outreach to the public concerning potential trafficking situations, training for and collaboration with law enforcement officers, and implementing programs to address the needs of trafficking victims. CRT led the creation of a specialized Human Trafficking Prosecution Unit that is a global leader in trafficking prosecutions, and its representatives train foreign investigators and prosecutors at the United Nations and across the globe. CRT established a national, toll-free telephone complaint line to enable victims and others to report possible trafficking and worker exploitation abuses. CRT has been instrumental in developing a national human trafficking training curriculum for state and local law enforcement and in drafting model legislation for states to implement their own anti-trafficking laws. CRT filed the second-highest number of human trafficking cases in the history of the Division, exceeded only by the number of cases charged in FY 2010.

Number of Matters/Investigations of Child Sexual Exploitation and Human Trafficking Resolved



Data Definition: A matter or investigation is defined as "open" once it is assigned a number. The definition of resolved means the matter/investigation is closed. Matter/investigation can be closed for a variety of reasons, such as plea bargain, dismissal, declination, and trial. Open investigations pertaining to sexual exploitation of children encompass domestic sexual child abuse, child pornography, child abuse in Indian country, and child enticement cases. Human trafficking open investigations pertain to adult and child human trafficking.

Data Collection and Storage: Data are currently captured within each component's automated case management system and companion interface systems. Currently, matters and investigations worked on by more than one component are included in the totals from CRM, CRT, and the Executive Office of the U.S. Attorneys (EOUSA). Also, the court's disposition date is used for reporting purposes for CRM and CRT; however, EOUSA uses the date entered into their current case management system. Additionally CRM and EOUSA count matters and investigations at the defendant level; CRT count civil and criminal matters/investigations.

Data Validation and Verification: Each component implements their individual methodology for verifying data; however, in general, matter/investigation listings and reports are reviewed by attorney managers for data completeness and accuracy on a routine basis. Batch data analysis and ad hoc reviews are also conducted.

Data Limitations: Data quality suffers from the lack of a single DOJ case management system and a standardized methodology for capturing matters/investigations related data. Due to reporting lags, matter/investigation closures for any given year may be under or over-reported.

FY 2016 Outcome Goal: Dismantle 725 Consolidated Priority Organization Target (CPOT)-linked drug trafficking organizations (FY 2012-2016). Disrupt 1,700 CPOT-linked drug trafficking organizations (FY 2012-2016)
FY 2012 Progress: Department is on target to achieve this long-term outcome goal.

Background/Program Objectives: The Department focuses its drug law enforcement efforts on reducing the availability of drugs by disrupting and dismantling the largest drug trafficking organizations and related money laundering networks operating internationally and domestically, including those on the Attorney General's CPOT List. The first CPOT List was issued in September 2002 and is reviewed and updated semi-annually. The List identifies the most significant international drug trafficking and money laundering organizations and those primarily responsible for the nation's illegal drug supply. The Attorney General has designated the OCDETF Program as the centerpiece of DOJ's illegal drug supply reduction strategy. The Program coordinates multi-agency and multi-jurisdictional investigations targeting the most serious drug trafficking threats. The OCDETF Program is responsible for coordinating the annual formulation of the CPOT list. The OCDETF Program functions through the efforts of the USAs; elements of CRM; the investigative, intelligence, and support staffs of DEA, FBI, ATF, and USMS; Immigration and Customs Enforcement; the U.S. Coast Guard; and the Internal Revenue Service. The OCDETF agencies also partner with numerous state and local law enforcement agencies.

The goal of each OCDETF investigation is to determine connections among related investigations nationwide in order to identify and dismantle the entire structure of the drug trafficking organizations, from international supply and national transportation cells, to regional and local distribution networks. A major emphasis of the Department's drug strategy is to disrupt the traffickers' financial dealings and to dismantle the financial infrastructure that supports these organizations. The OCDETF Program has the greatest impact upon the flow of drugs through this country when it successfully incapacitates the entire drug network by targeting and prosecuting its leadership and seizing the profits that fund continued operations.

Performance Measure: CPOT-Linked Drug Trafficking Organizations Disrupted and Dismantled

FY 2011 Revised Actual:
Dismantled: 198 (Previous Actual: 195)
Disrupted: 414 (Previous Actual: 408)

FY 2012 Target:
Dismantled; 145
Disrupted: 340

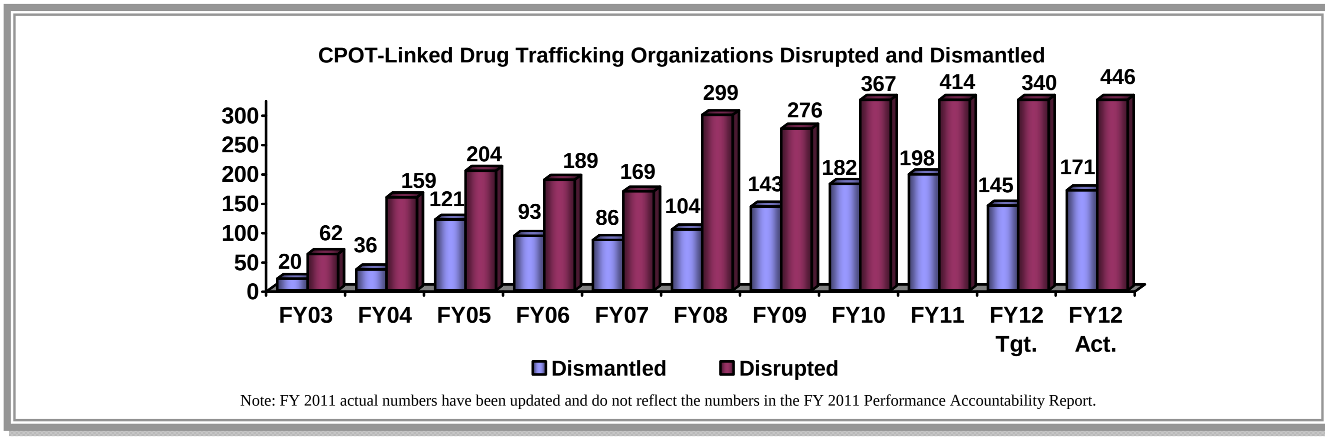
FY 2012 Actual:
Dismantled: 171
Disrupted: 446

Discussion of FY 2012 Results: The Department achieved impressive results during FY 2012 in dismantling and disrupting CPOT-linked drug trafficking organizations. The Department dismantled 171 CPOT-linked organizations in FY 2012, exceeding its target by 18%. The Department disrupted 446 CPOT-linked organizations in FY 2012, exceeding its target by 31%. This is an 8% increase over the 414 reported for FY 2011.

During FY 2012, in addition to making important gains against CPOT-linked organizations, the Department continued to achieve significant successes against the CPOTs themselves. Over the course of the last year, four CPOT targets were dismantled and seven CPOT targets were disrupted. Through these dismantlements and disruptions, the Department made significant impacts against the Sinaloa Cartel, the North Valley Cartel and other significant cartels operating out of Mexico and South America. All four of the dismantled CPOT targets were arrested and either deported or extradited to the United States for prosecution; three disrupted targets have been extradited to the United States as well; and another disrupted target is pending extradition.

These eleven disrupted and dismantled CPOTs had a significant impact on the illegal drug supply in the United States. It is estimated that their activities included using the internet to sell various drugs and controlled substances to customers worldwide; the combined capability of importing and distributing over 150 metric tons of cocaine into the United States, Mexico, and Europe; shipping truckloads containing more than 2 tons of cocaine to New York alone; and using a multitude of companies to distribute a variety of drugs and launder money. Approximately $2.1 million in drug proceeds bound for Mexico was seized from just one of these organizations and many front companies have been identified in several countries and on the internet. The reach of these transnational drug trafficking organizations extended across multiple continents. Law enforcement activity targeting these CPOTs involved complex and coordinated intelligence driven investigations, with exceptional cooperation between U.S. law enforcement agencies and international partners.

The Department's FY 2012 successes dismantling or disrupting 617 CPOT-linked drug trafficking organizations, an increase over the previous high of 612 dismantled or disrupted in FY 2011, as well as the significant enforcement actions against CPOTs themselves have resulted in keeping multi-ton quantities of illegal drugs such as cocaine, heroin, marijuana and methamphetamine from ever entering the United States.



Data Definition: An organization is considered linked to a CPOT if credible evidence exists of a nexus between the primary investigative target and a CPOT target, verified associate, or component of the CPOT organization. Disrupted means impeding the normal and effective operation of the targeted organization, as indicated by changes in the organizational leadership and/or changes in methods of operation. Dismantled means destroying the organization's leadership, financial base, and supply network such that the organization is incapable of reconstituting itself.

Data Collection and Storage: For this measure, OCDETF reviews all of the cases worked by the FBI and the DEA. When there are cases that both agencies work, they are counted as one case in the consolidated numbers reported in the Department's *Performance and Accountability Report*. This procedure is in place to prevent double counting in Department-level reports.

Investigations may be linked to a CPOT organization at any time during the investigation. Once the link is verified, a specific code or other identifier is assigned to the investigation. Accordingly, data on this performance measure may lag behind actual identification of the link by the investigative agency. The investigation is tracked as "CPOT-linked" by the agency and within the OCDETF Management Information System.

Data Validation and Verification: The CPOT List is updated semi-annually. Each OCDETF agency has an opportunity to nominate targets for addition to or deletion from the List. Nominations are considered by the CPOT Working Group (made up of mid-level managers from the participating agencies). Based upon the Working Group's recommendations, the OCDETF Operations Chiefs decide which organizations will be added to or deleted from the CPOT List.

Once a CPOT is added to the List, OCDETF investigations can be linked to that organization. The links are reviewed and confirmed by OCDETF field managers using the OCDETF Fusion Center, agency databases, and intelligence information. Field recommendations are reviewed by the OCDETF Executive Office. In instances where a link is not fully substantiated, the sponsoring agency is given the opportunity to follow-up. Ultimately, the OCDETF Executive Office "un-links" any investigation for which sufficient justification has not been provided. When evaluating disruptions/dismantlements of CPOT-linked organizations, OCDETF verifies reported information with the investigating agency's headquarters.

Data Limitations: Investigations of CPOT-level organizations are complex and time-consuming, and the impact of disrupting/dismantling such a network may not be apparent immediately. In fact, data may lag behind enforcement activity. For example, a CPOT-linked organization may be disrupted in one FY and subsequently dismantled in a later year when law enforcement permanently destroys the organization's ability to operate.

FY 2016 Outcome Goal: Favorably resolve 90% of Criminal Cases (litigating divisions)
FY 2016 Outcome Goal: Favorably resolve 80% of Civil Cases (litigating divisions)
FY 2012 Progress: Department is on target to achieve this long-term outcome goal.

Background/Program Objectives: Representing the rights and interests of the American people is a top priority for the Department of Justice. Among the DOJ components sharing responsibilities to achieve this goal are the Executive Office of the U.S. Attorneys, the Antitrust, Civil, Civil Rights, Criminal, Environment and Natural Resources, and Tax Divisions.

There are 94 U.S. Attorney Offices located throughout the United States and its territories. Each U.S. Attorney serves as the chief federal law enforcement officer within his or her judicial district and, as such, is responsible for the prosecution of criminal cases brought by the federal government; the litigation and defense of civil cases in which the United States is a party; the handling of criminal and civil appellate cases before United States Courts of Appeal; and the collection of civil and criminal debts and restitutions owed the federal government which are administratively uncollectable.

Additionally, the Department has litigators that specialize in the areas of: preserving a competitive market structure; defending the public fisc against unwarranted claims; protecting civil rights; enforcing federal civil and criminal statutes; safeguarding the environment; and administrating internal revenue laws.

The Antitrust Division (ATR) promotes and protects the competitive process – and the American economy – through the enforcement of antitrust laws. These laws apply to virtually all industries and to every level of business, including manufacturing, transportation, distribution, and marketing.

The Civil Division (CIV) defends challenges to Congressional statutes, Presidential actions, national security issues, health care programs, vaccine injury claims, and energy policies; pursues violators of immigration and consumer protection laws; and handles thousands of affirmative and defensive cases with billions of dollars at issue related to accident and liability claims, natural disasters and other unprecedented events. CIV also handles commercial issues such as bankruptcy, contract disputes, banking, insurance, patents, fraud, and debt collection and administers the Radiation Exposure Compensation Program and the newly re-opened September 11th Victim Compensation Fund.

The Civil Rights Division (CRT) enforces federal statutes prohibiting discrimination in education, religion, employment, credit, housing fair lending, public accommodations and facilities, conditions of confinement in state and locally operated institutions, national origin, voting, retaliation based on military service, and certain federally funded and conducted programs. Additionally, CRT enforces criminal civil rights responsibilities for human trafficking and involuntary servitude statutes, acts of racial, ethnic, sexual orientation, gender identity, disability or religious violence, “color of law” offenses by local and federal law enforcement officials, and conspiracies to interfere with federally protected rights. CRT also enforces the criminal and civil provisions to protect the rights of people to use the services of reproductive health clinics free from interference.

The Criminal Division (CRM) develops, enforces, and supervises the application of all federal criminal laws (except those specifically assigned to other divisions). The mission of the CRM is to identify and respond to critical and emerging national and international criminal threats, and to lead the enforcement, regulatory, and intelligence communities in a coordinated, nationwide response to reduce those threats. The Division engages in several functions vital to achieving its mission: investigating and prosecuting significant criminal cases and matters; providing expert legal advice and training; providing critical law enforcement tools (e.g., Title III wiretaps); and forging global law enforcement partnerships.

The Environment and Natural Resources Division (ENRD) brings cases against those who violate the nation's civil and criminal pollution-control and wildlife protection laws. Additionally, ENRD defends environmental challenges to government programs and activities and represents the U.S. in matters concerning the stewardship of the nation's natural resources and public lands. In addition, ENRD litigates cases concerning Indian rights and claims.

The Tax Division's (TAX) mission is to enforce the nation's tax laws fully, fairly, and consistently, through both criminal and civil litigation, in order to promote voluntary compliance with the tax laws, maintain public confidence in the integrity of the tax system, and promote the sound development of the law.

Performance Measure: Percent of Cases Favorably Resolved

FY 2012 Target:
Criminal Cases: 90%
Civil Cases: 80 %

FY 2012 Actual:
Criminal Cases: 92%
Civil Cases: 81%

Discussion of FY 2012 Results: The Department exceeded its target for this performance measure. The following are highlights of the accomplishments achieved by relevant components in FY 2012.

The U.S. Attorneys continued its efforts combating fraud with its Financial Fraud Enforcement Task Force and 94 regional mortgage fraud task forces and working groups, together with targeted financial fraud training provided at the National Advocacy Center including seminars in the areas of mortgage fraud, bank fraud, health care fraud, and securities fraud. Some highlights of these efforts include the following: On February 1, 2012, David Higgs, Managing Director at Credit Suisse Group, and Salmaan Siddiqui, Vice President in the Investment Banking Division, plead guilty in the Southern District of New York to failing to mark to market the fair value of Residential Mortgage backed Securities and Commercial Mortgage backed Securities assets, which contributed to a $2.65 billion write down in Credit Suisse's reported net income, approximately $540 million of which was attributable to defendants' conduct. On June 4, 2012, in the District of New Jersey, Matthew Kluger, a lawyer who fed inside information to a professional stock trader in a 17-year scheme that netted millions, was sentenced to 12 years in prison. This is the longest sentence ever handed down in an insider trading case. Stock trader Garrett D. Bauer was sentenced to 108 months in prison for his role in the scheme. On July 2, 2012, GlaxoSmithKline (GSK) agreed to plead guilty and to pay $3 billion to resolve its criminal and civil liability arising from the company's unlawful promotion of certain prescription drugs. The resolution is the largest health care fraud settlement in U.S. history and the largest payment ever by a drug company. GSK agreed to plead guilty to a three-count criminal information, including two counts of introducing misbranded drugs, Paxil and Wellbutrin, into interstate commerce and one count of failing to report safety data about the drug Avandia to the Food and Drug Administration. Under the terms of the plea agreement, GSK will pay a total of $1 billion, including a criminal fine of $956,814,400 and forfeiture in the amount of $43,185,600. GSK will also pay $2 billion to resolve its civil liabilities with the federal government under the False Claims Act, as well as the states. In May 2012, Global Health Care Company Abbott Laboratories Inc. plead guilty and agreed to pay $1.5 billion to resolve its criminal and civil liability arising from the company's unlawful promotion of the prescription drug Depakote for uses not approved as safe and effective by the Food and Drug Administration. The resolution – the second largest payment by a drug company – includes a criminal fine and forfeiture totaling $700 million and civil settlements with the federal government and the states totaling $800 million. Abbott also will be subject to court-supervised probation and reporting obligations for Abbott's Chief Executive Officer and Board of Directors.

The ATR obtained $1.1 billion in criminal fines in FY 2012 against antitrust violators. The Division's investigations into the liquid crystal displays (LCDs) and auto parts industries yielded significant restitution and fines which helped fund the Department's Crime Victims Fund. In addition, the Division continued its work with the Financial Fraud Enforcement Task Force and its efforts to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. On the civil side, the Division was successful in protecting competition and U.S. consumers by challenging proposed mergers and agreements in areas as diverse as telecommunications, health care and tax preparation software.

In FY 2012, CIV defeated billions of dollars in unmeritorious claims, in addition to the successful defense of suits filed against the government as a result of federal policies, laws, and involvement in commercial activities, domestic and foreign operations, entitlement programs, law enforcement initiatives, military actions, and counterterrorism efforts. CIV also pursued affirmative litigation, bringing suits on behalf of the United States, which resulted in the return of billions of dollars to the Treasury, Medicare, and other entitlement programs. This year alone, the Division, working with the U.S. Attorneys, recovered a record-high amount of over $4.8 billion as a result of its aggressive efforts in fighting health care, mortgage, and procurement fraud.

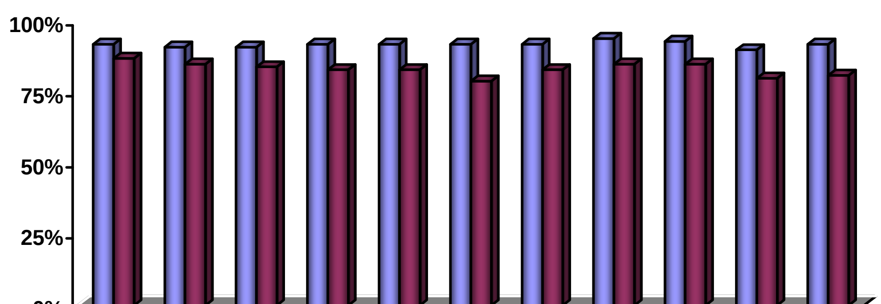
The CRT reached the Nation's largest-ever fair lending settlement on behalf of minorities who were steered discriminatorily towards subprime loans, and negotiated $25 billion in settlements with the Nation's five largest mortgage servicers as part of the enforcement of mortgage protections for U.S. service members. CRT achieved both a record monetary recovery by the United States in a disability-based housing discrimination case, and a record monetary recovery for sexual harassment in a suit brought under the Fair Housing Act. As part of its work to protect vulnerable populations, CRT has convicted the most persons on hate crimes in over a decade, and charged the most defendants on human trafficking offenses in the history of the Division. CRT has also filed record numbers of criminal police misconduct cases. In New Orleans, CRT conducted one of the most extensive reviews ever of a law enforcement agency, and is now working to develop a comprehensive blueprint for sustainable reform of the police department. A similarly extensive review has been completed in Puerto Rico. CRT is committed to investigating voting irregularities and monitoring voter registration requirements to ensure that the vote of every American is counted, including military personnel, their families, and civilian personnel working overseas. CRT's determined enforcement of the Supreme Court's decision in *Olmstead v L.C.*, led to landmark settlements with Virginia, Delaware, and Georgia, that will allow thousands of disabled citizens to receive community-based services.

The CRM prosecuted and achieved favorable dispositions in FY 2012 in cases covering a wide range of complex case law. For example, in a shared case with the U.S. Attorney's Office for the Southern District of Texas, the Division successfully prosecuted Robert Allen Stanford for a twenty year, $7.2 billion Ponzi scheme centering around an offshore bank, which Stanford owned and operated in Antigua and Barbuda. Stanford was convicted and received a 110-year sentence. The Division was also instrumental in prosecuting the New England La Cosa Nostra (LCN) leadership in Providence, RI, which resulted in ten defendants being charged with racketeering conspiracy and extortion offenses. A total of ten defendants pleaded guilty, including two successive LCN bosses. Lastly, the Barclays Bank PLC, a financial institution headquartered in London, has entered into an agreement with the Division to pay a $160 million penalty to resolve violations arising from Barclays's submissions for the London InterBank Offered Rate (LIBOR) and the Euro Interbank Offered Rate (EURIBOR), which are benchmark interest rates used in financial markets around the world.

The ENRD continued to enforce the Clean Air Act. ENRD and the Environmental Protection Agency (EPA) reached an innovative agreement in April 2012 with Ohio-based Marathon Petroleum Company that already has significantly reduced air pollution from all six of the company's petroleum refineries. In a first for the refining industry, Marathon has agreed to install state-of-the-art controls on waste combustion devices known as flares and to cap the volume of waste gas sent to flares. The settlement is part of EPA's national effort to reduce air pollution from refinery, petrochemical, and chemical flares. When fully implemented, the agreement is expected to reduce harmful air pollution by approximately 5,400 tons per year and result in future cost savings for the company. The agreement, accompanied by a $460,000 civil penalty, resolves Marathon's alleged violations of the Clean Air Act. Marathon also will spend an as yet undetermined sum to comply with the flaring caps required in the consent decree. Under the agreement, Marathon will also implement a project at its Detroit, Michigan refinery to remove another 15 tons per year of VOCs and another one ton per year of benzene from the air. At an estimated cost of $2.2 million, Marathon will install controls on numerous sludge handling tanks and equipment. Marathon's six refineries, which are located in Robinson, Illinois; Catlettsburg, Kentucky; Garyville, Louisiana; Detroit, Michigan; Canton, Ohio; and Texas City, Texas, have a capacity of more than 1.15 million barrels per day.

One of the Tax Division's top litigation priorities continues to be the concerted civil and criminal effort to combat the serious problem of non-compliance with our tax laws by US taxpayers using secret offshore accounts – a problem that a 2008 Senate report concluded costs the US Treasury at least $100 billion annually. As part of the deferred prosecution agreement the Tax Division negotiated in 2009 with UBS Switzerland's largest bank, as well as a 2009 agreement negotiated among the US, UBS, and the Swiss government to settle a civil summons enforcement proceeding brought by the Tax Division, the IRS continues to receive account information about thousands of the most significant tax cheats among the US taxpayers who maintain secret Swiss bank accounts. The prosecution results so far have been encouraging: To date, approximately 150 grand jury investigations of offshore-banking clients have been initiated, of which 47 cases have been charged, with 38 guilty pleas having been entered, 3 convicted after trial (two of whom have been sentenced, with each receiving a 10-year prison sentence), and 6 awaiting trial. A number of facilitators who helped clients hide assets offshore have been indicted, resulting in 19 bankers, 8 advisors, and 2 attorneys being charged and awaiting trial; one advisor and one banker have been convicted and sentenced. One Swiss bank, Wegelin and Co., has been indicted. The other banks implicated include not only UBS, but another international Swiss bank, regional Swiss banks, an Israeli bank and HSBC India. In addition, grand jury investigations have been opened into additional offshore banks across the world, and the Division obtained a court decision allowing the IRS to summon additional account information from HSBC Bank. The Division also ensures that the public is aware of the offshore initiative. Indeed, the IRS credits the publicity surrounding this initiative with prompting a huge increase in the number of taxpayers who have "come in from the cold" and voluntarily disclosed to the IRS their previously hidden foreign accounts. Nearly 18,000 US taxpayers made voluntary disclosures in the 18-month period concluding February, 2011 – in contrast to fewer than 100 in a typical year – and made $2.2 billion in payments to the IRS. Another 12,000 US taxpayers disclosed their accounts under the 2011 Offshore Voluntary Disclosure Initiative (which ended September 9, 2011) and have made $500 million in payments to the IRS so far.

Percent of Cases Favorably Resolved



	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12 Tgt.	FY12 Act.
Criminal	92%	91%	91%	92%	92%	92%	92%	94%	93%	90%	92%
Civil	87%	85%	84%	83%	83%	79%	83%	85%	85%	80%	81%

Criminal Civil

Data Definition: Cases favorably resolved include those cases that resulted in court judgments favorable to the government, as well as settlements. For antitrust-related merger cases, favorably resolved data includes: abandoned mergers, mergers "fixed," or mergers with consent decrees. Non-merger cases favorably resolved include instances where practices changed after the investigation and complaints filed with consent decrees. The data set includes non-appellate cases closed during the fiscal year.

Data Collection and Storage: Data are currently captured within each component's automated case management system and companion interface systems. Currently, cases worked on by more than one component are included in the totals from CRM, CRT, ENRD, and the EOUSA. Also, the court's disposition date is used for reporting purposes for ATR, CIV, CRM, CRT, and ENRD; however, EOUSA and TAX use the date entered into their current case management system. Additionally, CIV counts at the party level; CRM, ENRD, and EOUSA count cases at the defendant level; CRT and TAX count Civil and Criminal cases. Lastly, ATR includes Criminal, Civil Merger, and Civil Non-Merger; ENRD includes affirmative, defensive, criminal, and condemnation cases in their totals.

Data Validation and Verification: Each component implements their individual methodology for verifying data; however, in general, case listings and reports are reviewed by attorney managers for data completeness and accuracy on a routine basis. Batch data analysis and ad hoc reviews are also conducted.

Data Limitations: Data quality suffers from the lack of a single DOJ case management system and a standardized methodology for capturing case related data. Due to the inherent variances in data collection and management, cases may refer to cases or individuals. In addition, due to reporting lags, case closures for any given year may be under or over-reported.

III

STRATEGIC GOAL 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels

36% of the Department's Net Costs supports this Goal.

An integral role of the Department of Justice is to help in the administration of our federal justice system. To ensure the goal of the fair and efficient operation of our federal system, the Department must provide for a proper federal court proceeding by protecting judges, witnesses, and other participants; ensure the appearance of criminal defendants for judicial proceedings or confinement; and ensure the apprehension of fugitives from justice. The Department also provides safe, secure, and humane confinement of defendants awaiting trial or sentencing and those convicted and sentenced to prison. In order to improve our society and reduce the burden on our justice system, the Department provides services and programs to facilitate inmates' successful reintegration into society, consistent with community expectations and standards. The Department strives to adjudicate all immigration cases promptly and impartially in accordance with due process. Additionally, the Department works to promote and strengthen innovative strategies in the administration of state and local justice systems and uphold the rights and improve services to victims of crime.

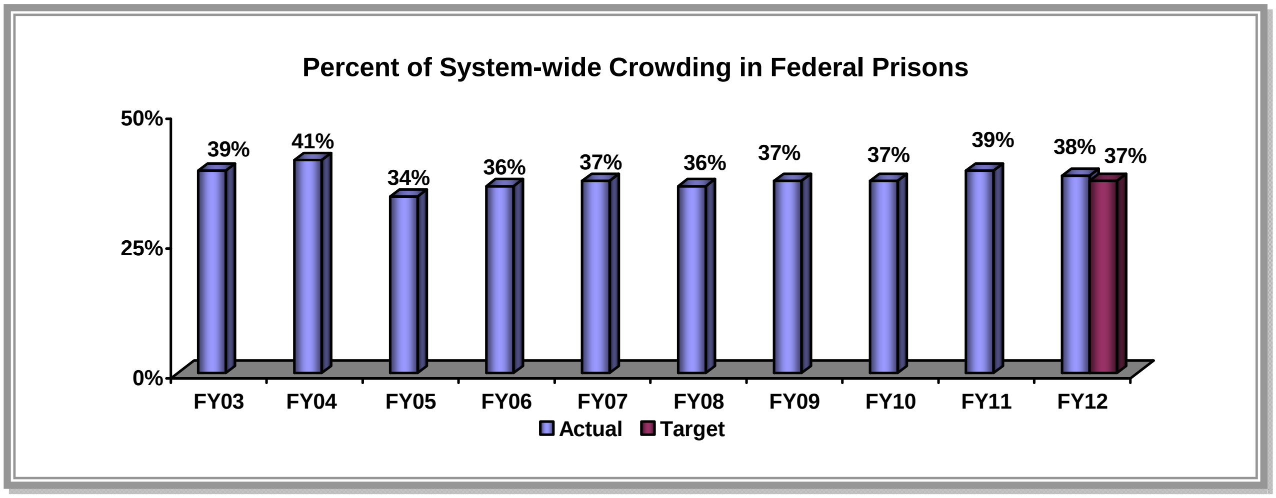
Revised FY 2016 Outcome Goal: Reduce system-wide crowding in federal prisons to 30% by 2016
FY 2012 Progress: Department will have difficulty in meeting this long-term outcome goal.

Background/Program Objectives: The BOP constantly monitors and reports weekly on facility capacity, population growth, and prisoner crowding. As federal inmate population levels are projected to increase and continue to exceed the rated capacity of the BOP, every possible action is being taken to protect the community, while keeping institutional crowding at manageable proportions to ensure that federal inmates continue to serve their sentences in a safe and humane environment.

Performance Measure: Percent of System-wide Crowding in Federal Prisons
FY 2012 Target: 37%
FY 2012 Actual: 38%

Discussion of FY 2012 Results: During FY 2012, the overall BOP population increased by 919. Although the BOP did not achieve its target for FY 2012, the institution population decreased by 378 and capacity from activating facilities Federal Correctional Institution (FCI) Mendota, CA and FCI Berlin, NH) increased by 564 beds to achieve a 1 percent reduction in system-wide crowding from FY 2011. Reducing overcrowding remains a high priority for both BOP and DOJ.

The BOP will continue the activation process at FCI Berlin, NH, and the Secure Female FCI Aliceville, AL, in FY 2013, in addition to completing construction of FCI Hazelton, WV, and USP Yazoo City, MS. Dependent on funding, this additional capacity should help alleviate crowding in FY 2013. In addition, the BOP purchased the Thomson Correctional Center at the end of FY 2012. This facility will add needed high-security beds to help alleviate the overcrowding in federal prisons.



Data Definitions: The crowding levels are based on a mathematical ratio of the number of inmates divided by the rated capacity of the institutions at each of the specific security levels. The percent of crowding represents the rate of crowding that is over rated capacity. For example, if an institution had a number of inmates that equaled the rated capacity, this would represent 100 percent occupancy, which equals 0 percent crowding. Any occupancy above 100 percent represents a percentage of crowding. System-wide: represents all inmates in BOP facilities and all rated capacity, including secure and non-secure facilities, low, medium, and high security levels, as well as administrative maximum, detention, medical, holdover, and other special housing unit categories. Minimum security facilities: non-secure facilities that generally house non-violent, low risk offenders with shorter sentences. These facilities have limited or no perimeter security fences or armed posts. Low security facilities: double-fenced perimeters, mostly dormitory housing, and strong work/program components. Medium security facilities: strengthened perimeters, mostly cell-type housing, work and treatment programs and a lower inmate-to-staff ratio than low security facilities. High security facilities: also known as U.S. Penitentiaries, highly secure perimeters, multiple and single cell housing, lowest inmate-to-staff ratio, close control of inmate movement.

Data Collection and Storage: Data are gathered from several computer systems. Inmate data are collected on the BOP on-line system (SENTRY). The BOP also utilizes a population forecast model to plan for future contracting and construction requirements to meet capacity needs.

Data Validation and Verification: Subject matter experts review and analyze population and capacity levels daily, both overall and by security level. BOP institutions print a SENTRY report, which provides the count of inmates within every institution cell house. The report further subdivides the cell houses into counting groups, based on the layout of the institution. Using this report, institution staff conduct an official inmate count five times per day to confirm the inmate count within SENTRY. The BOP Capacity Planning Committee (CPC), comprised of top BOP officials, meets bi-monthly to review, verify, and update population projections and capacity needs for the BOP. Offender data are collected regularly from the Administrative Office of the U.S. Courts by the BOP Office of Research and Evaluation in order to project population trends. The CPC reconciles bed space needs and crowding trends to ensure that all available prison space is fully utilized, both in federal prisons and in contract care.

Data Limitations: None known at this time.

Revised FY 2016 Outcome Goal: Increase the number of inmate participants in the Residential Drug Abuse Program (RDAP) by 6 percent (from 18,500 to 19,920)
FY 2012 Progress: Department will not meet the current long-term outcome goal target. New methodology has been developed in calculating inmate participants which will alter the long-term outcome goal target.

***Background/Program Objectives*:** In response to the rapid growth of federal inmates with a diagnosis of a drug use disorder (40 percent of inmates entering the BOP), the BOP continues to develop evidence based treatment practices to manage and treat drug-using offenders. More than half of the BOP's facilities operate an RDAP. The RDAP are located in separate units, away from the general population. The RDAP is based on Cognitive Behavioral Therapy (CBT), wrapped into a modified therapeutic community model of treatment. The CBT and therapeutic communities are proven-effective treatment models with inmate populations.

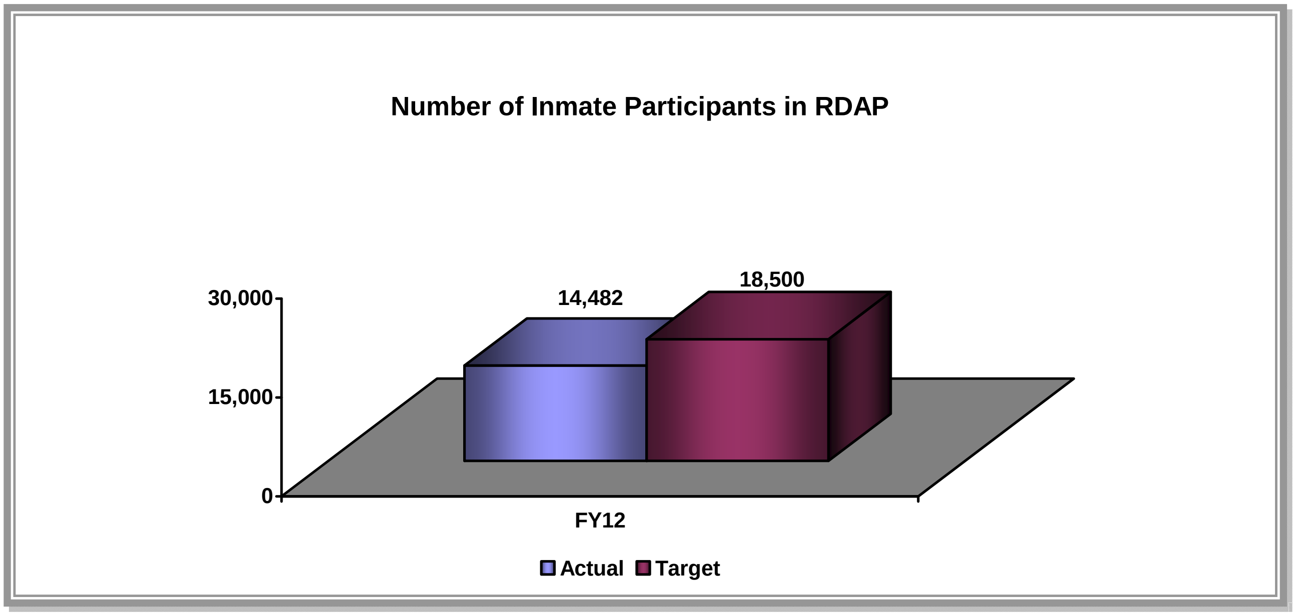
Inmates who participate in RDAP continue with drug abuse treatment when transferred to a Residential Reentry Center in the community while still in BOP custody. The BOP contracts with community-based treatment providers, often the same treatment providers who will continue the offender's course of treatment when released to community supervision. This ensures a continuity of treatment and supervision.

Performance Measure*:* NEW MEASURE: Number of inmate participants in RDAP

FY 2012 Target: 18,500 (establish baseline)
FY 2012 Actual: 14,482

Discussion of FY 2012 Results: The BOP approved 120 additional RDAP positions to allow an additional 1,616 inmates to participate in the program. BOP opened an RDAP in a United States Penitentiary for the first time in 15 years. A Spanish Language RDAP was approved this year with activation to occur in FY 2013.

The target of 18,500 was generated using a calculation of all inmate movement into and out of the RDAP. Through closer review, BOP determined this methodology resulted in the potential for the same inmate to be counted twice within the same fiscal year. ABOP has now developed a more refined methodology to calculate RDAP participation, with significantly less potential for duplication. This more precise methodology will be utilized going forward. Thus, while this change has resulted in the number of participants during the fiscal year being less than the target number, it is a preferred method to report inmate participation in RDAP.



Data Definitions: RDAP - data reported are the actual number of BOP inmates who participated in the RDAP within the fiscal year.

Data Collection and Storage: Data are collected/entered into the BOP's SENTRY data system and the Psychology Data System (PDS). Data are collected/entered primarily by Case Managers, Drug Abuse Treatment Specialists and Drug Abuse Treatment Coordinators in the institutions. SENTRY data tracks the inmate's "basic" status in RDAP as WAIT, PARTICIPANT, COMPLETE, WITHDRAW, EXPELLED, or INCOMPLETE. PDS tracks the inmate's clinical progress, including: treatment plans; 60 day treatment reviews; group contacts; individual contacts; and treatment summaries. Both SENTRY and PDS are stored electronically. Signed documents are inserted in inmate's Central File.

Data Validation and Verification: Validation is conducted by the Drug Abuse Program Coordinator through regular treatment meetings, supervision and inmate file and data reviews. Data Verification is conducted through PDS and SENTRY data which are monitored by Central Office and the Regional Offices no less than monthly. Examples of reviews conducted include, but are not limited to: programs are operating as intended; participant status and progress are documented appropriately; PDS documentation meets the clinical standard as outlined by policy and training; inmates are interviewed for RDAP appropriately; and to ensure all inmates qualified for the RDAP are receiving the RDAP before their release from BOP custody.

Data Limitations: None known at this time.

Revised FY 2016 Outcome Goal: Apprehend or clear 33,660 primary fugitives
FY 2012 Progress: Department is on target to achieve this long-term outcome goal.

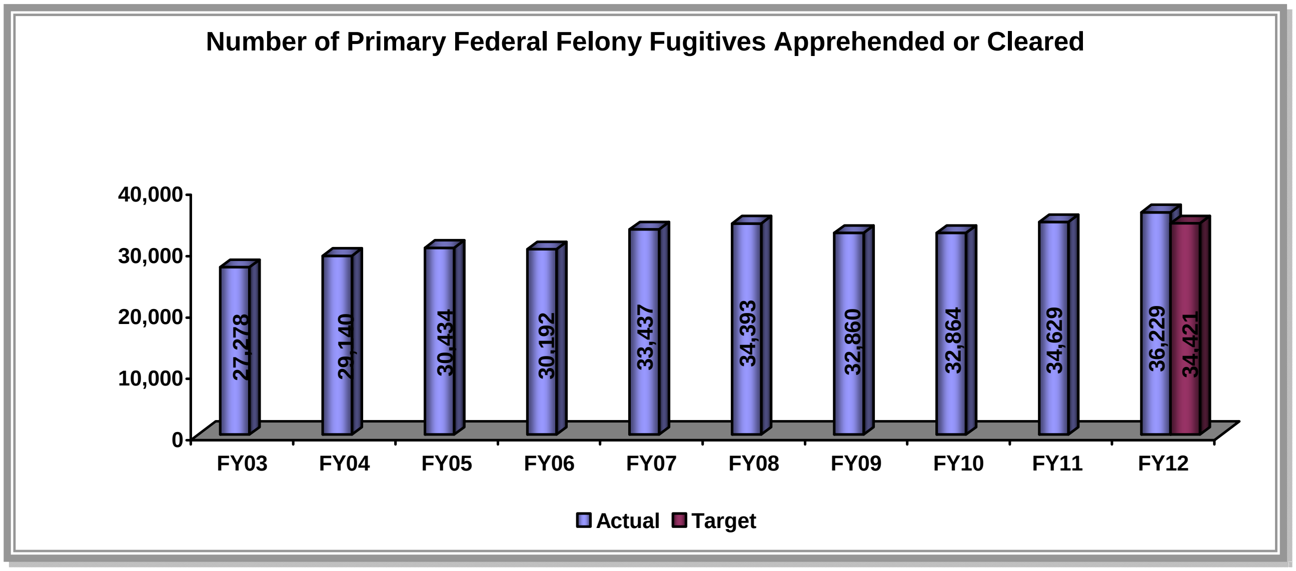
Background/Program Objectives: The USMS has a long and distinguished history of providing assistance and expertise to other federal, state, and local law enforcement agencies in support of violent crime reduction through fugitive investigations. These partnerships have evolved into the ultimate force multiplier in federal law enforcement, and allow our task forces to focus on the most egregious state and local fugitives and ensure the greatest protection to the public by maximizing the effectiveness of resources. The USMS uses a combination of Regional Fugitive Task Forces (RFTFs) and District Fugitive Task Forces (DFTFs) to form a national network responsible for the apprehension of violent fugitive felons. The Presidential Threat Protection Act of 2000 initially established the USMS RFTF model. It consists of federal, state, and local law enforcement authorities in designated regions of the United States, which are directed and coordinated by the USMS, for the purpose of locating and apprehending fugitives. In addition to domestic activities, the USMS is the lead agency responsible for extraditing (or deporting) U.S. fugitives that have fled to foreign countries back into this country. The USMS also apprehends foreign fugitives within the U.S. who are wanted abroad.

As part of the fugitive apprehension mission, the USMS has been designated by the Attorney General as the lead agency for locating and apprehending non-compliant sex offenders and others who violate the provisions of the Adam Walsh Child Protection and Safety Act. A non-compliant sex offender is any person who fails to comply with federal registration requirements.

Performance Measure: Number of Primary Federal Felony Fugitives Apprehended or Cleared
FY 2012 Target: 34,421
FY 2012 Actual: 36,229

Discussion of FY 2012 Results: In FY 2012, the USMS apprehended or cleared 36,229 primary Federal felony fugitives, exceeding the target of 34,421. This resulted in 50 percent of total primary Federal felony fugitives apprehended or cleared which is half of the 72,001 warrants on hand or received during FY 2012. Among those arrested, 3,934 (including state/local) were for crimes of homicide, 4,917 (including state/local) were gang members, and 12,976 (including state/local) were sex offenders. In addition, in FY 2012, the USMS had 924 fugitives extradited or deported to the United States from other countries.

The 7 operating RFTF, in addition to the 60 district task forces, are directing their investigative efforts toward reducing the number of violent crimes. These crimes include terrorist activities, organized crime, drugs, and gang violence. The RFTF and DFTF combined led to the arrest of 86,016 state and local fugitive felons in FY 2012. The USMS initiated 3,208 Federal investigations into the failure of sex offenders to meet their registration requirements.



Data Definition: A "primary" federal felony fugitive means that the USMS has the lead apprehension responsibility. The USMS has primary jurisdiction to investigate fugitive matters involving escaped federal prisoners; probation, parole, and bond default violators; warrants generated by DEA and referred to the USMS; any other federal warrant referred by another federal agency without arrest powers; and any warrant referred by state and local agencies. A fugitive is considered apprehended or cleared if the fugitive is arrested, has a detainer issued, or the warrant is dismissed. The percent cleared is calculated by dividing the number of cleared fugitives by the sum of received fugitives (fugitives who had a warrant issued during the fiscal year) and on-hand fugitives (fugitives who had an active warrant at the beginning of the fiscal year).

Data Collection and Storage: The USMS maintains the Justice Detainee Information System (JDIS) to collect warrant information, investigative leads, and other criminal information. Upon receipt of a warrant from a federal judge, Deputy U.S. Marshals query the FBI's National Crime Information Center (NCIC) and the International Justice and Public Safety Information Network (NLETS) through JDIS to look for previous criminal information.

Data Validation and Verification: Warrant and fugitive data are verified according to NCIC policy and procedures. The USMS coordinates with district offices to verify that warrants are validated against the signed court records. The USMS is able to enhance fugitive investigative efforts by sharing data with other agencies, such as the Social Security Administration, DEA, Department of Agriculture, Department of Defense, Department of State, and a variety of state and local task forces around the country.

Data Limitations: JDIS data are accessible to all USMS district offices and are updated as new information is collected, thus there may be a lag in the reporting of data.

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SECTION III

Financial Section

Section III Financial Section

Overview

While Section II of this Report provided performance data (required by GPRA), Section III provides financial information required by the Chief Financial Officers Act. This data outlines not only the costs of programs, but also the costs of achieving individual results by strategic goal. As required by the Office of Management and Budget (OMB), Circular A-136, *Financial Reporting Requirements*, the following section provides the Statements of Net Cost by major program for the Department of Justice, and it is aligned directly with the goals and objectives in the Department's Strategic Plan and Annual Performance Plan.

Following the Chief Financial Officer's message, the Office of the Inspector General's Commentary and Summary, and the Reports of Independent Auditors, are the following statements:

Consolidated Balance Sheets – Presents resources owned or managed by the Department that are available to provide future economic benefits (assets); amounts owed by the Department that will require payments from those resources or future resources (liabilities) and residual amounts retained by the Department, comprising the difference (net position) as of September 30, 2012 and 2011.

Consolidated Statements of Net Cost – Presents the net cost of Department operations for the fiscal years ended September 30, 2012 and 2011. The Department's net cost of operations includes the gross costs incurred by DOJ less any exchange revenue earned from Department activities.

Consolidated Statements of Changes in Net Position – Presents the change in the Department's net position resulting from the net cost of operations, budgetary financing sources other than exchange revenues and other financing sources for the fiscal years ended September 30, 2012 and 2011.

Combined Statements of Budgetary Resources – Presents the budgetary resources available to the Department, the status of those resources, and the outlay of budgetary resources for the fiscal years ended September 30, 2012 and 2011.

Combined Statements of Custodial Activity – Presents the sources and disposition of non-exchange revenues collected or accrued by the Department on behalf of other recipient entities for the fiscal years ended September 30, 2012 and 2011.

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A Message From The Chief Financial Officer

November 9, 2012

I am very pleased to report that the Department has earned an unqualified audit opinion on its fiscal year 2012 consolidated financial statements. I am also pleased that for the sixth straight year the auditor's report on internal controls over financial reporting did not identify any material weaknesses at the consolidated Department level. Moreover, for the first time, no material weaknesses were reported in any of the individual component level audits. The continued progress made by our financial management offices is demonstrable evidence of the Department's commitment to pursuing continual improvement in sound financial management practices.

The Department is fully cognizant of the economic difficulties faced by our country. We have been devoted to looking for ways to operate more efficiently in order to ensure taxpayer funds are spent wisely on the critical national security and law enforcement activities the Department performs for the nation. The Department's leadership has challenged our components to find savings across our operations, and components have responded with savings in many areas, including travel management and the consolidation of large information technology contracts. The Department's SAVE Council will continue during fiscal year 2013 to look for additional areas we can reduce spending in order to operate as efficiently as possible. When we find areas where we can improve our practices and save money, we will act on those opportunities.

Also on the horizon is the continued successful implementation of the Department's Unified Financial Management System (UFMS). As fiscal year 2013 started, implementations of UFMS began at the United States Marshals Service and four program offices in the Federal Bureau of Investigation. The use of UFMS was also expanded at the Department's Assets Forfeiture Management program. Building upon successful implementations at DEA and ATF, these new implementations, while broad in scope and complexity, bring great potential for improving our financial management capabilities for the future.

We take our financial accountability seriously, and we take our commitment to sound agency performance and providing taxpayer value seriously. We look forward in 2013 to furthering our fiscal achievements as the Department continues to serve the nation and its citizens.

Lee Lofthus
Chief Financial Officer

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U.S. DEPARTMENT OF JUSTICE
ANNUAL FINANCIAL STATEMENTS
FISCAL YEAR 2012

OFFICE OF THE INSPECTOR GENERAL
COMMENTARY AND SUMMARY

This audit report contains the Annual Financial Statements of the U.S. Department of Justice (Department) for the fiscal years (FY) ended September 30, 2012, and September 30, 2011. Under the direction of the Office of the Inspector General (OIG), KPMG LLP performed the Department's audit in accordance with auditing standards generally accepted in the United States of America. The audit resulted in an unqualified opinion on the FY 2012 financial statements. An unqualified opinion means that the financial statements present fairly, in all material respects, the financial position and the results of the entity's operations in conformity with U.S. generally accepted accounting principles. For FY 2011, the Department also received an unqualified opinion on its financial statements (OIG Report No. 12-03).

KPMG LLP also issued Reports on Internal Control over Financial Reporting and on Compliance and Other Matters. For FY 2012, the auditors did not identify any significant deficiencies in the Independent Auditors' Report on Internal Control over Financial Reporting. Although progress continues to be made, it is important to note that the Department still does not have a unified financial management system to readily support ongoing accounting operation and preparation of financial statements. As discussed in past years, we believe the most important challenge facing the Department in its financial management is to successfully implement an integrated financial management system to replace the disparate and, in some cases, antiquated financial systems used by Department components.

No instances of non-compliance or other matters that are required to be reported under Government Auditing Standards were identified during the audit in the FY 2012 Independent Auditors' Report on Compliance and Other Matters. Additionally, KPMG LLP's tests disclosed no instances in which the Department's financial management systems did not substantially comply with the Federal Financial Management Improvement Act of 1996.

The OIG reviewed KPMG LLP's reports and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with Government Auditing Standards, was not intended to enable us to express, and we do not express, an opinion on the Department's financial statements, conclusions about the effectiveness of internal control, conclusions on whether the Department's financial management systems substantially complied with the Federal Financial Management Improvement Act of 1996, or conclusions on compliance with laws and regulations and other matters. KPMG LLP is responsible for the attached auditors' reports dated November 9, 2012, and the conclusions expressed in the reports. However, our review disclosed no instances where KPMG LLP did not comply, in all material respects, with auditing standards generally accepted in the United States of America.

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KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report on Financial Statements

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited the accompanying consolidated balance sheets of the U.S. Department of Justice (Department) as of September 30, 2012 and 2011, and the related consolidated statements of net cost, and changes in net position, and the combined statements of budgetary resources, and custodial activity (hereinafter referred to as "consolidated financial statements" or "basic financial statements") for the years then ended. These consolidated financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of the following components of the Department: the U.S. Marshals Service (USMS); the Federal Prison Industries, Inc. (FPI); and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), which statements reflect total assets of $2.0 billion and $2.1 billion, and total net costs of $2.9 billion and $2.8 billion, as of and for the years ended September 30, 2012 and 2011, respectively. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those components, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Department of Justice as of September 30, 2012 and 2011, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1.Z to the consolidated financial statements, the Department changed its presentation for reporting the combined statement of budgetary resources in fiscal year 2012, based on new reporting requirements under OMB Circular No. A-136, *Financial Reporting Requirements*. As a result, the U.S. Department of Justice's combined statement of budgetary resources for fiscal year 2011 has been adjusted to conform to the current year presentation.

U.S. generally accepted accounting principles require that the information in *Required Supplementary Information*, including *Management's Discussion and Analysis,* and *Required Supplementary Stewardship Information* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We and the other auditors do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The September 30, 2012 and 2011 consolidating and combining information in the *Consolidating and Combining Financial Statements* section is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net costs, changes in net position, budgetary resources, and custodial activity of the Department's components individually, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The September 30, 2012 and 2011 consolidating and combining information in the *Consolidating and Combining Financial Statements* has been subjected to the auditing procedures applied by us and the other auditors, in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audits and the reports of the other auditors, the September 30, 2012 and 2011 consolidating and combining information in the *Consolidating and Combining Financial Statements* section is fairly stated in all material respects in relation to the basic financial statements as a whole. The information in the *Introduction, FY 2012 Performance Report*, *Other Accompanying Information, Management Section,* and *Appendices* is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us and the other auditors in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 9, 2012, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.

KPMG LLP

November 9, 2012

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KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report on Internal Control over Financial Reporting

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited the consolidated balance sheets of the U.S. Department of Justice (Department) as of September 30, 2012 and 2011 and the related consolidated statements of net cost, and changes in net position, and the combined statements of budgetary resources and custodial activity (hereinafter referred to as "consolidated financial statements") for the years then ended, and have issued our report thereon dated November 9, 2012. We did not audit the financial statements of the following components of the Department: the U.S. Marshals Service (USMS); the Federal Prison Industries, Inc. (FPI); and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) as of and for the years ended September 30, 2012 and 2011. Those financial statements were audited by other auditors whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for those components, is based solely on the reports of the other auditors. Also, as discussed in Note 1.Z to the consolidated financial statements, the Department changed its presentation for reporting the combined statement of budgetary resources in fiscal year 2012, based on new reporting requirements under OMB Circular No. A-136, *Financial Reporting Requirements*.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

As stated above, we did not audit the fiscal year 2012 financial statements of the USMS, FPI, and ATF. Those financial statements were audited by other auditors whose reports thereon, including the other auditors' Independent Auditors' Reports on Internal Control over Financial Reporting, have been furnished to us. Accordingly, our report on the Department's internal control over financial reporting, insofar as it relates to those components, is based solely on the reports and findings of the other auditors.

The management of the Department is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our fiscal year 2012 audit, we considered the Department's internal control over financial reporting by obtaining an understanding of the Department's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting. We and the other auditors did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the fourth paragraph of this report and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. In our fiscal year 2012 audit, we and the other auditors did not identify any deficiencies in internal control over financial reporting that we and the other auditors consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Department's management, the U.S. Department of Justice Office of the Inspector General, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 9, 2012

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report on Compliance and Other Matters

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited the consolidated balance sheets of the U.S. Department of Justice (Department) as of September 30, 2012 and 2011, and the related consolidated statements of net cost, and changes in net position, and the combined statements of budgetary resources, and custodial activity (hereinafter referred to as "consolidated financial statements") for the years then ended, and have issued our report thereon dated November 9, 2012. We did not audit the financial statements of the following components of the Department: the U.S. Marshals Service (USMS); the Federal Prison Industries, Inc. (FPI); and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) as of and for the years ended September 30, 2012 and 2011. Those financial statements were audited by other auditors whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for those components, is based solely on the reports of the other auditors. Also, as discussed in Note 1.Z to the consolidated financial statements, the Department changed its presentation for reporting the combined statement of budgetary resources in fiscal year 2012, based on new reporting requirements under OMB Circular No. A-136, *Financial Reporting Requirements*.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

As stated above, we did not audit the fiscal year 2012 financial statements of the USMS, FPI, and ATF. Those financial statements were audited by other auditors whose reports thereon, including the other auditors' Independent Auditors' Reports on Compliance and Other Matters, have been furnished to us. Accordingly, our report on the Department's compliance and other matters, insofar as it relates to those components, is based solely on the reports and findings of the other auditors.

The management of the Department is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the Department. As part of obtaining reasonable assurance about whether the Department's consolidated financial statements are free of material misstatement, we and the other auditors performed tests of the Department's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the consolidated financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 07-04, including the provisions referred to in Section 803(a) of the *Federal Financial Management Improvement Act of 1996* (FFMIA). We and the other auditors limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to the Department. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our and the other auditors' tests of compliance described in the preceding paragraph of this report, exclusive of those referred to in FFMIA, disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 07-04.

The results of our and the other auditors' tests of FFMIA disclosed no instances in which the Department's financial management systems did not substantially comply with the (1) federal financial management system requirements, (2) applicable federal accounting standards, and (3) application of the United States Government Standard General Ledger at the transaction level.

This report is intended solely for the information and use of the Department's management, the U.S. Department of Justice Office of the Inspector General, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 9, 2012

Principal Financial Statements and Related Notes

See Independent Auditors' Report on Financial Statements

U. S. Department of Justice
Consolidated Balance Sheets
As of September 30, 2012 and 2011

Dollars in Thousands	2012	2011
ASSETS (Note 2)		
Intragovernmental		
Fund Balance with U.S. Treasury (Note 3)	$ 24,745,298	$ 23,354,452
Investments, Net (Note 5)	6,213,903	6,919,799
Accounts Receivable, Net (Note 6)	324,327	380,431
Other Assets (Note 10)	266,573	115,103
Total Intragovernmental	31,550,101	30,769,785
Cash and Monetary Assets (Note 4)	260,682	250,253
Accounts Receivable, Net (Note 6)	115,612	125,898
Inventory and Related Property, Net (Note 7)	166,609	170,889
Forfeited Property, Net (Note 8)	145,111	172,746
General Property, Plant and Equipment, Net (Note 9)	10,186,144	10,217,770
Advances and Prepayments	760,870	1,079,767
Other Assets (Note 10)	5,585	5,982
Total Assets	**$ 43,190,714**	**$ 42,793,090**
LIABILITIES (Note 11)		
Intragovernmental		
Accounts Payable	$ 302,575	$ 366,027
Accrued Federal Employees' Compensation Act Liabilities	260,652	250,625
Custodial Liabilities (Note 21)	1,114,298	605,009
Other Liabilities (Note 15)	368,713	377,451
Total Intragovernmental	2,046,238	1,599,112
Accounts Payable	4,108,056	2,504,820
Accrued Grant Liabilities	604,119	614,419
Actuarial Federal Employees' Compensation Act Liabilities	1,474,278	1,359,360
Accrued Payroll and Benefits	653,909	644,502
Accrued Annual and Compensatory Leave Liabilities	838,252	831,783
Environmental and Disposal Liabilities (Note 12)	74,441	72,709
Deferred Revenue	556,464	533,427
Seized Cash and Monetary Instruments (Note 14)	1,587,167	4,063,738
Contingent Liabilities (Note 16)	28,671	68,652
Capital Lease Liabilities (Note 13)	17,096	25,141
Radiation Exposure Compensation Act Liabilities (Note 25)	731,237	535,838
September 11th Victim Compensation Fund (Note 25)	2,766,400	-
Other Liabilities (Note 15)	455,657	415,976
Total Liabilities	**$ 15,941,985**	**$ 13,269,477**
NET POSITION		
Unexpended Appropriations - Earmarked Funds (Note 17)	$ 25,963	$ 21,727
Unexpended Appropriations - All Other Funds	10,568,815	11,952,581
Cumulative Results of Operations - Earmarked Funds (Note 17)	10,949,539	9,066,816
Cumulative Results of Operations - All Other Funds	5,704,412	8,482,489
Total Net Position	**$ 27,248,729**	**$ 29,523,613**
Total Liabilities and Net Position	**$ 43,190,714**	**$ 42,793,090**

The accompanying notes are an integral part of these financial statements.

U. S. Department of Justice
Consolidated Statements of Net Cost
For the Fiscal Years Ended September 30, 2012 and 2011

Dollars in Thousands

		Gross Costs			Less: Earned Revenues			Net Cost of Operations (Note 18)
	FY	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	
Goal 1	**2012**	$ 1,426,981	$ 4,300,297	$ 5,727,278	$ 439,321	$ 30,912	$ 470,233	$ 5,257,045
	2011	$ 1,461,443	$ 4,164,706	$ 5,626,149	$ 447,623	$ 23,160	$ 470,783	$ 5,155,366
Goal 2	**2012**	3,361,356	16,698,326	20,059,682	468,597	646,666	1,115,263	18,944,419
	2011	3,328,444	11,338,264	14,666,708	427,340	627,929	1,055,269	13,611,439
Goal 3	**2012**	2,729,014	12,794,400	15,523,414	867,132	663,176	1,530,308	13,993,106
	2011	2,688,773	12,985,253	15,674,026	1,107,938	697,787	1,805,725	13,868,301
Total	**2012**	**$ 7,517,351**	**$ 33,793,023**	**$ 41,310,374**	**$ 1,775,050**	**$ 1,340,754**	**$ 3,115,804**	**$ 38,194,570**
	2011	**$ 7,478,660**	**$ 28,488,223**	**$ 35,966,883**	**$ 1,982,901**	**$ 1,348,876**	**$ 3,331,777**	**$ 32,635,106**

Goal 1 Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law
Goal 2 Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law
Goal 3 Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels

The accompanying notes are an integral part of these financial statements.

U. S. Department of Justice
Consolidated Statements of Changes in Net Position
For the Fiscal Year Ended September 30, 2012

Dollars in Thousands

	2012			
	Earmarked Funds	**All Other Funds**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ 21,727**	**$ 11,952,581**	**$ -**	**$ 11,974,308**
Budgetary Financing Sources				
Appropriations Received	72,044	27,621,645	-	27,693,689
Appropriations Transferred-In/Out	-	330,471	-	330,471
Other Adjustments	-	(152,761)	-	(152,761)
Appropriations Used	(67,808)	(29,183,121)	-	(29,250,929)
Total Budgetary Financing Sources	**4,236**	**(1,383,766)**	**-**	**(1,379,530)**
Unexpended Appropriations	**$ 25,963**	**$ 10,568,815**	**$ -**	**$ 10,594,778**
Cumulative Results of Operations				
Beginning Balances	**$ 9,066,816**	**$ 8,482,489**	**$ -**	**$ 17,549,305**
Budgetary Financing Sources				
Other Adjustments	-	(40,000)	-	(40,000)
Appropriations Used	67,808	29,183,121	-	29,250,929
Nonexchange Revenues	2,802,985	975	-	2,803,960
Donations and Forfeitures of Cash and Cash Equivalents	4,194,465	-	-	4,194,465
Transfers-In/Out Without Reimbursement	-	109,395	-	109,395
Other Financing Sources				
Donations and Forfeitures of Property	120,245	30	-	120,275
Transfers-In/Out Without Reimbursement	(149,908)	137,285	-	(12,623)
Imputed Financing from Costs Absorbed by Others (Note 19)	15,446	887,286	(24,718)	878,014
Other Financing Sources	-	(5,199)	-	(5,199)
Total Financing Sources	**7,051,041**	**30,272,893**	**(24,718)**	**37,299,216**
Net Cost of Operations	**(5,168,318)**	**(33,050,970)**	**24,718**	**(38,194,570)**
Net Change	1,882,723	(2,778,077)	-	(895,354)
Cumulative Results of Operations	**$ 10,949,539**	**$ 5,704,412**	**$ -**	**$ 16,653,951**
Net Position	**$ 10,975,502**	**$ 16,273,227**	**$ -**	**$ 27,248,729**

The accompanying notes are an integral part of these financial statements.

U. S. Department of Justice
Consolidated Statements of Changes in Net Position
For the Fiscal Year Ended September 30, 2011

Dollars in Thousands

	2011			
	Earmarked Funds	**All Other Funds**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ 19,585**	**$ 13,791,272**	**$ -**	**$ 13,810,857**
Budgetary Financing Sources				
Appropriations Received	71,746	27,408,088	-	27,479,834
Appropriations Transferred-In/Out	-	400,839	-	400,839
Other Adjustments	(326)	(105,930)	-	(106,256)
Appropriations Used	(69,278)	(29,541,688)	-	(29,610,966)
Total Budgetary Financing Sources	**2,142**	**(1,838,691)**	**-**	**(1,836,549)**
Unexpended Appropriations	**$ 21,727**	**$ 11,952,581**	**$ -**	**$ 11,974,308**
Cumulative Results of Operations				
Beginning Balances	**$ 7,636,045**	**$ 8,068,651**	**$ -**	**$ 15,704,696**
Budgetary Financing Sources				
Other Adjustments	-	(26,000)	-	(26,000)
Appropriations Used	69,278	29,541,688	-	29,610,966
Nonexchange Revenues	2,003,887	508	-	2,004,395
Donations and Forfeitures of Cash and Cash Equivalents	1,580,584	-	-	1,580,584
Transfers-In/Out Without Reimbursement	-	113,735	-	113,735
Other Financing Sources				
Donations and Forfeitures of Property	157,381	226	-	157,607
Transfers-In/Out Without Reimbursement	(6,192)	50,748	-	44,556
Imputed Financing from Costs Absorbed by Others (Note 19)	16,069	1,007,880	(25,464)	998,485
Other Financing Sources	-	(4,613)	-	(4,613)
Total Financing Sources	**3,821,007**	**30,684,172**	**(25,464)**	**34,479,715**
Net Cost of Operations	**(2,390,236)**	**(30,270,334)**	**25,464**	**(32,635,106)**
Net Change	**1,430,771**	**413,838**	**-**	**1,844,609**
Cumulative Results of Operations	**$ 9,066,816**	**$ 8,482,489**	**$ -**	**$ 17,549,305**
Net Position	**$ 9,088,543**	**$ 20,435,070**	**$ -**	**$ 29,523,613**

The accompanying notes are an integral part of these financial statements.

U. S. Department of Justice
Combined Statements of Budgetary Resources
For the Fiscal Years Ended September 30, 2012 and 2011

Dollars in Thousands	2012	2011
Budgetary Resources:		
Unobligated Balance, Net, Brought Forward, October 1	$ 3,882,323	$ 4,039,298
Recoveries of Prior Year Unpaid Obligations	877,535	753,442
Other Changes in Unobligated Balance	(12,383)	34,970
Unobligated Balance from Prior Year Budget Authority, Net	4,747,475	4,827,710
Appropriations (discretionary and mandatory)	33,346,750	30,646,052
Spending Authority from Offsetting Collections (discretionary and mandatory)	7,193,483	6,956,003
Total Budgetary Resources	$ 45,287,708	$ 42,429,765
Status of Budgetary Resources:		
Obligations Incurred (Note 20)	41,251,276	38,547,442
Unobligated Balance, End of Period:		
Apportioned	2,730,163	2,426,008
Exempt from Apportionment	218,191	211,197
Unapportioned	1,088,078	1,245,118
Total Unobligated Balance - End of Period	4,036,432	3,882,323
Total Status of Budgetary Resources	$ 45,287,708	$ 42,429,765
Change in Obligated Balance:		
Obligated Balance, Net - Brought Forward, October 1		
Unpaid Obligations, Gross	$ 16,676,653	$ 17,759,329
Less: Uncollected Customer Payments from Federal Sources	1,790,659	1,753,098
Total Obligated Balance, Net - Brought Forward, October 1	14,885,994	16,006,231
Obligations Incurred	41,251,276	38,547,442
Less: Outlays, Gross	40,120,017	38,876,674
Change in Uncollected Customer Payments from Federal Sources	(99,702)	(37,562)
Less: Recoveries of Prior Year Unpaid Obligations	877,535	753,442
Obligated Balance, Net - End of Period		
Unpaid Obligations, Gross	16,930,377	16,676,653
Less: Uncollected Customer Payments from Federal Sources	1,890,361	1,790,659
Total Obligated Balance, Net - End of Period	**$ 15,040,016**	**$ 14,885,994**
Budgetary Authority and Outlays, Net:		
Budgetary Authority, Gross (discretionary and mandatory)	40,540,233	37,602,055
Less: Actual Offsetting Collections (discretionary and mandatory)	7,093,781	6,918,445
Change in Uncollected Customer Payments from Federal Sources (discretionary and mandatory)	(99,702)	(37,562)
Budget Authority, Net (discretionary and mandatory)	33,346,750	30,646,048
Outlays, Gross (discretionary and mandatory)	40,120,017	38,876,674
Less: Actual Offsetting Collections (discretionary and mandatory)	7,093,781	6,918,445
Outlays, Net (discretionary and mandatory)	33,026,236	31,958,229
Less: Distributed Offsetting Receipts	1,425,127	1,025,644
Agency Outlays, Net (discretionary and mandatory)	31,601,109	30,932,585

The accompanying notes are an integral part of these financial statements.

U. S. Department of Justice
Combined Statements of Custodial Activity
For the Years Ended September 30, 2012 and 2011

Dollars in Thousands	2012	2011
Revenue Activity		
Sources of Cash Collections		
Delinquent Federal Civil Debts as Required by the Federal Debt Recovery Act of 1986	$ 6,995,798	$ 5,222,083
Fees and Licenses	36,710	32,437
Fines, Penalties and Restitution Payments - Civil	12,613	82,288
Fines, Penalties and Restitution Payments - Criminal	39,824	38,350
Miscellaneous	13,652	4,853
Total Cash Collections	7,098,597	5,380,011
Accrual Adjustments	(1,405)	3,643
Total Custodial Revenue	7,097,192	5,383,654
Disposition of Collections		
Transferred to Federal Agencies		
U.S. Department of Agriculture	(105,670)	(96,346)
U.S. Department of Commerce	(3,746)	(5,103)
U.S. Department of the Interior	(129,015)	(29,959)
U.S. Department of Justice	(21,085)	(81,181)
U.S. Department of Labor	(9,175)	(736)
U.S. Postal Service	(7,675)	(4,362)
U.S. Department of State	(26,613)	(8,535)
U.S. Department of the Treasury	(969,585)	(249,184)
Office of Personnel Management	(157,714)	(58,144)
Federal Communications Commission	(310)	(14,727)
Social Security Administration	(921)	(2,726)
Smithsonian Institution	(8)	(190)
U.S. Department of Veterans Affairs	(125,354)	(28,703)
General Services Administration	(130,087)	(88,447)
Securities and Exchange Commission	(411)	(3)
Federal Deposit Insurance Corporation	(59)	(71)
Railroad Retirement Board	(288)	(100)
Tennessee Valley Authority	(8)	-
Environmental Protection Agency	(189,137)	(341,267)
U.S. Department of Transportation	(13,674)	(7,236)
U.S. Department of Homeland Security	(66,585)	(66,843)
Agency for International Development	(511)	(22,233)
Small Business Administration	(6,371)	(10,447)
U.S. Department of Health and Human Services	(1,283,167)	(2,001,923)
National Aeronautics and Space Administration	(725)	(3,792)
Export-Import Bank of the United States	(17,264)	(24,643)
U.S. Department of Housing and Urban Development	(1,129,547)	(11,099)
National Archives & Records Administration	(29)	-
U.S. Department of Energy	(3,313)	(2,093)
U.S. Department of Education	(14,452)	(55,431)
Independent Agencies	(63,619)	(67,264)
Treasury General Fund	(653,526)	(619,716)
U.S. Department of Defense	(217,607)	(173,894)
Transferred to the Public	(508,622)	(516,597)
(Increase)/Decrease in Amounts Yet to be Transferred	(566,077)	(307,947)
Refunds and Other Payments	(513,185)	(364,644)
Retained by the Reporting Entity	(162,057)	(118,068)
Total Disposition of Collections	(7,097,192)	(5,383,654)
Net Custodial Activity (Note 21)	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Department of Justice (Department) has a wide range of responsibilities which include: detecting, apprehending, prosecuting, and incarcerating criminal offenders; operating federal prison factories; upholding the civil rights of all Americans; enforcing laws to protect the environment; ensuring healthy competition of business in the United States' free enterprise system; safeguarding the consumer from fraudulent activity; carrying out the immigration laws of the United States; and representing the American people in all legal matters involving the U.S. Government. Under the direction of the Attorney General, these responsibilities are discharged by the components of the Department.

For purposes of these consolidated/combined financial statements, the following components comprise the Department's reporting entity:

- Assets Forfeiture Fund and Seized Asset Deposit Fund (AFF/SADF)
- Offices, Boards and Divisions (OBDs)
- U.S. Marshals Service (USMS)
- Office of Justice Programs (OJP)
- Drug Enforcement Administration (DEA)
- Federal Bureau of Investigation (FBI)
- Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
- Bureau of Prisons (BOP)
- Federal Prison Industries, Inc. (FPI)

The American Recovery and Reinvestment Act of 2009 (ARRA) (Public Law 111-5) was signed into law by President Obama on February 17, 2009. As one of its many elements, the Recovery Act provides the Department with funding for grants to assist state, local, and tribal law enforcement (including support for hiring), to combat violence against women, to fight internet crimes against children, to improve the functioning of the criminal justice system, to assist victims of crime, and to support youth mentoring.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

B. Basis of Presentation

These financial statements have been prepared from the books and records of the Department in accordance with United States generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) and presentation guidelines in the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. These financial statements are different from the financial reports prepared pursuant to OMB directives which are used to monitor and control the use of the Department's budgetary resources. The accompanying financial statements include the accounts of all funds under the Department's control. To ensure that the Department financial statements are meaningful at the entity level and to enhance reporting consistency within the Department, Other Assets and Other Liabilities as defined by OMB Circular A-136 have been disaggregated on the balance sheet. These include Forfeited Property, Net; Advances and Prepayments; Accrued Grant Liabilities; Accrued Federal Employees' Compensation Act (FECA) Liabilities; Custodial Liabilities; Accrued Payroll and Benefits; Accrued Annual and Compensatory Leave Liabilities; Deferred Revenue; Seized Cash and Monetary Instruments; Contingent Liabilities; Capital Lease Liabilities; Radiation Exposure Compensation Act (RECA) Liabilities; and September 11th Victim Compensation Fund Liabilities.

C. Basis of Consolidation

The consolidated/combined financial statements of the Department include the accounts of the AFF/SADF, OBDs, USMS, OJP, DEA, FBI, ATF, BOP, and FPI. All significant proprietary intra-departmental transactions and balances have been eliminated in consolidation. The Statements of Budgetary Resources and Statements of Custodial Activity are combined statements for FYs 2012 and 2011, and as such, intra-departmental transactions have not been eliminated.

D. Basis of Accounting

Transactions are recorded on the accrual and budgetary bases of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred, regardless of when cash is exchanged. Under the budgetary basis, however, funds availability is recorded based upon legal considerations and constraints. As a result, certain line items on the proprietary financial statements may not equal similar line items on the budgetary financial statements. FPI is non-appropriated and self-sustaining. While FPI performs budgetary accounting in preparing its financial statements, FPI does not record budgetary information at the transaction level.

Custodial activity reported on the Combined Statement of Custodial Activity is prepared on the modified cash basis. Civil and Criminal Debt Collections are recorded when the Department receives payment from debtors. Accrual adjustments are made related to collections of fees and licenses.

The financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources and legal authority to do so.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

E. Non-Entity Assets

Non-entity assets are not available for use by the Department and consist primarily of restricted undisbursed civil and criminal debt collections, seized cash, accounts receivable, and other monetary assets.

F. Fund Balance with U.S. Treasury and Cash

Funds with the Department of the Treasury (Treasury) represent primarily appropriated, revolving, and trust funds available to pay current liabilities and finance future authorized purchases. The Treasury, as directed by authorized certifying officers, processes cash receipts and disbursements. The Department does not, for the most part, maintain cash in commercial bank accounts. Certain receipts, however, are processed by commercial banks for deposit into individual accounts maintained at the Treasury. The Department's cash and other monetary assets consist of undeposited collections, imprest funds, cash used in undercover operations, cash held as evidence, and seized cash.

G. Investments

Investments are market-based Treasury securities issued by the Bureau of Public Debt. When securities are purchased, the investment is recorded at face value (the value at maturity). The Department's intent is to hold investments to maturity, unless the invested funds are needed to sustain operations. No provision is made for unrealized gains or losses on these securities because, in the majority of cases, they are held to maturity. The market value of the investments is the current market value at the end of the reporting period. It is calculated by using the "End of Day" price listed in The FedInvest Price File which can be found on the Bureau of Public Debt website (http://www.fedinvest.gov/). Investments are reported on the Consolidated Balance Sheet at their net value, the face value plus or minus any unamortized premium or discount. Premiums and discounts are amortized over the life of the Treasury security. The interest method is used for the amortization of premium and discount of Treasury notes and the straight-line method is used for Treasury bills. Amortization is based on the straight-line method over the term of the securities.

The AFF, the U.S. Trustee System Fund, and the Federal Prison Commissary Fund are three earmarked funds that invest in Treasury securities. The Treasury does not set aside assets to pay future expenditures associated with earmarked funds. Instead, the cash generated from earmarked funds is used by the Treasury for general Government purposes. When these earmarked funds redeem their Treasury securities to make expenditures, the Treasury will finance the expenditures in the same manner that it finances all other expenditures.

Treasury securities are issued to the earmarked funds as evidence of earmarked receipts and provide the funds with the authority to draw upon the U.S. Treasury for future authorized expenditures.
Treasury securities held by an earmarked fund are an asset of the fund and a liability of the Treasury, so they are eliminated in consolidation for the U.S. Government-wide financial statements.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

H. Accounts Receivable

Net accounts receivable includes reimbursement and refund receivables due from federal agencies and the public, less the allowance for doubtful accounts. Generally, most intragovernmental accounts receivable are considered fully collectible. The allowance for doubtful accounts for public receivables is estimated based on past collection experience and analysis of outstanding receivable balances at year end.

I. Inventory and Related Property

Inventory is maintained primarily for the manufacture of goods for sale to customers. This inventory is composed of three categories: Raw Materials, Work in Process, and Finished Goods. Raw material inventory value is based upon moving average costs. Inventories are valued at the lower of average cost or market value (LCM) and include materials, labor and manufacturing overhead. Market value is calculated on the basis of the contractual or anticipated selling price, less allowance for administrative expenses. DOJ values its finished goods and sub-assembly items at a standard cost that is periodically adjusted to approximate actual cost. DOJ has established inventory allowances to account for LCM adjustments and obsolete items that may not be utilized in future periods.

Additional inventories consist of new and rehabilitated office furniture, equipment and supplies used for the repair of airplanes, administrative supplies and materials, commissary sales to inmates (sundry items), metals, plastics, electronics, graphics, and optics.

J. General Property, Plant and Equipment

With the exception of land, real property and leasehold improvements are capitalized when the cost of acquiring and/or improving the asset is $100 or more and the asset has a useful life of two or more years. Land is capitalized regardless of the acquisition cost. Real property is depreciated or amortized, based on historical cost, using the straight-line method over the estimated useful life of the asset.

Except for BOP and FPI, Department acquisitions of personal property, excluding internal use software, costing $25 or more is capitalized if the asset has an estimated useful life of two or more years. Personal property is depreciated, based on historical cost, using the straight-line method over the estimated useful life of the asset. BOP and FPI capitalize personal property acquisitions over $5 and $10, respectively.

Internal use software is capitalized when developmental phase costs or enhancement costs are $500 or more and the asset has an estimated useful life of two or more years. Aircraft are capitalized when the initial cost of acquiring those assets is $100 or more. Internal use software and aircraft are depreciated, based on historical cost, using the straight-line method over the estimated useful life of the asset.

K. Advances and Prepayments

Advances and prepayments, classified as assets on the Consolidated Balance Sheets, consist primarily of funds disbursed to grantees in excess of total expenditures made by those grantees to third parties, funds advanced to state and local participants in the DEA Domestic Cannabis Eradication and Suppression Program, and travel advances issued to federal employees for official travel. Travel advances are limited to meals and incidental expenses expected to be incurred by the employees during official travel. Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of payment and are recognized as expenses when the goods and services are received.

L. Forfeited and Seized Property

Forfeited property is property for which the title has passed to the U.S. Government. This property is recorded at the estimated fair market value at the time of forfeiture and is not adjusted for any subsequent increases and decreases in estimated fair market value. The value of the property is reduced by the estimated liens of record.

Property is seized in consequence of a violation of public law. Seized property can include monetary instruments, real property, and tangible personal property of others in the actual or constructive possession of the custodial agency. Most non-cash property is held by the USMS from the point of seizure until its disposition. This property is recorded at the estimated fair market value at the time of seizure and is not adjusted for any subsequent increases and decreases in estimated fair market value.

M. Liabilities

Liabilities represent the monies or other resources that are likely to be paid by the Department as the result of a transaction or event that has already occurred. However, no liability can be paid by the Department absent proper budget authority. Liabilities that are not funded by the current year appropriation are classified as liabilities not covered by budgetary resources in Note 11. Accrued payroll and benefits are accrued based on the number of days in a pay period earned but not paid to employees at the end of the fiscal year.

N. Accrued Grant Liabilities

Disbursements of grant funds are recognized as expenses at the time of disbursement. However, some grant recipients incur expenditures prior to initiating a request for disbursement based on the nature of the expenditures. The OBDs and OJP accrue a liability for expenditures incurred by grantees prior to receiving grant funds for expenditures. The amount to be accrued is determined through an analysis of historic grant expenditures. These estimates are based on the most current information available at the time the financial statements are prepared.

Estimates for the grant accrual contain assumptions that have an impact on the financial statements. The key assumptions used in the grant accrual are: grantees have consistent spending patterns

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

N. Accrued Grant Liabilities (continued)

throughout the life of the grant, grantees will drawdown throughout the life of the grant, and the grant has a determined end date. The primary elements of these assumptions include, but are not limited to, type of grant that has been awarded, grant period, accounting basis used by the grantees, and the grant expenditure rate.

O. Contingencies and Commitments

The Department is involved in various administrative proceedings, legal actions, and claims. The balance sheet includes an estimated liability for those legal actions where management and the Chief Counsel consider adverse decisions “probable” and amounts are reasonably estimable. Legal actions where management and the Chief Counsel consider adverse decisions “probable” or “reasonably possible” and the amounts are reasonably estimable are disclosed in Note 16. However, there are cases where amounts have not been accrued or disclosed because the amounts of the potential loss cannot be estimated or the likelihood of an unfavorable outcome is considered “remote”.

P. Annual, Sick, and Other Leave

Annual and compensatory leave is expensed with an offsetting liability as it is earned and the liability is reduced as leave is taken. Each year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to fund annual and compensatory leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of nonvested leave are expensed as taken.

Q. Interest on Late Payments

Pursuant to the Prompt Payment Act, 31 U.S.C. § 3901-3907, the Department pays interest on payments for goods or services made to business concerns after the due date. The due date is generally 30 days after receipt of a proper invoice or acceptance of the goods or services, whichever is later.

R. Retirement Plan

With few exceptions, employees hired before January 1, 1984 are covered by the Civil Service Retirement System (CSRS) and employees hired on or after that date are covered by the Federal Employees Retirement System (FERS). For employees covered by CSRS, the Department contributes 7% of the employees’ gross pay for regular and 7.5% for law enforcement officers’ retirement. For employees covered by FERS, the Department contributes 11.9% of the employees’ gross pay for regular and 26.3% for law enforcement officers’ retirement. All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For those employees covered by the FERS, a TSP account is automatically established to which the Department is required to contribute an additional 1% of gross pay and match employee contributions up to 4%. No contributions are made to the TSP accounts established by the CSRS employees. The Department does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to its employees.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

R. Retirement Plan (continued)

Such reporting is the responsibility of the Office of Personnel Management (OPM). Statement of Federal Financial Accounting Standards (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service. Refer to Note 19, *Imputed Financing from Costs Absorbed by Others*, for additional details.

S. Federal Employee Compensation Benefits

The FECA provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The total FECA liability consists of an actuarial and an accrued portion as discussed below.

Actuarial Liability: The Department of Labor (DOL) calculates the liability of the federal government for future compensation benefits, which includes the expected liability for death, disability, medical, and other approved costs. The liability is determined using the paid-losses extrapolation method calculated over the next 37-year period. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments are discounted to present value. The resulting federal government liability is then distributed by agency. The Department's portion of this liability includes the estimated future cost of death benefits, workers' compensation, medical, and miscellaneous cost for approved compensation cases for the Department employees. The Department liability is further allocated to component reporting entities on the basis of actual payments made to the FECA Special Benefits Fund (SBF) for the three prior years as compared to the total Department payments made over the same period.

The FECA actuarial liability is recorded for reporting purposes only. This liability constitutes an extended future estimate of cost, which will not be obligated against budgetary resources until the fiscal year in which the cost is actually billed to the Department. The cost associated with this liability cannot be met by the Department without further appropriation action.

Accrued Liability: The accrued FECA liability is the amount owed to the DOL for the benefits paid from the FECA SBF directly to Department employees.

T. Intragovernmental Activity

Intragovernmental costs and exchange revenue represent transactions made between two reporting entities within the federal government. Costs and earned revenues with the public represent exchange transactions made between the reporting entity and a non-federal entity. The classification of revenue or cost as "intragovernmental" or "with the public" is defined on a transaction-by-transaction basis. The purpose of this classification is to enable the federal government to prepare consolidated financial statements, not to match public and intragovernmental revenue with the costs incurred to produce public and intragovernmental revenue.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

U. Revenues and Other Financing Sources

The Department receives the majority of funding needed to support its programs through Congressional appropriations. The Department receives annual, multi-year, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Additional funding is obtained through exchange revenues, nonexchange revenues, and transfers-in.

Appropriations Used are recognized as budgetary financing sources at the time the related program or administrative expenses are incurred. Exchange revenues are recognized when earned, for example, when goods have been delivered or services rendered. Nonexchange revenues are resources that the Government demands or receives, for example, forfeiture revenue and fines and penalties.

The Department's exchange revenue consists of the following activities: licensing fees to manufacture and distribute controlled substances; services rendered for legal activities; space management; data processing services; sale of merchandise and telephone services to inmates; sale of manufactured goods and services to other federal agencies; and other services. Fees are set by law and are The Department's exchange revenue consists of the following activities: licensing fees to manufacture and distribute controlled substances; services rendered for legal activities; space management; data processing services; sale of merchandise and telephone services to inmates; sale of manufactured goods and services to other federal agencies; and other services. Fees are set by law and are periodically evaluated in accordance with OMB guidance.

The Department's nonexchange revenue consists of forfeiture income resulting from the sale of forfeited property, penalties in lieu of forfeiture, recovery of returned asset management cost, judgment collections, and other miscellaneous income. Other nonexchange revenue includes the OJP Crime Victims Fund receipts, ATF fees from firearms and ammunition industries, and AFF/SADF interest on investments with the Treasury.

The Department's deferred revenue includes fees received for processing various applications and licenses with DEA for which the process was not completed at the end of fiscal year or for licenses that are valid for multiple years. These monies are recorded as liabilities in the financial statements. Deferred revenue also includes forfeited property held for sale. When the property is sold, deferred revenue is reversed and forfeiture revenue in the amount of the gross proceeds of the sale is recorded.

V. Earmarked Funds

SFFAS No. 27, *Identifying and Reporting Earmarked Funds*, defines 'earmarked funds' as being financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the government's general revenues. The three required criteria for an Earmarked Fund are:

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

V. Earmarked Funds (continued)

1. A statute committing the federal government to use specifically identified revenues and other financing sources only for designated activities, benefits or purposes;
2. Explicit authority for the earmarked fund to retain revenues and other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and
3. A requirement to account for and report on the receipt, use, and retention of the revenues and other financing sources that distinguishes the earmarked fund from the Government's general revenues.

The following funds meet the definition of an earmarked fund: AFF, U.S. Trustee System Fund, Antitrust Division, Crime Victims Fund, Diversion Control Fee Account, and Federal Prison Commissary Fund.

W. Allocation Transfer of Appropriation

The Department is a party to allocation transfers with other federal agencies as a transferring (parent) entity and/or a receiving (child) entity. Allocation transfers are legal delegations by one department of its authority to obligate budget authority and outlay funds to another department. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations, and budget apportionments are derived. Two exceptions to this general rule affecting the Department include the funds transferred from the Judicial Branch to the USMS, and funds transferred from the Executive Office of the President to OJP. Per OMB's guidance, USMS and OJP report all activity relative to these allocation transfers in the respective financial statements.

The activity related to these transfers, included as part of these financial statements, is highlighted below:

OJP, as the parent, transfers funds from the Crime Victims Fund to the Department of Health and Human Services (HHS). This transfer is required by 42 U.S.C. §10603a {Sec. 14-4A} for *Child Abuse Prevention and Treatment Grants.* Amounts made available by section §10601(d)(2) of this title, for the purposes of this section, are to be obligated and expended by the Secretary of HHS for grants under section §5106c of this title.

OJP receives, as a child entity, allocation transfers of appropriations from the Executive Office of the President. This transfer is authorized by P.L. 111-117 and P.L. 112-74. Per OMB guidance OJP reports all budgetary and proprietary activity for ***Do Right by Youth Pilot*** transferred from the Executive Office of the President to OJP.

The Department also allocated funds from BOP, as the parent, to the Public Health Service (PHS), a primary division of the Department of Health and Human Services (HHS). PHS provides a portion of medical treatment for federal inmates. The money is designated and expended for current year obligation of PHS staff salaries, benefits, and applicable relocation expenses.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

W. Allocation Transfer of Appropriation (continued)

USMS, as the child, receives allocation transfers of appropriation from the Administrative Office of the U.S. Courts. The allocation transfers are used for costs associated with protective guard services - Court Security Officers at United States courthouses and other facilities housing federal court operations. These costs include their salaries (paid through contracts), equipment, and supplies. This transfer is performed on an annual basis.

X. Tax Exempt Status

As an agency of the federal government, the Department is exempt from all income taxes imposed by any governing body whether it be a federal, state, commonwealth, local or foreign government.

Y. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Z. Reclassifications

The FY 2011 financial statements were reclassified to conform to the FY 2012 Departmental financial statement presentation requirements. The Department has realigned its Statement of Net Cost and Note 18, Net Cost of Operations by Suborganization to further align to the revised goal structure in accordance with the Department's Strategic Plan. Also, changes to the presentation of the Combined and Combining Statements of Budgetary Resources were made, in accordance with guidance provided in OMB Circular A-136 and as such, activity and balances reported on the FY 2011 Combined and Combining Statement of Budgetary Resources have been reclassified to conform to the presentation in the current year. Certain other prior year amounts have also been reclassified to conform with the current year presentation. The reclassifications have no material effect on total assets, liabilities, net position, change in net position or budgetary resources, as previously reported.

AA. Subsequent Events

Subsequent events and transactions occurring after September 30, 2012 through the date of the auditors' opinion have been evaluated for potential recognition or disclosure in the financial statements. The date of the auditors' opinion also represents the date that the financial statements were available to be issued.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 2. Non-Entity Assets

As of September 30, 2012 and 2011

	2012	2011
Intragovernmental		
Fund Balance with U.S. Treasury	$ 1,294,306	$ 727,647
Investments, Net	1,516,625	3,989,294
Total Intragovernmental	2,810,931	4,716,941
With the Public		
Cash and Monetary Assets	229,373	233,376
Accounts Receivable, Net	4,032	7,304
Total With the Public	233,405	240,680
Total Non-Entity Assets	3,044,336	4,957,621
Total Entity Assets	40,146,378	37,835,469
Total Assets	$ 43,190,714	$ 42,793,090

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 3. Fund Balance with U.S. Treasury

The Fund Balances with U.S. Treasury represent the unexpended balances on the Department's books for all the Department's Treasury Symbols.

As of September 30, 2012 and 2011

	2012	2011
Fund Balances		
Trust Funds	$ 100,106	$ 104,879
Special Funds	9,564,996	7,609,838
Revolving Funds	572,010	473,319
General Funds	14,447,788	15,105,225
Other Fund Types	60,398	61,191
Total Fund Balances with U.S. Treasury	$ 24,745,298	$ 23,354,452
Status of Fund Balances		
Unobligated Balance - Available	$ 2,948,354	$ 2,637,205
Unobligated Balance - Unavailable	1,088,078	1,245,118
Obligated Balance not yet Disbursed	15,040,015	14,885,994
Other Funds (With)/Without Budgetary Resources	5,668,851	4,586,135
Total Status of Fund Balances	$ 24,745,298	$ 23,354,452

Annual and multi-year budget authority expires at the end of its period of availability. During the first through the fifth expired years, the unobligated balance is unavailable and may only be used to adjust obligations and disbursements that were recorded before the budgetary authority expired or to meet a legitimate or bona fide need arising in the fiscal year for which the appropriation was made. The unobligated balance for no-year budget authority may be used to incur obligations indefinitely for the purpose specified by the appropriation act. No-year budget authority unobligated balances are still subject to the annual apportionment and allotment process.

Unobligated Balance - Unavailable includes amounts appropriated in prior fiscal years that are no longer available to fund new obligations, but can be used for upward and/or downward adjustments for existing obligations. Additionally, this line includes amounts received that are restricted to future use and as a result are not apportioned for current use. Other restricted funds include the collections of fees in excess of amounts budgeted for administering the Diversion Control Program. These collections may not be used until authorized by Congress.

Other Funds (With)/Without Budgetary Resources primarily represent the net of 1) investments in short-term securities with budgetary resources, 2) resources temporarily not available pursuant to public law, 3) custodial liabilities, and 4) miscellaneous receipts.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 4. Cash and Monetary Assets

As of September 30, 2012 and 2011

	2012	2011
Cash		
Undeposited Collections	$ 16,439	$ 2,813
Imprest Funds	14,876	14,071
Seized Cash Deposited	82,166	87,243
Other Cash	72,557	72,700
Total Cash	186,038	176,827
Monetary Assets		
Seized Monetary Instruments	74,644	73,426
Total Cash and Monetary Assets	$ 260,682	$ 250,253

The majority of Other Cash consists of project-generated proceeds from undercover operations.

Note 5. Investments, Net

	Face Value	Unamortized Premium (Discount)	Interest Receivable	Investments, Net	Market Value
As of September 30, 2012					
Intragovernmental					
Non-Marketable Securities					
Market Based	$ 6,213,792	$ (76)	$ 187	$ 6,213,903	$ 6,214,504

	Face Value	Unamortized Premium (Discount)	Interest Receivable	Investments, Net	Market Value
As of September 30, 2011					
Intragovernmental					
Non-Marketable Securities					
Market Based	$ 6,919,892	$ (137)	$ 44	$ 6,919,799	$ 6,920,238

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 6. Accounts Receivable, Net

As of September 30, 2012 and 2011

	2012	2011
Intragovernmental		
Accounts Receivable	$ 324,425	$ 380,562
Allowance for Uncollectible Accounts	(98)	(131)
Total Intragovernmental	324,327	380,431
With the Public		
Accounts Receivable	131,503	141,934
Allowance for Uncollectible Accounts	(15,891)	(16,036)
Total With the Public	115,612	125,898
Total Accounts Receivable, Net	$ 439,939	$ 506,329

Intragovernmental accounts receivable consists mainly of amounts due under reimbursable agreements with federal entities for services and goods provided.

The accounts receivable with the public primarily consists of OBDs U.S. Trustee Chapter 11 quarterly fees, FBI Non-Federal User Fee Program, FBI National Name Check Program, court mandated restitution, and refunds due from the public.

Note 7. Inventory and Related Property, Net

As of September 30, 2012 and 2011

	2012	2011
Inventory		
Raw Materials	$ 45,078	$ 42,832
Work in Process	26,081	30,583
Finished Goods	53,949	60,697
Inventory Purchased for Resale	19,715	18,286
Excess, Obsolete, and Unserviceable	30,562	27,087
Inventory Allowance	(26,416)	(27,265)
Operating Materials and Supplies		
Held for Current Use	17,640	18,669
Total Inventory and Related Property, Net	$ 166,609	$ 170,889

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property

Equitable Sharing Payments:

The statute governing the use of the AFF (28 U.S.C. §524(c)) permits the payment of equitable shares of forfeiture proceeds to participating foreign governments and state and local law enforcement agencies. The statute does not require such sharing and permits the Attorney General wide discretion in determining those transfers. Actual sharing is difficult to predict because many factors influence both the amount and timing of disbursement of equitable sharing payments, such as the length of time required to move an asset through the forfeiture process to disposition, the amount of net proceeds available for sharing, the elapse of time for Departmental approval of equitable sharing requests for cases with asset values exceeding $1 million, and appeal of forfeiture judgments. Because of uncertainties surrounding the timing and amount of any equitable sharing payment, an obligation and expense are recorded only when the actual disbursement of the equitable sharing payment is imminent. The anticipated equitable sharing allocation level for FY 2013 is $446 million.

Analysis of Change in Forfeited Property:

The number of items represents quantities calculated using many different units of measure. If necessary, the adjustments column includes property status and valuation changes received after, but properly credited to the appropriate fiscal years. The valuation changes include updates and corrections to an asset's value recorded in the prior year.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property (continued)

For the Fiscal Year Ended September 30, 2012

Forfeited Property Category		Beginning Balance	Adjust-ments	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial	Number	117	-	283	(222)	178	-	178
Instruments	Value	$ 1,730	$ -	$ 25,544	$ (25,945)	$ 1,329	$ (658)	$ 671
Real	Number	452	-	390	(424)	418	-	418
Property	Value	$ 98,008	$ -	$ 64,732	$ (80,744)	$ 81,996	$ (977)	$ 81,019
Personal	Number	3,384	-	6,156	(5,682)	3,858	-	3,858
Property	Value	$ 74,846	$ (16,146)	$ 80,856	$ (75,584)	$ 63,972	$ (551)	$ 63,421
Non-Valued Firearms	Number	23,593	-	17,525	(14,322)	26,796	-	26,796
Total	Number	27,546	-	24,354	(20,650)	31,250	-	31,250
	Value	$ 174,584	$ (16,146)	$ 171,132	$ (182,273)	$ 147,297	$ (2,186)	$ 145,111

For the Fiscal Year Ended September 30, 2011

Forfeited Property Category		Beginning Balance	Adjust-ments	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial	Number	97	-	155	(135)	117	-	117
Instruments	Value	$ 2,219	$ -	$ 15,822	$ (16,311)	$ 1,730	$ -	$ 1,730
Real	Number	477	-	315	(340)	452	-	452
Property	Value	$ 89,018	$ -	$ 74,928	$ (65,938)	$ 98,008	$ (866)	$ 97,142
Personal	Number	3,047	-	5,996	(5,659)	3,384	-	3,384
Property	Value	$ 102,196	$ -	$ 93,813	$ (121,163)	$ 74,846	$ (972)	$ 73,874
Non-Valued Firearms	Number	19,378	-	16,231	(12,016)	23,593	-	23,593
Total	Number	22,999	-	22,697	(18,150)	27,546	-	27,546
	Value	$ 193,433	$ -	$ 184,563	$ (203,412)	$ 174,584	$ (1,838)	$ 172,746

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property (continued)

Method of Disposition of Forfeited Property:

During FYs 2012 and 2011, $132,710 and $165,406 of forfeited property were sold, $2,672 and $16,211 were destroyed or donated, $10,349 and $9,262 were returned to owners, and $36,542 and $12,533 were disposed of by other means, respectively. Other means of disposition include property transferred to other federal agencies for official use or equitable sharing, or property distributed to a state or local agency.

Analysis of Change in Seized Property:

Property seized for any purpose other than forfeiture and held by the seizing agency or a custodial agency should be disclosed by the seizing agency. All property seized for forfeiture, including property with evidentiary value, will be reported by the AFF/SADF. The Department has established a reporting threshold of $1 or more for Personal Property seized for evidentiary purposes.

A seizure is the act of taking possession of goods in consequence of a violation of public law. Seized property consists of seized cash, monetary instruments, real property and tangible personal property in the actual or constructive possession of the seizing and the custodial agencies. The Department, until judicially or administratively forfeited, does not legally own such property. Seized evidence includes cash, financial instruments, non-monetary valuables, firearms, and drugs. The AFF/SADF reports property seized for forfeiture and the FBI, DEA, and ATF report property seized for evidence.

The adjustments for FYs 2012 and 2011 include property status and valuation changes received after, but properly credited to FYs 2011 and 2010, respectively. The valuation changes include updates and corrections to an asset's value recorded in a prior year. During FY 2011, the DEA had access to better information that allowed the reporting of partial destructions of drugs held for evidence at the time of partial destruction rather than at the time the exhibit was fully destroyed. Therefore, the DEA has recorded an adjustment in the FY 2011 "Adjustment" column to primarily reflect the partial destruction of exhibits destroyed in prior years. ATF's adjustments for non-valued firearms are items determined to be seized for evidence that were not included in the seized for evidence balances in prior years.

The DEA, FBI, and ATF have custody of drugs taken as evidence for legal proceedings. In accordance with Federal Financial Accounting and Auditing Technical Release No. 4, *Reporting on Non-Valued Seized and Forfeited Property*, the Department reports the total amount of seized drugs by quantity only, as drugs have no value and are destroyed upon resolution of legal proceedings.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property (continued)

Analyzed drug evidence includes cocaine, heroin, marijuana and methamphetamine and represents actual laboratory tested classification and weight in kilograms (KG). Since enforcing the controlled substances laws and regulations of the United States is a primary mission of the DEA, the DEA reports all analyzed drug evidence regardless of seizure weight. However, the enforcement of these laws and regulations is incidental to the missions of the FBI and ATF and therefore they only report those individual seizures exceeding 1 KG in weight.

"Other" primarily consists of substances, both controlled and non-controlled as defined per the Controlled Substances Act, other than those discussed above. "Bulk Drug Evidence" is comprised of controlled substances housed by the DEA in secured storage facilities of which only a sample is taken for laboratory analysis. The actual bulk drug weight may vary from seizure weight due to changes in moisture content over time.

Unanalyzed drug evidence is qualitatively different from analyzed and bulk drug evidence because unanalyzed drug evidence includes the weight of packaging and drug categories are based on the determination of Special Agents instead of laboratory chemists. For these reasons, unanalyzed drug evidence is not reported by the Department. Seized drug evidence must be analyzed and confirmed through laboratory testing to be placed in one of the five categories of drug above.

"Disposals" occur when seized property is forfeited, returned to parties with a bona fide interest, or destroyed in accordance with federal guidelines.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property (continued)

For the Fiscal Year Ended September 30, 2012

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash Deposited and Seized Monetary Instruments	Value	$ 4,016,891	$ -	$ 1,587,055	$ (4,067,423)	$ 1,536,523	$(125,969)	$ 1,410,554
Financial Instruments	Number	477	(135)	328	(150)	520	-	520
	Value	$ 53,241	$ (33,852)	$ 55,920	$ (6,941)	$ 68,368	$ (4,851)	$ 63,517
Real Property	Number	146	(2)	131	(148)	127	-	127
	Value	$ 48,364	$ 365	$ 35,139	$ (38,784)	$ 45,084	$ (9,710)	$ 35,374
Personal Property	Number	7,477	-	8,264	(7,722)	8,019	-	8,019
	Value	$ 184,003	$ -	$ 107,126	$ (107,332)	$ 183,797	$ (16,667)	$ 167,130
Non-Valued Firearms	Number	36,915	-	19,716	(23,059)	33,572	-	33,572

For the Fiscal Year Ended September 30, 2011

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash Deposited and Seized Monetary Instruments	Value	$ 1,424,806	$ -	$ 3,844,026	$ (1,251,941)	$ 4,016,891	$ (92,080)	$ 3,924,811
Financial Instruments	Number	413	(109)	274	(101)	477	-	477
	Value	$ 99,712	$ (66,438)	$ 24,101	$ (4,134)	$ 53,241	$ (3,236)	$ 50,005
Real Property	Number	183	-	153	(190)	146	-	146
	Value	$ 61,270	$ -	$ 49,431	$ (62,337)	$ 48,364	$ (16,030)	$ 32,334
Personal Property	Number	7,319	-	7,171	(7,013)	7,477	-	7,477
	Value	$ 161,552	$ -	$ 124,371	$ (101,920)	$ 184,003	$ (16,209)	$ 167,794
Non-Valued Firearms	Number	34,281	-	23,858	(21,224)	36,915	-	36,915

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property (continued)

For the Fiscal Year Ended September 30, 2012

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Evidence								
Seized Monetary Instruments	Value	$ 46,847	$ (2,185)	$ 33,100	$ (27,118)	$ 50,644	$ -	$ 50,644
Personal	Number	1,421	41	323	(371)	1,414	-	1,414
Property	Value	$ 36,379	$ (35)	$ 9,673	$ (15,680)	$ 30,337	$ -	$ 30,337
Non-Valued								
Firearms	Number	62,595	(197)	16,088	(14,155)	64,331	-	64,331
Drug Evidence								
Cocaine	KG	56,161	421	28,033	(31,031)	53,584	-	53,584
Heroin	KG	3,108	(50)	1,124	(761)	3,421	-	3,421
Marijuana	KG	17,807	(321)	4,626	(4,689)	17,423	-	17,423
Bulk Drug Evidence	KG	278,152	252	995,893	(876,653)	397,644	-	397,644
Methamphetamine	KG	6,957	10	3,413	(1,877)	8,503	-	8,503
Other	KG	24,763	(1,145)	3,923	(5,687)	21,854	-	21,854
Total Drug Evidence	KG	386,948	(833)	1,037,012	(920,698)	502,429	-	502,429

For the Fiscal Year Ended September 30, 2011

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Evidence								
Seized Monetary Instruments	Value	$ 45,577	$ (4,903)	$ 45,419	$ (39,246)	$ 46,847	$ -	$ 46,847
Personal	Number	1,602	(85)	412	(508)	1,421	-	1,421
Property	Value	$ 26,691	$ 8,649	$ 13,946	$ (12,907)	$ 36,379	$ -	$ 36,379
Non-Valued								
Firearms	Number	44,465	7,405	14,268	(3,543)	62,595	-	62,595
Drug Evidence								
Cocaine	KG	278,449	(222,619)	27,429	(27,098)	56,161	-	56,161
Heroin	KG	3,450	(589)	812	(565)	3,108	-	3,108
Marijuana	KG	20,061	(1,521)	6,362	(7,095)	17,807	-	17,807
Bulk Drug Evidence	KG	227,564	1,043	1,058,390	(1,008,845)	278,152	-	278,152
Methamphetamine	KG	7,622	(1,928)	2,649	(1,386)	6,957	-	6,957
Other	KG	46,663	(16,935)	3,563	(8,528)	24,763	-	24,763
Total Drug Evidence	KG	583,809	(242,549)	1,099,205	(1,053,517)	386,948	-	386,948

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property (continued)

Method of Disposition of Seized Property:

During FYs 2012 and 2011, $4,121,701 and $1,297,764 of seized property were forfeited, $100,681 and $120,156 were returned to parties with a bonafide interest, and $40,896 and $54,566 were either released to a designated party or transferred to the appropriate federal entity under forfeiture or abandonment procedures. Non-valued property was primarily disposed of through destruction.

Note 9. General Property, Plant and Equipment, Net

As of September 30, 2012

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	$ 184,622	$ -	$ 184,622	N/A
Improvements to Land	4,926	(1,187)	3,739	15 yrs
Construction in Progress	658,901	-	658,901	N/A
Buildings, Improvements and Renovations	10,075,903	(4,329,867)	5,746,036	2-50 yrs
Other Structures and Facilities	887,732	(472,971)	414,761	10-50 yrs
Aircraft	456,739	(151,139)	305,600	5-30 yrs
Boats	12,420	(7,005)	5,415	5-25 yrs
Vehicles	651,787	(397,427)	254,360	2-25 yrs
Equipment	1,743,587	(1,048,698)	694,889	2-25 yrs
Assets Under Capital Lease	93,139	(53,503)	39,636	2-30 yrs
Leasehold Improvements	1,498,657	(834,557)	664,100	2-20 yrs
Internal Use Software	1,266,385	(455,763)	810,622	2-10 yrs
Internal Use Software in Development	403,463	-	403,463	N/A
Total	$ 17,938,261	$ (7,752,117)	$ 10,186,144	

	Federal	Public	Total
Sources of Capitalized Property, Plant and Equipment Purchases for FY 2012	$ 230,403	$ 843,795	$ 1,074,198

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 9. General Property, Plant and Equipment, Net (continued)

As of September 30, 2011

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	$ 193,042	$ -	$ 193,042	N/A
Improvements to Land	4,584	(866)	3,718	15 yrs
Construction in Progress	894,755	-	894,755	N/A
Buildings, Improvements and Renovations	9,578,003	(4,001,606)	5,576,397	2-50 yrs
Other Structures and Facilities	849,524	(433,515)	416,009	10-50 yrs
Aircraft	450,418	(132,678)	317,740	5-30 yrs
Boats	10,078	(5,943)	4,135	5-25 yrs
Vehicles	594,285	(368,856)	225,429	2-25 yrs
Equipment	1,676,992	(1,007,478)	669,514	2-25 yrs
Assets Under Capital Lease	105,246	(61,623)	43,623	2-30 yrs
Leasehold Improvements	1,338,886	(714,246)	624,640	2-20 yrs
Internal Use Software	773,237	(287,106)	486,131	3-10 yrs
Internal Use Software in Development	762,637	-	762,637	N/A
Total	$ 17,231,687	$ (7,013,917)	$ 10,217,770	

	Federal	Public	Total
Sources of Capitalized Property, Plant and Equipment Purchases for FY 2011	$ 229,207	$ 1,023,422	$ 1,252,629

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 10. Other Assets

As of September 30, 2012 and 2011

	2012	2011
Intragovernmental		
Advances and Prepayments	$ 266,561	$ 115,075
Other Intragovernmental Assets	12	28
Total Intragovernmental	266,573	115,103
Other Assets With the Public	5,585	5,982
Total Other Assets	$ 272,158	$ 121,085

Other Intragovernmental Assets include an advance to the United States District Court to initiate the condemnation proceeding for the acquisition of a prison facility in Illinois. It also includes amounts due from Treasury General Fund related to ATF. Other Assets With the Public primarily consist of farm livestock held by the BOP.

Note 11. Liabilities not Covered by Budgetary Resources

As of September 30, 2012 and 2011

	2012	2011
Intragovernmental		
Accrued FECA Liabilities	$ 257,897	$ 247,813
Other Unfunded Employment Related Liabilities	1,584	2,178
Other	5,315	3,690
Total Intragovernmental	264,796	253,681
With the Public		
Actuarial FECA Liabilities	1,474,278	1,359,360
Accrued Annual and Compensatory Leave Liabilities	830,119	822,891
Environmental and Disposal Liabilities (Note 12)	74,441	72,709
Deferred Revenue	409,396	358,742
Contingent Liabilities (Note 16)	28,551	68,652
Capital Lease Liabilities (Note 13)	16,627	23,941
RECA Liabilities (Note 25)	731,237	535,838
September 11th Victim Compensation Fund (Note 25)	2,766,400	-
Other	99,979	122,152
Total With the Public	6,431,028	3,364,285
Total Liabilities not Covered by Budgetary Resources	6,695,824	3,617,966
Total Liabilities Covered by Budgetary Resources	9,246,161	9,651,511
Total Liabilities	$ 15,941,985	$ 13,269,477

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 11. Liabilities not Covered by Budgetary Resources (continued)

Generally, liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. However, some liabilities do not require appropriations and will be liquidated by the assets of the entities holding these liabilities. Such assets include civil and criminal debt collections, seized cash and monetary instruments, and revolving fund operations.

Other Liabilities with the Public consists primarily of future funded energy savings performance contracts and utilities.

Note 12. Environmental and Disposal Liabilities

Per SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, SFFAS No. 6, *Accounting for Property, Plant, and Equipment*, and Technical Release No. 2 *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, Technical Release No. 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment,* and Technical Release No. 11, *Implementation Guidance on Cleanup Costs Associated with Equipment,* federal agencies are required to recognize liabilities for environmental clean-up costs when the future outflow or sacrifice of resources is probable and reasonably estimable.

Firing Ranges

The BOP operates firing ranges on 66 of the sites where its institutions are located. Use of these firing ranges generates waste consisting primarily of lead shot and spent rounds from rifles, shotguns, pistols, and automatic weapons. At operational firing ranges, lead-containing bullets are fired and eventually fall to the ground at or near the range. As of September 30, 2011, BOP management determined their estimated clean-up liability to be $26,045. In FY 2012, BOP management adjusted the estimated clean-up liability by the current U.S. inflation rate as determined by the U.S. Treasury and as such determined that an estimated firing range clean-up liability of $26,935, based on an inflation rate of 1.9 percent, should be recorded.

Asbestos

BOP conducted a review of 46 institutions that were built prior to 1980; the review provided an estimate of the extent of friable and non-friable Asbestos Containing Materials (ACM) remaining in each of the institutions as of October 30, 2009. As of September 30, 2011, BOP management determined their estimated clean-up liability to be $36,677. As of September 30, 2012, BOP management adjusted the clean-up liability in the amount of $610 for the removal of asbestos at 2 locations and by the U.S. inflation rate of 1.9 percent as determined by the U.S. Treasury and as such determined that an estimated asbestos clean-up liability of $37,287 should be recorded.

The FBI operates facilities in Quantico, Virginia that contain friable and non-friable ACM. The facilities have a useful life of 50 years. The estimated total liability of $11,613 is based on the square footage of the facilities

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Asbestos (continued)

that may be contaminated. This value, divided by the useful life and multiplied by the number of years in service, is the estimated cleanup liability. As of September 30, 2012 and 2011, the FBI recognized the estimated cleanup liability of $10,219 and $9,987, respectively. The estimated asbestos cleanup liability is increased each quarter by recording future expenses for the asbestos clean-up costs. During FY 2012, future funded expense for asbestos cleanup is $232. There are no other potentially responsible parties to the environmental liability and there are no unrecognized amounts to disclose as of September 30, 2012.

Note 13. Leases

Capital leases include a Federal Transfer Center (25 year lease term) in Oklahoma City, Oklahoma; an airplane hangar (20 year lease term) in Oklahoma City, Oklahoma, which expired in FY 2011 and was not renewed; and other machinery and equipment that expire over future periods.

As of September 30, 2012 and 2011

Capital Leases	2012	2011
Summary of Assets Under Capital Lease		
Land and Buildings	$ 89,625	$ 100,352
Machinery and Equipment	3,514	4,894
Accumulated Amortization	(53,503)	(61,623)
Total Assets Under Capital Lease (Note 9)	$ 39,636	$ 43,623

Future Capital Lease Payments Due

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2013	$ 9,073	$ 608	$ 9,681
2014	9,073	22	9,095
2015	32	15	47
2016	32	14	46
2017	32	-	32
After 2017	64	-	64
Total Future Capital Lease Payments	$ 18,306	$ 659	$ 18,965
Less: Imputed Interest	(1,679)	(15)	(1,694)
Less: Executory Costs	-	(175)	(175)
FY 2012 Net Capital Lease Liabilities	$ 16,627	$ 469	$ 17,096
FY 2011 Net Capital Lease Liabilities	$ 23,941	$ 1,200	$ 25,141

	2012	2011
Net Capital Lease Liabilities Covered by Budgetary Resources	$ 469	$ 1,200
Net Capital Lease Liabilities not Covered by Budgetary Resources	$ 16,627	$ 23,941

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 13. Leases (continued)

The net capital lease liability not covered by budgetary resources primarily represents the capital lease of the Federal Transfer Center for which the Department received Congressional authority to fund with annual appropriations.

Future Noncancelable Operating Lease Payments

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2013	$ 233,863	$ 9,640	$ 243,503
2014	252,603	4,482	257,085
2015	266,289	4,461	270,750
2016	270,881	78	270,959
2017	266,291	78	266,369
After 2017	2,608,046	30	2,608,076
Total Future Noncancelable Operating Lease Payments	$ 3,897,973	$ 18,769	$ 3,916,742

Note 14. Seized Cash and Monetary Instruments

The Seized Cash and Monetary Instruments represent liabilities for seized assets held by the Department pending disposition.

As of September 30, 2012 and 2011

	2012	2011
Investments, Net	$ 1,430,357	$ 3,903,069
Seized Cash Deposited	82,166	87,243
Seized Monetary Instruments	74,644	73,426
Total Seized Cash and Monetary Instruments	$ 1,587,167	$ 4,063,738

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 15. Other Liabilities

As of September 30, 2012 and 2011

	2012	2011
Intragovernmental		
Employer Contributions and Payroll Taxes Payable	$ 205,477	$ 197,871
Other Post-Employment Benefits Due and Payable	23	25
Other Unfunded Employment Related Liabilities	1,584	2,178
Advances from Others	152,447	169,108
Liability for Clearing Accounts	2,550	1,067
Other Liabilities	6,632	7,202
Total Intragovernmental	368,713	377,451
With the Public		
Other Accrued Liabilities	5,945	5,645
Advances from Others	11,020	6,992
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	61,803	60,688
Liability for Clearing Accounts	482	405
Custodial Liabilities	209,775	152,987
Other Liabilities	166,632	189,259
Total With the Public	455,657	415,976
Total Other Liabilities	$ 824,370	$ 793,427

The majority of Intragovernmental Other Liabilities are composed of tenant allowances for operating leases, monies received from prisoner funds, and certain receipts of cash that are in suspense, clearing, deposit, or general fund accounts that are owed to the Treasury.

Other Liabilities with the Public consists of project-generated proceeds from undercover operations. The proceeds not subject to forfeiture will be returned to the Department of Treasury General Fund at the conclusion of the project. In addition, Other Liabilities with the Public are composed of future funded energy savings performance contracts and utilities.

The majority of Liabilities are current with the exception of a portion that consists of capital leases and those liabilities related to future employee related expenses, such as accrued retirement contributions, life insurance, and retiree health benefits.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 16. Contingencies and Commitments

	Accrued Liabilities	Estimated Range of Loss	
		Lower	Upper
As of September 30, 2012			
Probable	$ 28,671	$ 25,871	$ 41,366
Reasonably Possible		52,860	76,131
As of September 30, 2011			
Probable	$ 68,652	$ 68,652	$ 190,144
Reasonably Possible		86,576	135,569

Additionally, FPI has entered into firm purchase commitments for solar panel material totaling $5,012 which is to be delivered in FY 2015.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 17. Earmarked Funds

Earmarked funds are financed by specifically identified revenues and are required by statute to be used for designated activities or purposes, and must be accounted for separately from the Government's general revenues. See SFFAS 27, *Identifying and Reporting Earmarked Funds*, for the required criteria for an earmarked fund.

As of September 30, 2012

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Earmarked Funds
Balance Sheet							
Assets							
Fund Balance with U. S. Treasury	$ 78,375	$ 17,623	$ 37,506	$ 9,359,797	$ 107,051	$ 86,948	$ 9,687,300
Investments, Net	4,200,767	224,210	-	-	-	-	4,424,977
Other Assets	154,634	52,124	1,587	13,666	42,699	27,298	292,008
Total Assets	$ 4,433,776	$ 293,957	$ 39,093	$ 9,373,463	$ 149,750	$ 114,246	$ 14,404,285
Liabilities							
Accounts Payable	$ 2,667,843	$ 9,020	$ 5,871	$ 19,031	$ 7,543	$ 14,775	$ 2,724,083
Other Liabilities	145,546	21,648	14,830	81,323	428,094	13,259	704,700
Total Liabilities	$ 2,813,389	$ 30,668	$ 20,701	$ 100,354	$ 435,637	$ 28,034	$ 3,428,783
Net Position							
Unexpended Appropriations	$ -	$ -	$ 25,963	$ -	$ -	$ -	$ 25,963
Cumulative Results of Operations	1,620,387	263,289	(7,571)	9,273,109	(285,887)	86,212	10,949,539
Total Net Position	$ 1,620,387	$ 263,289	$ 18,392	$ 9,273,109	$ (285,887)	$ 86,212	$ 10,975,502
Total Liabilities and Net Position	$ 4,433,776	$ 293,957	$ 39,093	$ 9,373,463	$ 149,750	$ 114,246	$ 14,404,285

For the Fiscal Year Ended September 30, 2012

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Earmarked Funds
Statement of Net Cost							
Gross Cost of Operations	$ 4,319,407	$ 227,203	$ 156,773	$ 724,712	$ 307,498	$ 361,981	$ 6,097,574
Less: Earned Revenues	10,585	226,566	87,461	-	244,354	360,290	929,256
Net Cost of Operations	$ 4,308,822	$ 637	$ 69,312	$ 724,712	$ 63,144	$ 1,691	$ 5,168,318
Statement of Changes in Net Position							
Net Position Beginning of Period	$ 1,760,544	$ 259,137	$ 15,219	$ 7,202,248	$ (232,162)	$ 83,557	9,088,543
Budgetary Financing Sources	4,197,792	4,085	72,044	2,795,573	-	-	7,069,494
Other Financing Sources	(29,127)	704	441	-	9,419	4,346	(14,217)
Total Financing Sources	$ 4,168,665	$ 4,789	$ 72,485	$ 2,795,573	$ 9,419	$ 4,346	$ 7,055,277
Net Cost of Operations	$ (4,308,822)	$ (637)	$ (69,312)	$ (724,712)	$ (63,144)	$ (1,691)	$ (5,168,318)
Net Change	(140,157)	4,152	3,173	2,070,861	(53,725)	2,655	1,886,959
Net Position End of Period	$ 1,620,387	$ 263,289	$ 18,392	$ 9,273,109	$ (285,887)	$ 86,212	$ 10,975,502

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 17. Earmarked Funds (continued)

As of September 30, 2011

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Earmarked Funds
Balance Sheet							
Assets							
Fund Balance with U. S. Treasury	$ 229,030	$ 14,532	$ 33,106	$ 7,260,185	$ 104,565	$ 80,240	$ 7,721,658
Investments, Net	2,443,702	216,029	-	-	-	-	2,659,731
Other Assets	180,020	58,406	3,152	275	46,184	27,572	315,609
Total Assets	$ 2,852,752	$ 288,967	$ 36,258	$ 7,260,460	$ 150,749	$ 107,812	$ 10,696,998
Liabilities							
Accounts Payable	$ 918,358	$ 8,236	$ 5,949	$ 9,664	$ 6,923	$ 11,131	$ 960,261
Other Liabilities	173,850	21,594	15,090	48,548	375,988	13,124	648,194
Total Liabilities	$ 1,092,208	$ 29,830	$ 21,039	$ 58,212	$ 382,911	$ 24,255	$ 1,608,455
Net Position							
Unexpended Appropriations	$ -	$ -	$ 21,727	$ -	$ -	$ -	$ 21,727
Cumulative Results of Operations	1,760,544	259,137	(6,508)	7,202,248	(232,162)	83,557	9,066,816
Total Net Position	$ 1,760,544	$ 259,137	$ 15,219	$ 7,202,248	$ (232,162)	$ 83,557	$ 9,088,543
Total Liabilities and Net Position	$ 2,852,752	$ 288,967	$ 36,258	$ 7,260,460	$ 150,749	$ 107,812	$ 10,696,998

For the Fiscal Year Ended September 30, 2011

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Earmarked Funds
Statement of Net Cost							
Gross Cost of Operations	$ 1,673,412	$ 234,356	$ 162,760	$ 662,569	$ 277,514	$ 332,106	$ 3,342,717
Less: Earned Revenues	9,513	314,921	91,636	-	195,235	341,176	952,481
Net Cost of Operations	$ 1,663,899	$ (80,565)	$ 71,124	$ 662,569	$ 82,279	$ (9,070)	$ 2,390,236
Statement of Changes in Net Position							
Net Position Beginning of Period	$ 1,687,400	$ 176,675	$ 14,385	$ 5,866,596	$ (159,279)	$ 69,853	$ 7,655,630
Budgetary Financing Sources	1,585,180	1,070	71,420	1,998,221	-	-	3,655,891
Other Financing Sources	151,863	827	538	-	9,396	4,634	167,258
Total Financing Sources	1,737,043	1,897	71,958	1,998,221	9,396	4,634	3,823,149
Net Cost of Operations	(1,663,899)	80,565	(71,124)	(662,569)	(82,279)	9,070	(2,390,236)
Net Change	73,144	82,462	834	1,335,652	(72,883)	13,704	1,432,913
Net Position End of Period	$ 1,760,544	$ 259,137	$ 15,219	$ 7,202,248	$ (232,162)	$ 83,557	$ 9,088,543

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 17. Earmarked Funds (continued)

The Comprehensive Crime Control Act of 1984 established the AFF to receive the proceeds of forfeiture and to pay the costs associated with such forfeitures, including the costs of managing and disposing of property, satisfying valid liens, mortgages, and other innocent owner claims, and costs associated with accomplishing the legal forfeiture of the property. Authorities of the fund have been amended by various public laws enacted since 1984. Under current law, authority to use the fund for certain investigative expenses shall be specified in annual appropriation acts. Expenses necessary to seize, detain, inventory, safeguard, maintain, advertise or sell property under seizure are funded through a permanent, indefinite appropriation. In addition, beginning in FY 1993, other general expenses of managing and operating the Asset Forfeiture Program are paid from the permanent, indefinite portion of the fund. Once all expenses are covered, the balance is maintained to meet ongoing expenses of the program. Excess unobligated balances may also be allocated by the Attorney General in accordance with 28 U.S.C. §524(c)(8)(E).

United States Trustees (UST) supervise the administration of bankruptcy cases and private trustees in the Federal Bankruptcy Courts. The Bankruptcy Judges, UST, and Family Farmer Bankruptcy Act of 1986 (Public Law 99–554) expanded the pilot trustee program to a 21 region, nationwide program encompassing 88 judicial districts. The UST System Fund collects user fees assessed against debtors, which offset the annual appropriation.

The Antitrust Division administers and enforces antitrust and related statutes. This program primarily involves the investigation of suspected violations of the antitrust laws, the conduct of civil and criminal proceedings in the federal courts, and the maintenance of competitive conditions. The Antitrust Division collects filing fees for pre-merger notifications and retains these fees for expenditure in support of its programs.

The Crime Victims Fund is financed by collections of fines, penalty assessments, and bond forfeitures from defendants convicted of federal crimes. This fund supports victim assistance and compensation programs around the country and advocates, through policy development, for the fair treatment of crime victims. The Office for Victims of Crime administers formula and discretionary grants for programs designed to benefit victims, provides training for diverse professionals who work with victims, develops projects to enhance victims' rights and services, and undertakes public education and awareness activities on behalf of crime victims.

The Diversion Control Fee Account is established in the General Fund of the Treasury as a separate account. Fees charged by the DEA under the Diversion Control Program are set at a level that ensures the recovery of the full costs of operating this program. The program's purpose is to prevent, detect, and investigate the diversion of controlled substances from legitimate channels, while ensuring an adequate and uninterrupted supply of controlled substances required to meet legitimate needs.

The Federal Prison Commissary Fund was created in the early 1930s to allow inmates a means to purchase additional products and services above the necessities provided by appropriated federal funds, e.g., personal grooming products, snacks, postage stamps, and telephone services. The Trust Fund is a self-sustaining trust revolving fund account that is funded through sales of goods and services to inmates.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 18. Net Cost of Operations by Suborganization

For the Fiscal Year Ended September 30, 2012

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law											
Gross Cost	$ -	$ 381,836	$ 4,794	$ -	$ 111,714	$ 5,341,870	$ 6,419	$ -	$ -	$ (119,355)	$ 5,727,278
Less: Earned Revenues	-	116,119	-	-	12,630	460,839	-	-	-	(119,355)	470,233
Net Cost of Operations	-	265,717	4,794	-	99,084	4,881,031	6,419	-	-	-	5,257,045
Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law											
Gross Cost	4,319,407	8,591,116	32,637	998,795	2,837,798	2,964,275	1,278,676	7,242	-	$ (970,264)	20,059,682
Less: Earned Revenues	10,585	924,300	-	4,839	724,373	340,061	81,369	-	-	(970,264)	1,115,263
Net Cost of Operations	4,308,822	7,666,816	32,637	993,956	2,113,425	2,624,214	1,197,307	7,242	-	-	18,944,419
Goal 3: Ensure and support the Fair, Impartial , Efficient and Transpaerent Administration of Justice at the Federal, State, Local, Tribal and International Levels											
Gross Cost	-	2,473,536	3,154,286	2,465,313	-	1,050,783	-	7,499,577	763,098	(1,883,179)	15,523,414
Less: Earned Revenues	-	225,181	1,543,645	22,458	-	485,894	-	410,305	701,286	(1,858,461)	1,530,308
Net Cost of Operations	-	2,248,355	1,610,641	2,442,855	-	564,889	-	7,089,272	61,812	(24,718)	13,993,106
Net Cost of Operations	$ 4,308,822	$10,180,888	$ 1,648,072	$ 3,436,811	$ 2,212,509	$ 8,070,134	$ 1,203,726	$ 7,096,514	$ 61,812	$ (24,718)	$ 38,194,570

For the Fiscal Year Ended September 30, 2011

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law											
Gross Cost	$ -	$ 378,325	$ 6,484	$ -	$ 106,082	$ 5,223,334	$ 5,649	$ -	$ -	$ (93,725)	$ 5,626,149
Less: Earned Revenues	-	116,209	-	-	693	447,606	-	-	-	(93,725)	470,783
Net Cost of Operations	-	262,116	6,484	-	105,389	4,775,728	5,649	-	-	-	5,155,366
Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law											
Gross Cost	1,673,412	5,858,718	30,396	1,004,443	2,929,005	2,992,410	1,268,049	6,613	-	$ (1,096,338)	14,666,708
Less: Earned Revenues	9,513	1,002,609	-	7,489	722,217	318,479	91,300	-	-	(1,096,338)	1,055,269
Net Cost of Operations	1,663,899	4,856,109	30,396	996,954	2,206,788	2,673,931	1,176,749	6,613	-	-	13,611,439
Goal 3: Ensure and support the Fair, Impartial , Efficient and Transpaerent Administration of Justice at the Federal, State, Local, Tribal and International Levels											
Gross Cost	-	2,441,919	3,174,846	2,730,468	-	1,014,392	-	7,213,365	942,915	(1,843,879)	15,674,026
Less: Earned Revenues	-	203,511	1,583,960	35,273	-	511,037	-	385,676	904,683	(1,818,415)	1,805,725
Net Cost of Operations	-	2,238,408	1,590,886	2,695,195	-	503,355	-	6,827,689	38,232	(25,464)	13,868,301
Net Cost of Operations	$ 1,663,899	$ 7,356,633	$ 1,627,766	$ 3,692,149	$ 2,312,177	$ 7,953,014	$ 1,182,398	$ 6,834,302	$ 38,232	$ (25,464)	$ 32,635,106

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 19. Imputed Financing from Costs Absorbed by Others

Imputed Inter-Departmental Financing Sources are the unreimbursed (i.e., non-reimbursed and under-reimbursed) portion of the full costs of goods and services received by the Department from a providing entity that is not part of the Department. In accordance with SFFAS No. 30, *Inter-Entity Cost Implementation Amending SFFAS No.4, Managerial Cost Accounting Concepts and Standards*, the material Imputed Inter-Departmental financing sources currently recognized by the Department include the cost of benefits for the Federal Employees Health Benefits Program (FEHB), the Federal Employees' Group Life Insurance Program (FEGLI), and the Federal Pension plans that are paid by other federal entities, and any un-reimbursed payments made from the Treasury Judgment Fund on behalf of the Department. The Treasury Judgment Fund was established by the Congress and funded at 31 U.S.C. §1304 to pay in whole or in part the court judgments and settlement agreements negotiated by the Department on behalf of agencies, as well as certain types of administrative awards. Interpretation of Federal Financial Accounting Standards Interpretation No. 2, *Accounting for Treasury Judgment Fund Transactions*, requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable and the amount can be estimated and will be paid by the Treasury Judgment Fund.

SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, requires that employing agencies recognize the cost of pensions and other retirement benefits during their employees' active years of service. SFFAS No. 5 requires OPM to provide cost factors necessary to calculate cost. OPM actuaries calculate the value of pension benefits expected to be paid in the future, and then determine the total funds to be contributed by and for covered employees, such that the amount calculated would be sufficient to fund the projected pension benefits. For employees covered by Civil Service Retirement System (CSRS), the cost factors are 29.8% of basic pay for regular, 50.9% law enforcement officers, 23.2% regular offset, and 45.2% law enforcement officers offset. For employees covered by Federal Employees Retirement System (FERS), the cost factors are 13.7% of basic pay for regular and 29.7% for law enforcement officers.

The cost to be paid by other agencies is the total calculated future costs, less employee and employer contributions. In addition, other retirement benefits, which include health and life insurance that are paid by other federal entities, must also be disclosed.

For the Fiscal Years Ended September 30, 2012 and 2011

	2012	2011
Imputed Inter-Departmental Financing		
U.S. Treasury Judgment Fund	$ 39,181	$ 71,537
Health Insurance	572,584	594,476
Life Insurance	2,038	2,038
Pension	264,211	330,434
Total Imputed Inter-Departmental	$ 878,014	$ 998,485

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 19. Imputed Financing from Costs Absorbed by Others (continued)

Imputed Intra-Departmental Financing Sources as defined in SFFAS No. 4, *Managerial Cost Accounting Standards and Concepts*, are the unreimbursed portion of the full costs of goods and services received by a Department component from a providing entity that is part of the Department. Recognition is required for those transactions determined to be material to the receiving entity. The determination of whether the cost is material requires considerable judgment based on the specific facts and circumstances of each type of good or service provided. SFFAS No. 4 also states that costs for broad and general support need not be recognized by the receiving entity, unless such services form a vital and integral part of the operations or output of the receiving entity. Costs are considered broad and general if they are provided to many, if not all, reporting components and not specifically related to the receiving entity's output. The FPI imputed $24,718 and $25,464 for FYs 2012 and 2011, respectively of unreimbursed costs for BOP warehouse space used in the production of goods by the FPI and for managerial and operational services BOP provided to FPI. These imputed costs have been eliminated from the consolidated financial statements.

Note 20. Information Related to the Statement of Budgetary Resources

Apportionment Categories of Obligations Incurred:

	Direct Obligations	Reimbursable Obligations	Total Obligations Incurred
For the Fiscal Year Ended September 30, 2012			
Obligations Apportioned Under			
Category A	$ 28,500,520	$ 5,919,576	$ 34,420,096
Category B	5,928,795	204,702	6,133,497
Exempt from Apportionment	-	697,683	697,683
Total	$ 34,429,315	$ 6,821,961	$ 41,251,276
For the Fiscal Year Ended September 30, 2011			
Obligations Apportioned Under			
Category A	$ 28,235,878	$ 5,835,181	$ 34,071,059
Category B	3,604,743	46,787	3,651,530
Exempt from Apportionment	-	824,853	824,853
Total	$ 31,840,621	$ 6,706,821	$ 38,547,442

The apportionment categories are determined in accordance with the guidance provided in Part 4 "Instructions on Budget Execution" of OMB Circular A-11, *Preparation, Submission and Execution of the Budget.* Category A obligations represent resources apportioned for calendar quarters. Category B obligations represent resources apportioned for other time periods; for activities, projects, and objectives or for a combination thereof.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 20. Information Related to the Statement of Budgetary Resources (continued)

Status of Undelivered Orders:

Undelivered Orders (UDO) represent the amount of goods and/or services ordered, which have not been actually or constructively received. This amount includes any orders which may have been prepaid or advanced but for which delivery or performance has not yet occurred.

As of September 30, 2012 and 2011

	2012	2011
UDO Obligations Unpaid	$ 10,343,834	$ 11,606,422
UDO Obligations Prepaid/Advanced	1,172,884	1,344,717
Total UDO	$ 11,516,718	$ 12,951,139

Permanent Indefinite Appropriations:

A permanent indefinite appropriation is open-ended as to both its period of availability (amount of time the agency has to spend the funds) and its amount. Following are the Department's permanent indefinite appropriations.

- 28 U.S.C. §524(c)(4) authorized the Attorney General to retain AFF receipts to pay operations expenses, equitable sharing to state and local law enforcement agencies who assist in forfeiture cases, and lien holders.

- On October 5, 1990, Congress passed the Radiation Exposure Compensation Act ("RECA" or "the Act"), 42 U.S.C. §2210, providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the Department of Justice and published in the Federal Register on April 10, 1992. These regulations established procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the Federal Register on March 22, 1999, served to greater assist claimants in establishing entitlement to an award. On July 10, 2000, P.L. 106-245, the Radiation Exposure Compensation Act Amendments of 2000 ("the 2000 Amendments") were passed. On November 2, 2002, the President signed the "21st Century Department of Justice Appropriation Authorization Act" (P.L. 107-273). Contained in the law were several provisions relating to RECA. While most of these amendments were "technical" in nature, some affected eligibility criteria and revised claims adjudication procedures. The Consolidated Appropriations Act, 2005 provides a permanent indefinite appropriation for the OBDs' Radiation Exposure Compensation Act program beginning FY 2006.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 20. Information Related to the Statement of Budgetary Resources (continued)

Permanent Indefinite Appropriations (continued):

- Congress established the Federal Prison Commissary Fund (Trust Fund) in 1932 to allow inmates a means to purchase additional products and services above the necessities provided by appropriated federal funds. The BOP Trust Fund is now a self-sustaining revolving account that is funded through the sales of goods and services, rather than annual or no-year appropriations.

- The Public Safety Officers' Benefits Act of 1976 (the "PSOB Act") is generally codified at 42 U.S.C. §46 Subchapter XII.

  OJP's PSOB appropriation supports one mandatory and two discretionary programs that provide benefits to public safety officers who are severely injured in the line of duty and to the families and survivors of public safety officers killed or mortally injured in the line of duty. The PSOB Program offers three types of benefits:

  1. Death Benefits, a one-time financial benefit to survivors of public safety officers whose deaths resulted from injuries sustained in the line of duty. Under the Hometown Heroes Survivors Benefit Act of 2003, survivors of public safety officers who die of a heart attack or stroke within 24 hours of stressful, non-routine public safety activities may also qualify for death benefits.

  2. Disability Benefits, a one-time financial benefit to public safety officers permanently disabled by catastrophic injuries sustained in the line of duty.

  3. Education Benefits, which provide financial support for higher education expenses (such as tuition and fees, books, supplies, and room and board) to the eligible spouses and children of public safety officers killed or permanently disabled in the line of duty.

Legal Arrangements Affecting Use of Unobligated Balances:

Unobligated balances represent the cumulative amount of budget authority that is not obligated and that remains available for obligation under law, unless otherwise restricted. The use of unobligated balances is restricted based on annual legislation requirements and other enabling authorities. Funds are appropriated on an annual, multi-year, and no-year basis. Appropriated funds shall expire on the last day of availability and are no longer available for new obligations. Unobligated balances in unexpired fund symbols are available in the next fiscal year for new obligations unless some restrictions had been placed on those funds by law. Amounts in expired fund symbols are unavailable for new obligations, but may be used to adjust previously established obligations.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 20. Information Related to the Statement of Budgetary Resources (continued)

Statement of Budgetary Resources vs Budget of the United States Government:

The reconciliation as of September 30, 2011 is presented below. The reconciliation as of September 30, 2012 is not presented, because the submission of the Budget of the United States (Budget) for FY 2014, which presents the execution of the FY 2012 Budget, occurs after publication of these financial statements. The Department of Justice Budget Appendix can be found on the OMB website (http://www.whitehouse.gov/omb/budget) and will be available in early February 2013.

For the Fiscal Year Ended September 30, 2011 (Dollars in Millions)	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources (SBR)	$ 42,430	$ 38,547	$ 1,026	$ 30,932
Funds not Reported in the Budget				
Expired Funds: OBDs, USMS, DEA, OJP, FBI, ATF & BOP	(662)	(56)	-	-
AFF/SADF Forfeiture Activity	(37)	-	-	-
OCDETF Adjustments	(22)	5	-	-
USMS Court Security Funds	(428)	(418)	-	(407)
Distributed Offsetting Receipts	-	-	(444)	445
Special and Trust Fund Receipts	-	-	-	580
Other	-	(4)	(3)	3
Budget of the United States Government	$ 41,281	$ 38,074	$ 579	$ 31,553

Other differences represent financial statement adjustments, timing differences and other immaterial differences between amounts reported in the Department SBR and the Budget of the United States Government.

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 21. Net Custodial Revenue Activity

Custodial revenue activity represents those collections of non-exchange revenue on behalf of other recipient entities. These collections are not recorded as revenue by the Department but as activity on the Statement of Custodial Activity. The custodial liabilities presented on the Consolidated Balance Sheet and Note 15 represent funds held by the Department that have yet to be disbursed to the appropriate Federal agency or individual.

The primary source of the Department's Office of Debt Collection Management (DCM) collections consists of civil litigated matters, e.g., student loan defaults, and health care fraud. The DCM also processes certain payments on criminal debts as an accommodation for the BOP and the Clerks of the U.S. District Courts. The BOP aggregates collections of inmate criminal debt by correction facility, and the DCM sorts the collections by judicial district and disburses payments to the respective Clerks of the U.S. Court. The DCM also accepts wire transfers or other payments on a criminal debt if a Clerk of the U.S. Court is unable or unwilling to do so. In addition, other negligible custodial collections occur for interest, fines, and penalties.

The OBDs collect civil fines, penalties, and restitution payments that are incidental to its mission. By court order, the OBDs were given the investment authority and the settlement funds collected must be invested. The OBDs invest these funds with the Treasury, Bureau of the Public Debt. As of September 30, 2012 and 2011, the custodial assets and liabilities recorded by the OBDs on the Consolidated Balance Sheet are $1,320,292 and $752,797, respectively. The OBDs custodial collections totaled $7,035,591 and $5,260,397 for the fiscal years ended September 30, 2012 and 2011.

For the fiscal years ended September 30, 2012 and 2011, DEA collected $27,595 and $97,268, respectively. DEA's collections include $15 million of the total fees collected for the Diversion Control Program and civil monetary penalties related to violations of the Controlled Substances Act that were incidental to DEA's mission. Since DEA has no statutory authority to use these excess funds, DEA transmits them to the Treasury General Fund. The DEA has a custodial liability for funds that have not yet been transmitted to the Treasury General Fund. As of September 30, 2012 and 2011 balances for custodial liabilities were $3,781 and $5,199, respectively.

As an agent of the federal government and as authorized by 26 U.S.C. § 6301, ATF collects fees from firearms and explosives industries, as well as import, permit and license fees. Special Occupational Taxes are collected from certain firearms businesses. Miscellaneous collections include project-generated proceeds. As ATF is unable to use these collections in its operations, ATF also has the authority to transfer these collections to the Treasury General Fund. The ATF custodial collections totaled $24,675 and $21,444 for the fiscal years ended September 30, 2012 and 2011, respectively.

The FBI collected $10,736 and $902, in September 30, 2012 and 2011, respectively, in restitution payments, seized abandoned cash, and project generated proceeds. These collections were incidental to the FBI's mission. Since the FBI does not have statutory authority to use these funds, the FBI remits these funds upon receipt to the U.S. Treasury's General Fund. The FBI reports a custodial liability when custodial revenues are held by the FBI, but have not yet been transmitted to the U.S. Treasury's General Fund. As of September 30, 2012 and 2011, the FBI did not have any custodial liabilities.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 22. OMB Circular A-136 Consolidated Balance Sheet Presentation

U.S. Department of Justice
Consolidated Balance Sheets
As of September 30, 2012 and 2011

Dollars in Thousands	2012	2011
ASSETS		
Intragovernmental		
Fund Balance with U.S. Treasury	$ 24,745,298	$ 23,354,452
Investments, Net	6,213,903	6,919,799
Accounts Receivable, Net	324,327	380,431
Other Assets	266,573	115,103
Total Intragovernmental	31,550,101	30,769,785
Cash and Other Monetary Assets	260,682	250,253
Accounts Receivable, Net	115,612	125,898
Inventory and Related Property, Net	166,609	170,889
General Property, Plant and Equipment, Net	10,186,144	10,217,770
Other Assets	911,566	1,258,495
Total Assets	**$ 43,190,714**	**$ 42,793,090**
LIABILITIES		
Intragovernmental		
Accounts Payable	$ 302,575	$ 366,027
Other Liabilities	1,743,663	1,233,085
Total Intragovernmental	2,046,238	1,599,112
Accounts Payable	4,108,056	2,504,820
Federal Employee and Veteran Benefits	1,474,278	1,359,360
Environmental and Disposal Liabilities	74,441	72,709
Other Liabilities	8,238,972	7,733,476
Total Liabilities	**$ 15,941,985**	**$ 13,269,477**
NET POSITION		
Unexpended Appropriations - Earmarked Funds	$ 25,963	$ 21,727
Unexpended Appropriations - All Other Funds	10,568,815	11,952,581
Cumulative Results of Operations - Earmarked Funds	10,949,539	9,066,816
Cumulative Results of Operations - All Other Funds	5,704,412	8,482,489
Total Net Position	**$ 27,248,729**	**$ 29,523,613**
Total Liabilities and Net Position	**$ 43,190,714**	**$ 42,793,090**

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 23. Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing)

For the Fiscal Years Ended September 30, 2012 and 2011

	2012	2011
Resources Used to Finance Activities		
Budgetary Resources Obligated		
Obligations Incurred	$ 41,251,276	$ 38,547,442
Less: Spending Authority from Offsetting Collections and Recoveries	8,071,018	7,709,445
Obligations Net of Offsetting Collections and Recoveries	33,180,258	30,837,997
Less: Offsetting Receipts	1,425,127	1,025,644
Net Obligations	31,755,131	29,812,353
Other Resources		
Donations and Forfeitures of Property	120,275	157,607
Transfers-In/Out Without Reimbursement	(12,623)	44,556
Imputed Financing from Costs Absorbed by Others (Note 19)	878,014	998,485
Other	(5,199)	(4,613)
Net Other Resources Used to Finance Activities	980,467	1,196,035
Total Resources Used to Finance Activities	32,735,598	31,008,388
Resources Used to Finance Items not Part of the Net Cost of Operations		
Net Change in Budgetary Resources Obligated for Goods, Services and Benefits Ordered but not Yet Provided	1,565,963	1,608,057
Resources That Fund Expenses Recognized in Prior Periods (Note 24)	(68,557)	(45,816)
Budgetary Offsetting Collections and Receipts That do not Affect Net Cost of Operations	700,546	294,218
Resources That Finance the Acquisition of Assets	(1,069,993)	(1,184,420)
Other Resources or Adjustments to Net Obligated Resources That do not Affect Net Cost of Operations	24,810	14,296
Total Resources Used to Finance Items not Part of the Net Cost of Operations	1,152,769	686,335
Total Resources Used to Finance the Net Cost of Operations	$ 33,888,367	$ 31,694,723

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 23. Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing) (continued)

For the Fiscal Years Ended September 30, 2012 and 2011	2012	2011
Components of Net Cost of Operations That Will not Require or Generate Resources in the Current Period		
Components That will Require or Generate Resources in Future Periods (Note 24)	$ 3,174,134	$ 129,497
Depreciation and Amortization	1,059,391	826,899
Revaluation of Assets or Liabilities	35,468	23,586
Other	37,210	(39,599)
Total Components of Net Cost of Operations That will not Require or Generate Resources	1,132,069	810,886
Total Components of Net Cost of Operations That Will not Require or Generate Resources in the Current Period	4,306,203	940,383
Net Cost of Operations	$ 38,194,570	$ 32,635,106

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 24. Explanation of Differences Between Liabilities not Covered by Budgetary Resources and Components of Net Cost of Operations Requiring or Generating Resources in Future Periods

Liabilities that are not covered by realized budgetary resources and for which there is not certainty that budgetary authority will be realized, such as the enactment of an appropriation, are considered liabilities not covered by budgetary resources. These liabilities totaling $6,695,824 and $3,617,966 on September 30, 2012 and 2011, respectively, are discussed in Note 11, *Liabilities not Covered by Budgetary Resources.* Decreases in these liabilities result from current year budgetary resources that were used to fund expenses recognized in prior periods. Increases in these liabilities represent unfunded expenses that were recognized in the current period. These increases along with the change in the portion of exchange revenue receivables from the public, which are not considered budgetary resources until collected, represent components of current period net cost of operations that will require or generate budgetary resources in future periods. The changes in liabilities not covered by budgetary resources and receivables generating resources in future periods are comprised of the following:

For the Fiscal Years Ended September 30, 2012 and 2011

	2012	2011
Resources that Fund Expenses Recognized in Prior Periods		
Decrease in Contingent Liabilities	$ (40,101)	$ (33,108)
Decrease in Unfunded Capital Lease Liabilities	(7,314)	(6,762)
Decrease in RECA Liabilities	-	(5,946)
Decrease in Other Unfunded Employment Related Liabilities	(594)	-
Decrease in Other Liabilities	(20,548)	-
Total Other	(68,557)	(45,816)
Total Resources that Fund Expenses Recognized in Prior Periods	$ (68,557)	$ (45,816)
Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods		
Increase in Accrued Annual and Compensatory Leave Liabilities	$ 7,228	$ 5,921
Increase in Environmental and Disposal Liabilities	1,732	1,052
(Increase)/Decrease in Exchange Revenue Receivable from the Public	21,078	(51,628)
Other		
Increase in Actuarial FECA Liabilities	114,918	45,255
Increase in Accrued FECA Liabilities	10,084	6,689
Increase in Deferred Revenue	50,654	47,578
Increase in RECA Liabilities	195,399	-
Increase in September 11th Victim Compensation Fund Liabilities	2,766,400	-
Increase in Other Unfunded Employee Related Liabilities	-	420
Increase in Other Liabilities	-	78,484
(Increase)/Decrease in Nonexchange Receivables from the Public	(96)	(94)
(Increase)/Decrease in Surcharge Revenue Receivable from Other Federal Agencies	6,737	(4,180)
Total Other	3,144,096	174,152
Total Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods	$ 3,174,134	$ 129,497

These notes are an integral part of the financial statements.

Notes to the Financial Statements
(Dollars in Thousands, Except as Noted)

Note 25. Compensation Funds

Radiation Exposure Compensation Act

On October 15, 1990, Congress passed the Radiation Exposure Compensation Act (RECA), 42 U.S.C. § 2210, providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the Department and published in the Federal Register on April 10, 1992, establishing procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the Federal Register on March 22, 1999, served to greater assist claimants in establishing entitlement to an award.

On July 10, 2000, the Radiation Exposure Compensation Act Amendments of 2000, P.L. 106-245, was enacted. Some of the widespread changes include new claimant populations, additional compensable diseases, lower radiation exposure thresholds, modified medical documentation requirements, and removal of certain disease restrictions. Pursuant to the 2000 Amendments, the Department was directed to issue implementing regulations. The Department published two related rulemakings in the Federal Register to implement the legislation.

Subsequent action by Congress required modification to those rulemakings. Therefore, the Department published a “final” rule in the Federal Register on March 23, 2004, which went into effect on April 22, 2004.

There are now five categories of claimants: uranium miners, uranium millers, ore transporters, downwinders, and on-site participants. Each category requires similar eligibility criteria: if claimants can demonstrate that they contracted a compensable disease after working or residing in a designated location for a specified period of time, they qualify for compensation.

The enactment of two pieces of legislation changed the funding sources for RECA claimants. The National Defense Authorization Act for FY 2005 requires that RECA Section 5 claimants (uranium miners, millers, and ore transporters) be paid out of the Department of Labor’s (Labor) Energy Employees Occupational Illness Compensation Fund. The RECA Section 5 liability of $316,993 as of March 30, 2004, was transferred to Labor during FY 2005. The RECA Fund began exclusively paying RECA Section 4 claimants (downwinders and on-site participants) in FY 2005. The Consolidated Appropriations Act, 2005, contains language that made funding for the RECA Trust Fund mandatory and indefinite beginning in FY 2006.

The OBDs recognized liabilities of $731,237 and $535,838 for estimated future benefits payable by the Department as of September 30, 2012 and 2011, respectively, to eligible individuals under the Act through FY 2023. The estimated liability is based on activity between FYs 2007 - 2012. Key factors in determining future liability are trends in the number of claims filed, trends in the percentage of claims adjudicated, and trends in the percentage of claims approved. These estimates are then discounted in accordance with the discount rates set by the Office of Management and Budget.

(Dollars in Thousands, Except as Noted)

Note 25. Compensation Funds (continued)

September 11th Victim Compensation Fund

Title II of The *James Zadroga 9/11 Health and Compensation Act of 2010 (Zadroga Act)* P.L. 111-347, reactivates the September 11th Victim Compensation Fund of 2001 and requires a Special Master, appointed by the Attorney General, to provide compensation to any individual (or a personal representative of a deceased individual) who suffered physical harm or was killed as a result of the terrorist-related aircraft crashes of September 11, 2001, or the debris removal efforts that took place in the immediate aftermath of those crashes. The Zadroga Act amends the Air Transportation Safety and System Stabilization Act by among other things: Expanding the geographic zone recognized as a 9/11 crash site and providing greater consistency with the World Trade Center Health Program by adding additional forms of proof that may be used to establish eligibility.

The Zadroga Act requires that the total amount of Federal funds paid for including compensation with respect to claims filed on or after October 3, 2011, will not exceed $2,775,000. Furthermore, the total amount of Federal funds expended during the period from October 3, 2011, through October 3, 2016, may not exceed $875,000. For fiscal year 2012, the Department of Justice received an appropriation of $200,000. Summarized financial information about appropriated funds received, donations received from the public, benefit payments disbursed and payable, and the Fund balance is presented below:

As of September 30, 2012

		2012
Appropriated Funds Received		$ 200,000
Less:	Salaries and Expenses Disbursements	6,212
	Total Disbursements	6,212
Total Fund Balance with Treasury		$ 193,788
Total Federal Funds available for September 11th Victim Compensation Fund		$ 2,775,000
Less:	Accounts Payable for Salaries and Expenses	2,388
	Total Funded Liabilities	2,388
	Total Disbursements	6,212
	Total Funded Activities	8,600
Unfunded Liability for September 11th Victim Compensation Fund		$ 2,766,400

These notes are an integral part of the financial statements.

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Consolidating and Combining Financial Statements

See Independent Auditors' Report on Financial Statements

U. S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2012

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
ASSETS											
Intragovernmental											
Fund Balance with U.S. Treasury	$ 78,375	$ 5,702,037	$ 488,186	$ 12,614,717	$ 694,616	$ 3,601,365	$ 232,563	$ 1,305,195	$ 28,244	$ -	$ 24,745,298
Investments, Net	5,631,124	310,479	-	-	-	-	-	-	272,300	-	6,213,903
Accounts Receivable, Net	6,035	322,530	145,641	6,642	51,930	143,146	37,105	3,653	21,578	(413,933)	324,327
Other Assets	2,339	79,029	7,093	47,203	32,442	30,187	1,514	165,000	-	(98,234)	266,573
Total Intragovernmental	5,717,873	6,414,075	640,920	12,668,562	778,988	3,774,698	271,182	1,473,848	322,122	(512,167)	31,550,101
Cash and Monetary Assets	106,166	46	-	-	15,337	67,135	71,196	802	-	-	260,682
Accounts Receivable, Net	-	66,493	29	4,348	5,397	27,069	352	7,361	4,563	-	115,612
Inventory and Related Property, Net	-	106	2,742	-	7,588	7,310	-	19,609	129,254	-	166,609
Forfeited Property, Net	145,111	-	-	-	-	-	-	-	-	-	145,111
General Property, Plant and Equipment, Net	1,150	133,777	265,904	11,006	381,780	2,811,251	206,737	6,286,908	87,631	-	10,186,144
Advances and Prepayments	-	1,132	47	693,159	12,030	48,789	963	4,622	128	-	760,870
Other Assets	-	-	184	-	-	-	-	4,701	700	-	5,585
Total Assets	**$ 5,970,300**	**$ 6,615,629**	**$ 909,826**	**$ 13,377,075**	**$ 1,201,120**	**$ 6,736,252**	**$ 550,430**	**$ 7,797,851**	**$ 544,398**	**$ (512,167)**	**$ 43,190,714**
LIABILITIES											
Intragovernmental											
Accounts Payable	$ 71,352	$ 310,984	$ 25,874	$ 22,536	$ 35,216	$ 183,590	$ 13,996	$ 47,558	$ 3,538	$ (412,069)	$ 302,575
Accrued FECA Liabilities	-	9,860	16,753	69	27,152	31,101	20,852	152,884	1,981	-	260,652
Custodial Liabilities	-	1,110,517	-	-	3,781	-	-	-	-	-	1,114,298
Other Liabilities	39	51,451	12,439	107,620	20,095	99,996	10,450	69,148	97,573	(100,098)	368,713
Total Intragovernmental	71,391	1,482,812	55,066	130,225	86,244	314,687	45,298	269,590	103,092	(512,167)	2,046,238
Accounts Payable	2,596,491	306,823	244,011	33,317	85,690	462,174	42,947	291,709	44,894	-	4,108,056
Accrued Grant Liabilities	-	167,668	-	436,451	-	-	-	-	-	-	604,119
Actuarial FECA Liabilities	-	56,121	93,617	442	158,435	176,422	116,959	853,362	18,920	-	1,474,278
Accrued Payroll and Benefits	151	135,398	36,317	7,910	64,151	213,448	33,917	155,218	7,399	-	653,909
Accrued Annual and Compensatory Leave Liabilities	246	181,786	43,258	6,011	98,986	277,074	51,019	171,739	8,133	-	838,252
Environmental and Disposal Liabilities	-	-	-	-	-	10,219	-	64,222	-	-	74,441
Deferred Revenue	145,111	-	-	-	409,396	-	-	1,957	-	-	556,464
Seized Cash and Monetary Instruments	1,536,523	-	-	-	450	45,262	4,932	-	-	-	1,587,167
Contingent Liabilities	-	3,565	-	-	8,968	11,788	-	4,230	120	-	28,671
Capital Lease Liabilities	-	-	-	9	-	-	394	16,627	66	-	17,096
Radiation Exposure Compensation Act Liabilities	-	731,237	-	-	-	-	-	-	-	-	731,237
9/11 Victim Compensation Fund	-	2,766,400	-	-	-	-	-	-	-	-	2,766,400
Other Liabilities	-	209,775	8,532	-	10,555	6,342	61,073	159,380	-	-	455,657
Total Liabilities	**$ 4,349,913**	**$ 6,041,585**	**$ 480,801**	**$ 614,365**	**$ 922,875**	**$ 1,517,416**	**$ 356,539**	**$ 1,988,034**	**$ 182,624**	**$ (512,167)**	**$ 15,941,985**
NET POSITION											
Unexpended Appropriations - Earmarked Funds	$ -	$ 25,963	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,963
Unexpended Appropriations - All Other Funds	-	3,355,787	259,570	3,478,217	499,366	2,151,355	175,104	649,416	-	-	10,568,815
Cumulative Results of Operations - Earmarked Funds	1,620,387	255,718	-	9,273,109	(285,887)	-	-	86,212	-	-	10,949,539
Cumulative Results of Operations - All Other Funds	-	(3,063,424)	169,455	11,384	64,766	3,067,481	18,787	5,074,189	361,774	-	5,704,412
Total Net Position	**$ 1,620,387**	**$ 574,044**	**$ 429,025**	**$ 12,762,710**	**$ 278,245**	**$ 5,218,836**	**$ 193,891**	**$ 5,809,817**	**$ 361,774**	**$ -**	**$ 27,248,729**
Total Liabilities and Net Position	**$ 5,970,300**	**$ 6,615,629**	**$ 909,826**	**$ 13,377,075**	**$ 1,201,120**	**$ 6,736,252**	**$ 550,430**	**$ 7,797,851**	**$ 544,398**	**$ (512,167)**	**$ 43,190,714**

U. S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2011

	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
ASSETS											
Intragovernmental											
Fund Balance with U.S. Treasury	$ 229,030	$ 5,223,163	$ 562,246	$ 11,287,838	$ 702,470	$ 3,618,458	$ 241,768	$ 1,468,669	$ 20,810	$ -	$ 23,354,452
Investments, Net	6,346,771	302,328	-	-	-	-	-	-	270,700	-	6,919,799
Accounts Receivable, Net	4,869	350,778	168,560	6,970	43,655	181,271	27,803	3,347	34,360	(441,182)	380,431
Other Assets	1,766	95,294	15,506	78,034	47,061	27,867	7,643	-	-	(158,068)	115,103
Total Intragovernmental	6,582,436	5,971,563	746,312	11,372,842	793,186	3,827,596	277,214	1,472,016	325,870	(599,250)	30,769,785
Cash and Monetary Assets	113,822	46	-	-	16,575	50,843	68,184	783	-	-	250,253
Accounts Receivable, Net	-	59,086	35	6,056	5,998	32,369	256	9,778	12,320	-	125,898
Inventory and Related Property, Net	-	106	3,060	-	7,506	8,103	-	18,180	133,934	-	170,889
Forfeited Property, Net	172,746	-	-	-	-	-	-	-	-	-	172,746
General Property, Plant and Equipment, Net	633	280,102	264,246	12,526	401,220	2,558,525	210,262	6,387,481	102,775	-	10,217,770
Advances and Prepayments	6	1,978	-	1,009,997	14,700	47,144	786	3,899	1,257	-	1,079,767
Other Assets	-	-	184	-	-	-	-	4,473	1,325	-	5,982
Total Assets	**$ 6,869,643**	**$ 6,312,881**	**$ 1,013,837**	**$ 12,401,421**	**$ 1,239,185**	**$ 6,524,580**	**$ 556,702**	**$ 7,896,610**	**$ 577,481**	**$ (599,250)**	**$ 42,793,090**
LIABILITIES											
Intragovernmental											
Accounts Payable	$ 67,345	$ 317,501	$ 31,314	$ 54,240	$ 46,943	$ 229,722	$ 14,942	$ 37,098	$ 3,612	$ (436,690)	$ 366,027
Accrued FECA Liabilities	-	9,780	15,912	86	27,222	30,829	20,074	144,780	1,942	-	250,625
Custodial Liabilities	-	599,810	-	-	5,199	-	-	-	-	-	605,009
Other Liabilities	169	83,592	14,538	117,275	20,766	121,218	10,474	69,364	102,615	(162,560)	377,451
Total Intragovernmental	67,514	1,010,683	61,764	171,601	100,130	381,769	45,490	251,242	108,169	(599,250)	1,599,112
Accounts Payable	851,013	307,561	354,200	24,177	92,054	416,733	45,450	367,973	45,659	-	2,504,820
Accrued Grant Liabilities	-	245,174	-	369,245	-	-	-	-	-	-	614,419
Actuarial FECA Liabilities	-	51,746	86,365	680	149,846	182,426	110,697	761,197	16,403	-	1,359,360
Accrued Payroll and Benefits	767	137,132	33,239	8,182	63,094	208,273	34,276	151,321	8,218	-	644,502
Accrued Annual and Compensatory Leave Liabilities	168	181,586	43,940	6,148	98,437	270,528	51,897	170,187	8,892	-	831,783
Environmental and Disposal Liabilities	-	-	-	-	-	9,987	-	62,722	-	-	72,709
Deferred Revenue	172,746	-	-	-	358,742	-	-	1,939	-	-	533,427
Seized Cash and Monetary Instruments	4,016,891	-	-	-	440	42,880	3,527	-	-	-	4,063,738
Contingent Liabilities	-	-	-	-	7,754	52,335	-	8,563	-	-	68,652
Capital Lease Liabilities	-	-	-	14	-	-	1,071	23,941	115	-	25,141
Radiation Exposure Compensation Act Liabilities	-	535,838	-	-	-	-	-	-	-	-	535,838
Other Liabilities	-	152,987	12,071	-	9,720	4,687	59,905	176,606	-	-	415,976
Total Liabilities	**$ 5,109,099**	**$ 2,622,707**	**$ 591,579**	**$ 580,047**	**$ 880,217**	**$ 1,569,618**	**$ 352,313**	**$ 1,975,691**	**$ 187,456**	**$ (599,250)**	**$ 13,269,477**
NET POSITION											
Unexpended Appropriations - Earmarked Funds	$ -	$ 21,727	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,727
Unexpended Appropriations - All Other Funds	-	3,472,362	257,093	4,605,970	503,763	2,194,512	174,210	744,671	-	-	11,952,581
Cumulative Results of Operations - Earmarked Funds	1,760,544	252,629	-	7,202,248	(232,162)	-	-	83,557	-	-	9,066,816
Cumulative Results of Operations - All Other Funds	-	(56,544)	165,165	13,156	87,367	2,760,450	30,179	5,092,691	390,025	-	8,482,489
Total Net Position	**$ 1,760,544**	**$ 3,690,174**	**$ 422,258**	**$ 11,821,374**	**$ 358,968**	**$ 4,954,962**	**$ 204,389**	**$ 5,920,919**	**$ 390,025**	**$ -**	**$ 29,523,613**
Total Liabilities and Net Position	**$ 6,869,643**	**$ 6,312,881**	**$ 1,013,837**	**$ 12,401,421**	**$ 1,239,185**	**$ 6,524,580**	**$ 556,702**	**$ 7,896,610**	**$ 577,481**	**$ (599,250)**	**$ 42,793,090**

U. S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2012

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law											
Gross Cost - Intragovernmental	$ -	$ 99,284	$ 4,794	$ -	$ 17,534	$ 1,424,724	$ -	$ -	$ -	$ (119,355)	$ 1,426,981
Gross Cost - With the Public	-	282,552	-	-	94,180	3,917,146	6,419	-	-	-	4,300,297
Subtotal Gross Costs	-	381,836	4,794	-	111,714	5,341,870	6,419	-	-	(119,355)	5,727,278
Earned Revenues - Intragovernmental	-	87,077	-	-	12,630	458,969	-	-	-	(119,355)	439,321
Earned Revenues - With the Public	-	29,042	-	-	-	1,870	-	-	-	-	30,912
Subtotal Earned Revenues	-	116,119	-	-	12,630	460,839	-	-	-	(119,355)	470,233
Subtotal Net Cost of Operations	$ -	$ 265,717	$ 4,794	$ -	$ 99,084	$ 4,881,031	$ 6,419	$ -	$ -	$ -	$ 5,257,045
Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law											
Gross Cost - Intragovernmental	$ 382,840	$ 1,804,101	$ 32,637	$ 45,938	$ 892,256	$ 790,598	$ 383,250	$ -	$ -	$ (970,264)	$ 3,361,356
Gross Cost - With the Public	3,936,567	6,787,015	-	952,857	1,945,542	2,173,677	895,426	7,242	-	-	16,698,326
Subtotal Gross Costs	4,319,407	8,591,116	32,637	998,795	2,837,798	2,964,275	1,278,676	7,242	-	(970,264)	20,059,682
Earned Revenues - Intragovernmental	10,585	529,236	-	4,839	473,274	340,061	80,866	-	-	(970,264)	468,597
Earned Revenues - With the Public	-	395,064	-	-	251,099	-	503	-	-	-	646,666
Subtotal Earned Revenues	10,585	924,300	-	4,839	724,373	340,061	81,369	-	-	(970,264)	1,115,263
Subtotal Net Cost of Operations	$ 4,308,822	$ 7,666,816	$ 32,637	$ 993,956	$ 2,113,425	$ 2,624,214	$ 1,197,307	$ 7,242	$ -	$ -	$ 18,944,419
Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels											
Gross Cost - Intragovernmental	$ -	$ 1,808,388	$ 544,969	$ 148,858	$ -	$ 280,253	$ -	$ 1,664,927	$ 164,798	$ (1,883,179)	$ 2,729,014
Gross Cost - With the Public	-	665,148	2,609,317	2,316,455	-	770,530	-	5,834,650	598,300	-	12,794,400
Subtotal Gross Costs	-	2,473,536	3,154,286	2,465,313	-	1,050,783	-	7,499,577	763,098	(1,883,179)	15,523,414
Earned Revenues - Intragovernmental	-	159,062	1,537,097	22,310	-	334,507	-	20,904	651,713	(1,858,461)	867,132
Earned Revenues - With the Public	-	66,119	6,548	148	-	151,387	-	389,401	49,573	-	663,176
Subtotal Earned Revenues	-	225,181	1,543,645	22,458	-	485,894	-	410,305	701,286	(1,858,461)	1,530,308
Subtotal Net Cost of Operations	$ -	$ 2,248,355	$ 1,610,641	$ 2,442,855	$ -	$ 564,889	$ -	$ 7,089,272	$ 61,812	$ (24,718)	$ 13,993,106
Total Net Cost of Operations	**$ 4,308,822**	**$ 10,180,888**	**$ 1,648,072**	**$ 3,436,811**	**$ 2,212,509**	**$ 8,070,134**	**$ 1,203,726**	**$ 7,096,514**	**$ 61,812**	**$ (24,718)**	**$ 38,194,570**

U. S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2011

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law											
Gross Cost - Intragovernmental	$ -	$ 112,985	$ 6,484	$ -	$ 15,196	$ 1,420,503	$ -	$ -	$ -	$ (93,725)	$ 1,461,443
Gross Cost - With the Public	-	265,340	-	-	90,886	3,802,831	5,649	-	-	-	4,164,706
Subtotal Gross Costs	-	378,325	6,484	-	106,082	5,223,334	5,649	-	-	(93,725)	5,626,149
Earned Revenues - Intragovernmental	-	93,776	-	-	687	446,885	-	-	-	(93,725)	447,623
Earned Revenues - With the Public	-	22,433	-	-	6	721	-	-	-	-	23,160
Subtotal Earned Revenues	-	116,209	-	-	693	447,606	-	-	-	(93,725)	470,783
Subtotal Net Cost of Operations	$ -	$ 262,116	$ 6,484	$ -	$ 105,389	$ 4,775,728	$ 5,649	$ -	$ -	$ -	$ 5,155,366
Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law											
Gross Cost - Intragovernmental	$ 380,028	$ 1,868,383	$ 30,396	$ 43,903	$ 907,038	$ 813,795	$ 381,239	$ -	$ -	$ (1,096,338)	$ 3,328,444
Gross Cost - With the Public	1,293,384	3,990,335	-	960,540	2,021,967	2,178,615	886,810	6,613	-	-	11,338,264
Subtotal Gross Costs	1,673,412	5,858,718	30,396	1,004,443	2,929,005	2,992,410	1,268,049	6,613	-	(1,096,338)	14,666,708
Earned Revenues - Intragovernmental	9,513	575,651	-	7,489	521,896	318,479	90,650	-	-	(1,096,338)	427,340
Earned Revenues - With the Public	-	426,958	-	-	200,321	-	650	-	-	-	627,929
Subtotal Earned Revenues	9,513	1,002,609	-	7,489	722,217	318,479	91,300	-	-	(1,096,338)	1,055,269
Subtotal Net Cost of Operations	$ 1,663,899	$ 4,856,109	$ 30,396	$ 996,954	$ 2,206,788	$ 2,673,931	$ 1,176,749	$ 6,613	$ -	$ -	$ 13,611,439
Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels											
Gross Cost - Intragovernmental	$ -	$ 1,736,875	$ 546,964	$ 180,000	$ -	$ 275,867	$ -	$ 1,629,744	$ 163,202	$ (1,843,879)	$ 2,688,773
Gross Cost - With the Public	-	705,044	2,627,882	2,550,468	-	738,525	-	5,583,621	779,713	-	12,985,253
Subtotal Gross Costs	-	2,441,919	3,174,846	2,730,468	-	1,014,392	-	7,213,365	942,915	(1,843,879)	15,674,026
Earned Revenues - Intragovernmental	-	158,055	1,581,441	35,228	-	335,879	-	15,252	800,498	(1,818,415)	1,107,938
Earned Revenues - With the Public	-	45,456	2,519	45	-	175,158	-	370,424	104,185	-	697,787
Subtotal Earned Revenues	-	203,511	1,583,960	35,273	-	511,037	-	385,676	904,683	(1,818,415)	1,805,725
Subtotal Net Cost of Operations	$ -	$ 2,238,408	$ 1,590,886	$ 2,695,195	$ -	$ 503,355	$ -	$ 6,827,689	$ 38,232	$ (25,464)	$ 13,868,301
Total Net Cost of Operations	**$ 1,663,899**	**$ 7,356,633**	**$ 1,627,766**	**$ 3,692,149**	**$ 2,312,177**	**$ 7,953,014**	**$ 1,182,398**	**$ 6,834,302**	**$ 38,232**	**$ (25,464)**	**$ 32,635,106**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2012

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
Earmarked Funds	**$ -**	**$ 21,727**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 21,727**
All Other Funds	**-**	**3,472,362**	**257,093**	**4,605,970**	**503,763**	**2,194,512**	**174,210**	**744,671**	**-**	**-**	**11,952,581**
Budgetary Financing Sources											
Appropriations Received											
Earmarked Funds	-	72,044	-	-	-	-	-	-	-	-	72,044
All Other Funds	-	6,848,091	1,189,000	1,638,300	2,035,000	8,117,973	1,152,000	6,641,281	-	-	27,621,645
Appropriations Transferred-In/Out											
All Other Funds	-	(28,074)	416,211	(8,470)	27,254	(60,821)	(15,067)	(562)	-	-	330,471
Other Adjustments											
All Other Funds	-	(40,561)	(2,200)	(55,000)	(10,000)	-	-	(45,000)	-	-	(152,761)
Appropriations Used											
Earmarked Funds	-	(67,808)	-	-	-	-	-	-	-	-	(67,808)
All Other Funds	-	(6,896,031)	(1,600,534)	(2,702,583)	(2,056,651)	(8,100,309)	(1,136,039)	(6,690,974)	-	-	(29,183,121)
Total Financing Sources											
Earmarked Funds	**-**	**4,236**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,236**
All Other Funds	**-**	**(116,575)**	**2,477**	**(1,127,753)**	**(4,397)**	**(43,157)**	**894**	**(95,255)**	**-**	**-**	**(1,383,766)**
Net Change											
Earmarked Funds	-	4,236	-	-	-	-	-	-	-	-	4,236
All Other Funds	-	(116,575)	2,477	(1,127,753)	(4,397)	(43,157)	894	(95,255)	-	-	(1,383,766)
Ending Balances											
Earmarked Funds	**-**	**25,963**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,963**
All Other Funds	**-**	**3,355,787**	**259,570**	**3,478,217**	**499,366**	**2,151,355**	**175,104**	**649,416**	**-**	**-**	**10,568,815**
Total All Funds	**$ -**	**$ 3,381,750**	**$ 259,570**	**$ 3,478,217**	**$ 499,366**	**$ 2,151,355**	**$ 175,104**	**$ 649,416**	**$ -**	**$ -**	**$ 10,594,778**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position - Continued
For the Fiscal Year Ended September 30, 2012

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Earmarked Funds	**$ 1,760,544**	**$ 252,629**	**$ -**	**$ 7,202,248**	**$ (232,162)**	**$ -**	**$ -**	**$ 83,557**	**$ -**	**$ -**	**$ 9,066,816**
All Other Funds	**-**	**(56,544)**	**165,165**	**13,156**	**87,367**	**2,760,450**	**30,179**	**5,092,691**	**390,025**	**-**	**8,482,489**
Beginning Balances, as Adjusted											
Earmarked Funds	**1,760,544**	**252,629**	**-**	**7,202,248**	**(232,162)**	**-**	**-**	**83,557**	**-**	**-**	**9,066,816**
All Other Funds	**-**	**(56,544)**	**165,165**	**13,156**	**87,367**	**2,760,450**	**30,179**	**5,092,691**	**390,025**	**-**	**8,482,489**
Budgetary Financing Sources											
Other Ajustments											
All Other Funds	-	(40,000)	-	-	-	-	-	-	-	-	(40,000)
Appropriations Used											
Earmarked Funds	-	67,808	-	-	-	-	-	-	-	-	67,808
All Other Funds	-	6,896,031	1,600,534	2,702,583	2,056,651	8,100,309	1,136,039	6,690,974	-	-	29,183,121
Nonexchange Revenues											
Earmarked Funds	3,327	4,085	-	2,795,573	-	-	-	-	-	-	2,802,985
All Other Funds	-		-	975	-	-	-	-	-	-	975
Donations and Forfeitures of Cash and Cash Equivalents											
Earmarked Funds	4,194,465	-	-	-	-	-	-	-	-	-	4,194,465
Transfers-In/Out Without Reimbursement											
All Other Funds	-	109,395	-	-	-	-	-	-	-	-	109,395
Other Financing Sources											
Donations and Forfeitures of Property											
Earmarked Funds	120,245	-	-	-	-	-	-	-	-	-	120,245
All Other Funds	-	-	-	-	-	-	-	30	-	-	30
Transfers-In/Out Without Reimbursement											
Earmarked Funds	(149,908)	-	-	-	-	-	-	-	-	-	(149,908)
All Other Funds	-	(36,621)	58	2,295	(1,374)	5,333	15,949	151,645	-	-	137,285
Imputed Financing from Costs Absorbed by Others											
Earmarked Funds	536	1,145	-	-	9,419	-	-	4,346	-	-	15,446
All Other Funds	-	175,254	51,770	4,474	71,487	276,722	40,346	233,672	33,561	(24,718)	862,568
Other Financing Sources											
All Other Funds	-	-	-	-	-	(5,199)	-	-	-	-	(5,199)
Total Financing Sources											
Earmarked Funds	**4,168,665**	**73,038**	**-**	**2,795,573**	**9,419**	**-**	**-**	**4,346**	**-**	**-**	**7,051,041**
All Other Funds	**-**	**7,104,059**	**1,652,362**	**2,710,327**	**2,126,764**	**8,377,165**	**1,192,334**	**7,076,321**	**33,561**	**(24,718)**	**30,248,175**
Net Cost of Operations											
Earmarked Funds	(4,308,822)	(69,949)	-	(724,712)	(63,144)	-	-	(1,691)	-	-	(5,168,318)
All Other Funds	-	(10,110,939)	(1,648,072)	(2,712,099)	(2,149,365)	(8,070,134)	(1,203,726)	(7,094,823)	(61,812)	24,718	(33,026,252)
Net Change											
Earmarked Funds	(140,157)	3,089	-	2,070,861	(53,725)	-	-	2,655	-	-	1,882,723
All Other Funds	-	(3,006,880)	4,290	(1,772)	(22,601)	307,031	(11,392)	(18,502)	(28,251)	-	(2,778,077)
Ending Balances											
Earmarked Funds	**1,620,387**	**255,718**	**-**	**9,273,109**	**(285,887)**	**-**	**-**	**86,212**	**-**	**-**	**10,949,539**
All Other Funds	**-**	**(3,063,424)**	**169,455**	**11,384**	**64,766**	**3,067,481**	**18,787**	**5,074,189**	**361,774**	**-**	**5,704,412**
Total All Funds	**$ 1,620,387**	**$ (2,807,706)**	**$ 169,455**	**$ 9,284,493**	**$ (221,121)**	**$ 3,067,481**	**$ 18,787**	**$ 5,160,401**	**$ 361,774**	**$ -**	**$ 16,653,951**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2011

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
Earmarked Funds	$ -	$ 19,585	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,585
All Other Funds	-	3,979,216	328,900	5,571,977	559,167	2,255,206	202,183	894,623	-	-	13,791,272
Beginning Balances, as Adjusted											
Earmarked Funds	-	19,585	-	-	-	-	-	-	-	-	19,585
All Other Funds	-	3,979,216	328,900	5,571,977	559,167	2,255,206	202,183	894,623	-	-	13,791,272
Budgetary Financing Sources											
Appropriations Received											
Earmarked Funds	-	71,746	-	-	-	-	-	-	-	-	71,746
All Other Funds	-	6,901,999	1,142,388	1,893,160	2,019,682	7,941,932	1,114,772	6,394,155	-	-	27,408,088
Appropriations Transferred-In/Out											
All Other Funds	-	(187,823)	388,191	200,344	71,029	(61,176)	(7,892)	(1,834)	-	-	400,839
Other Adjustments											
Earmarked Funds	-	(326)	-	-	-	-	-	-	-	-	(326)
All Other Funds	-	(23,338)	(2,285)	(45,365)	(4,039)	(15,884)	(2,231)	(12,788)	-	-	(105,930)
Appropriations Used											
Earmarked Funds	-	(69,278)	-	-	-	-	-	-	-	-	(69,278)
All Other Funds	-	(7,197,692)	(1,600,101)	(3,014,146)	(2,142,076)	(7,925,566)	(1,132,622)	(6,529,485)	-	-	(29,541,688)
Total Financing Sources											
Earmarked Funds	-	2,142	-	-	-	-	-	-	-	-	2,142
All Other Funds	-	(506,854)	(71,807)	(966,007)	(55,404)	(60,694)	(27,973)	(149,952)	-	-	(1,838,691)
Net Change											
Earmarked Funds	-	2,142	-	-	-	-	-	-	-	-	2,142
All Other Funds	-	(506,854)	(71,807)	(966,007)	(55,404)	(60,694)	(27,973)	(149,952)	-	-	(1,838,691)
Ending Balances											
Earmarked Funds	-	21,727	-	-	-	-	-	-	-	-	21,727
All Other Funds	-	3,472,362	257,093	4,605,970	503,763	2,194,512	174,210	744,671	-	-	11,952,581
Total All Funds	$ -	$ 3,494,089	$ 257,093	$ 4,605,970	$ 503,763	$ 2,194,512	$ 174,210	$ 744,671	$ -	$ -	$ 11,974,308

U. S. Department of Justice
Consolidating Statement of Changes in Net Position - Continued
For the Fiscal Year Ended September 30, 2011

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Earmarked Funds	**$ 1,687,400**	**$ 171,475**	**$ -**	**$ 5,866,596**	**$ (159,279)**	**$ -**	**$ -**	**$ 69,853**	**$ -**	**$ -**	**$ 7,636,045**
All Other Funds	**-**	**(142,839)**	**137,022**	**12,217**	**80,998**	**2,413,112**	**29,258**	**5,147,049**	**391,834**	**-**	**8,068,651**
Beginning Balances, as Adjusted											
Earmarked Funds	**1,687,400**	**171,475**	**-**	**5,866,596**	**(159,279)**	**-**	**-**	**69,853**	**-**	**-**	**7,636,045**
All Other Funds	**-**	**(142,839)**	**137,022**	**12,217**	**80,998**	**2,413,112**	**29,258**	**5,147,049**	**391,834**	**-**	**8,068,651**
Budgetary Financing Sources											
Other Ajustments											
All Other Funds	-	(26,000)	-	-	-	-	-	-	-	-	(26,000)
Appropriations Used											
Earmarked Funds	-	69,278	-	-	-	-	-	-	-	-	69,278
All Other Funds	-	7,197,692	1,600,101	3,014,146	2,142,076	7,925,566	1,132,622	6,529,485	-	-	29,541,688
Nonexchange Revenues											
Earmarked Funds	4,596	1,070	-	1,998,221	-	-	-	-	-	-	2,003,887
All Other Funds	-	-	-	508	-	-	-	-	-	-	508
Donations and Forfeitures of Cash and Cash Equivalents											
Earmarked Funds	1,580,584	-	-	-	-	-	-	-	-	-	1,580,584
Transfers-In/Out Without Reimbursement											
All Other Funds	-	113,735	-	-	-	-	-	-	-	-	113,735
Other Budgetary Financing Sources											
Other Financing Sources											
Donations and Forfeitures of Property											
Earmarked Funds	157,381	-	-	-	-	-	-	-	-	-	157,381
All Other Funds	-	-	-	-	-	-	-	226	-	-	226
Transfers-In/Out Without Reimbursement											
Earmarked Funds	(6,120)	-	-	-	-	-	-	(72)	-	-	(6,192)
All Other Funds	-	(53,304)	162	10,600	14,358	74,270	3,153	1,485	24	-	50,748
Imputed Financing from Costs Absorbed by Others											
Earmarked Funds	602	1,365	-	-	9,396	-	-	4,706	-	-	16,069
All Other Funds	-	220,246	55,646	5,265	79,833	305,129	47,544	257,818	36,399	(25,464)	982,416
Other Financing Sources											
All Other Funds	-	-	-	-	-	(4,613)	-	-	-	-	(4,613)
Total Financing Sources											
Earmarked Funds	**1,737,043**	**71,713**	**-**	**1,998,221**	**9,396**	**-**	**-**	**4,634**	**-**	**-**	**3,821,007**
All Other Funds	**-**	**7,452,369**	**1,655,909**	**3,030,519**	**2,236,267**	**8,300,352**	**1,183,319**	**6,789,014**	**36,423**	**(25,464)**	**30,658,708**
Net Cost of Operations											
Earmarked Funds	(1,663,899)	9,441	-	(662,569)	(82,279)	-	-	9,070	-	-	(2,390,236)
All Other Funds	-	(7,366,074)	(1,627,766)	(3,029,580)	(2,229,898)	(7,953,014)	(1,182,398)	(6,843,372)	(38,232)	25,464	(30,244,870)
Net Change											
Earmarked Funds	73,144	81,154	-	1,335,652	(72,883)	-	-	13,704	-	-	1,430,771
All Other Funds	-	86,295	28,143	939	6,369	347,338	921	(54,358)	(1,809)	-	413,838
Ending Balances											
Earmarked Funds	**1,760,544**	**252,629**	**-**	**7,202,248**	**(232,162)**	**-**	**-**	**83,557**	**-**	**-**	**9,066,816**
All Other Funds	**-**	**(56,544)**	**165,165**	**13,156**	**87,367**	**2,760,450**	**30,179**	**5,092,691**	**390,025**	**-**	**8,482,489**
Total All Funds	**$ 1,760,544**	**$ 196,085**	**$ 165,165**	**$ 7,215,404**	**$ (144,795)**	**$ 2,760,450**	**$ 30,179**	**$ 5,176,248**	**$ 390,025**	**$ -**	**$ 17,549,305**

U. S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2012

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Budgetary Resources										
Unobligated Balance, Net, Brought Forward, October 1	$ 1,088,719	$ 814,323	90,397	$ 187,462	$ 158,292	$ 947,534	$ 60,967	$ 379,813	$ 154,816	$ 3,882,323
Recoveries of Prior Year Unpaid Obligations	84,186	224,583	54,620	53,296	114,289	290,427	32,746	23,388	-	877,535
Other Changes in Unobligated Balance	-	67,691	(7,632)	(2,409)	21	(53,259)	(14,933)	(1,862)	-	(12,383)
Unobligated Balance from Prior Year Budget Authority, Net	1,172,905	1,106,597	137,385	238,349	272,602	1,184,702	78,780	401,339	154,816	4,747,475
Appropriations (discretionary and mandatory)	4,100,446	7,142,929	1,610,644	2,286,418	2,346,455	8,110,411	1,151,866	6,597,581	-	33,346,750
Spending Authority from Offsetting Collections (discretionary and mandatory)	17,027	2,162,444	1,538,614	196,233	525,323	1,395,880	94,820	561,856	701,286	7,193,483
Total Budgetary Resources	$ 5,290,378	$ 10,411,970	$ 3,286,643	$ 2,721,000	$ 3,144,380	$ 10,690,993	$ 1,325,466	$ 7,560,776	$ 856,102	$ 45,287,708
Status of Budgetary Resources:										
Obligations Incurred (Note 21)	$ 4,528,369	$ 9,284,881	$ 3,184,684	$ 2,543,035	$ 2,976,982	$ 9,591,524	$ 1,279,257	$ 7,164,861	$ 697,683	$ 41,251,276
Unobligated Balance, End of Period:										
Apportioned	639,541	861,850	61,752	152,618	127,526	624,435	29,929	232,512	-	2,730,163
Exempt from Apportionment	-	-	-	-	-	-		59,772	158,419	218,191
Unapportioned	122,468	265,239	40,207	25,347	39,872	475,034	16,280	103,631	-	1,088,078
Total Unobligated Balance - End of Period	762,009	1,127,089	101,959	177,965	167,398	1,099,469	46,209	395,915	158,419	4,036,432
Total Status of Budgetary Resources:	**$ 5,290,378**	**$ 10,411,970**	**$ 3,286,643**	**$ 2,721,000**	**$ 3,144,380**	**$ 10,690,993**	**$ 1,325,466**	**$ 7,560,776**	**$ 856,102**	**$ 45,287,708**
Change in Obligated Balance:										
Obligated Balance, Net - Brought Forward, October 1										
Unpaid Obligations, Gross	$ 1,092,300	$ 4,564,149	$ 648,610	$ 5,025,867	$ 712,030	$ 3,165,268	$ 245,431	$ 1,051,944	$ 171,054	$ 16,676,653
Less: Uncollected Customer Payments from Federal Sources	4,889	816,547	188,832	25,236	157,357	492,704	59,852	10,882	34,360	1,790,659
Total Obligated Balance, Net - Brought Forward, October 1	1,087,411	3,747,602	459,778	5,000,631	554,673	2,672,564	185,579	1,041,062	136,694	14,885,994
Obligations Incurred	4,528,369	9,284,881	3,184,684	2,543,035	2,976,982	9,591,524	1,279,257	7,164,861	697,683	41,251,276
Less: Outlays, Gross	2,687,103	9,445,119	3,240,907	3,237,410	2,852,539	9,394,120	1,233,314	7,324,472	705,033	40,120,017
Change in Uncollected Customer Payments from Federal Sources	(4,000)	(24,183)	28,761	(2,347)	(28,576)	(75,764)	(7,219)	844	12,782	(99,702)
Less: Recoveries of Prior Year Unpaid Obligations	84,186	224,583	54,620	53,296	114,289	290,427	32,746	23,388	-	877,535
Obligated Balance, Net - End of Period										
Unpaid Obligations, Gross	2,849,380	4,179,328	537,767	4,278,196	722,184	3,072,245	258,628	868,945	163,704	16,930,377
Less: Uncollected Customer Payments from Federal Sources	8,889	840,730	160,071	27,583	185,933	568,468	67,071	10,038	21,578	1,890,361
Total Obligated Balance, Net - End of Period	$ 2,840,491	$ 3,338,598	$ 377,696	4,250,613	$ 536,251	$ 2,503,777	$ 191,557	$ 858,907	$ 142,126	$ 15,040,016

U. S. Department of Justice
Combining Statement of Budgetary Resources - Continued
For the Fiscal Year Ended September 30, 2012

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Budgetary Authority and Outlays, Net:										
Budgetary Authority, Gross (discretionary and mandatory)	$ 4,117,473	$ 9,305,373	$ 3,149,258	$ 2,482,651	$ 2,871,778	$ 9,506,291	$ 1,246,686	$ 7,159,437	$ 701,286	$ 40,540,233
Less: Actual Offsetting Collections (discretionary and mandatory)	13,027	2,138,261	1,567,375	193,886	496,747	1,320,116	87,601	562,700	714,068	7,093,781
Change in Uncollected Customer Payments from Federal Sources (discretionary and mandatory)	(4,000)	(24,183)	28,761	(2,347)	(28,576)	(75,764)	(7,219)	844	12,782	(99,702)
Budget Authority, Net (discretionary and mandatory)	$ 4,100,446	$ 7,142,929	$ 1,610,644	$ 2,286,418	$ 2,346,455	$ 8,110,411	$ 1,151,866	$ 6,597,581	$ -	$ 33,346,750
Outlays, Gross (discretionary and mandatory)	$ 2,687,103	$ 9,445,119	$ 3,240,907	$ 3,237,410	$ 2,852,539	$ 9,394,120	$ 1,233,314	$ 7,324,472	$ 705,033	$ 40,120,017
Less: Actual Offsetting Collections (discretionary and mandatory)	13,027	2,138,261	1,567,375	193,886	496,747	1,320,116	87,601	562,700	714,068	7,093,781
Outlays, Net (discretionary and mandatory)	2,674,076	7,306,858	1,673,532	3,043,524	2,355,792	8,074,004	1,145,713	6,761,772	(9,035)	33,026,236
Less: Distributed Offsetting Receipts	3,327	1,117,582	-	26	295,736	145	2,859	5,452	-	1,425,127
Agency Outlays, Net (discretionary and mandatory)	$ 2,670,749	$ 6,189,276	$ 1,673,532	$ 3,043,498	$ 2,060,056	$ 8,073,859	$ 1,142,854	$ 6,756,320	$ (9,035)	$ 31,601,109

U. S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2011

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Budgetary Resources										
Unobligated Balance, Net, Brought Forward, October 1	$ 1,010,179	$ 929,953	$ 133,375	$ 232,500	$ 223,391	$ 946,877	$ 110,131	$ 377,906	$ 74,986	$ 4,039,298
Recoveries of Prior Year Unpaid Obligations	83,669	206,483	64,819	54,156	102,053	216,564	21,159	4,539	-	753,442
Other Changes in Unobligated Balance	-	93,421	(21,395)	(2,311)	33,854	(58,985)	(7,780)	(1,834)	-	34,970
Unobligated Balance from Prior Year Budget Authority, Net	1,093,848	1,229,857	176,799	284,345	359,298	1,104,456	123,510	380,611	74,986	4,827,710
Appropriations (discretionary and mandatory)	1,602,768	7,030,338	1,549,689	2,750,112	2,295,492	7,923,857	1,112,429	6,381,367	-	30,646,052
Spending Authority from Offsetting Collections (discretionary and mandatory)	12,309	2,108,819	1,596,290	33,249	505,291	1,321,494	85,420	388,448	904,683	6,956,003
Total Budgetary Resources	$ 2,708,925	$ 10,369,014	$ 3,322,778	$ 3,067,706	$ 3,160,081	$ 10,349,807	$ 1,321,359	$ 7,150,426	$ 979,669	$ 42,429,765
Status of Budgetary Resources:										
Obligations Incurred (Note 21)	$ 1,620,206	$ 9,554,691	$ 3,232,381	$ 2,880,244	$ 3,001,789	$ 9,402,273	$ 1,260,392	$ 6,770,613	$ 824,853	$ 38,547,442
Unobligated Balance, End of Period:										
Apportioned	635,227	554,020	57,730	169,067	118,503	594,313	38,931	258,217	-	2,426,008
Exempt from Apportionment	-	-	-	-	-	-	-	56,381	154,816	211,197
Unapportioned	453,492	260,303	32,667	18,395	39,789	353,221	22,036	65,215	-	1,245,118
Total Unobligated Balance - End of Period	1,088,719	814,323	90,397	187,462	158,292	947,534	60,967	379,813	154,816	3,882,323
Total Status of Budgetary Resources:	$ 2,708,925	$ 10,369,014	$ 3,322,778	$ 3,067,706	$ 3,160,081	$ 10,349,807	$ 1,321,359	$ 7,150,426	$ 979,669	$ 42,429,765
Change in Obligated Balance:										
Obligated Balance, Net - Brought Forward, October 1										
Unpaid Obligations, Gross	$ 982,679	$ 4,874,461	$ 708,551	$ 5,510,847	$ 777,043	$ 3,221,811	$ 226,043	$ 1,185,212	$ 272,682	$ 17,759,329
Less: Uncollected Customer Payments from Federal Sources	4,245	794,774	165,214	25,666	181,976	479,261	70,398	6,345	25,219	1,753,098
Total Obligated Balance, Net - Brought Forward, October 1	978,434	4,079,687	543,337	5,485,181	595,067	2,742,550	155,645	1,178,867	247,463	16,006,231
Obligations Incurred	1,620,206	9,554,691	3,232,381	2,880,244	3,001,789	9,402,273	1,260,392	6,770,613	824,853	38,547,442
Less: Outlays, Gross	1,426,916	9,658,520	3,227,503	3,311,068	2,964,749	9,242,252	1,219,844	6,899,342	926,480	38,876,674
Change in Uncollected Customer Payments from Federal Sources	(644)	(21,773)	(23,618)	430	24,619	(13,443)	10,545	(4,537)	(9,141)	(37,562)
Less: Recoveries of Prior Year Unpaid Obligations	83,669	206,483	64,819	54,156	102,053	216,564	21,159	4,539	-	753,442
Obligated Balance, Net - End of Period										
Unpaid Obligations, Gross	1,092,300	4,564,149	648,610	5,025,867	712,030	3,165,268	245,431	1,051,944	171,054	16,676,653
Less: Uncollected Customer Payments from Federal Sources	4,889	816,547	188,832	25,236	157,357	492,704	59,852	10,882	34,360	1,790,659
Total Obligated Balance, Net - End of Period	$ 1,087,411	$ 3,747,602	$ 459,778	$ 5,000,631	$ 554,673	$ 2,672,564	$ 185,579	$ 1,041,062	$ 136,694	$ 14,885,994

U. S. Department of Justice
Combining Statement of Budgetary Resources - Continued
For the Fiscal Year Ended September 30, 2011

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Budgetary Authority and Outlays, Net:										
Budgetary Authority, Gross (discretionary and mandatory)	$ 1,615,077	$ 9,139,157	$ 3,145,979	$ 2,783,361	$ 2,800,783	$ 9,245,351	$ 1,197,849	$ 6,769,815	$ 904,683	$ 37,602,055
Less: Actual Offsetting Collections (discretionary and mandatory)	11,665	2,087,046	1,572,672	33,683	529,910	1,308,051	95,965	383,911	895,542	6,918,445
Change in Uncollected Customer Payments from Federal Sources (discretionary and mandatory)	(644)	(21,773)	(23,618)	430	24,619	(13,443)	10,545	(4,537)	(9,141)	(37,562)
Budget Authority, Net (discretionary and mandatory)	$ 1,602,768	$ 7,030,338	$ 1,549,689	$ 2,750,108	$ 2,295,492	$ 7,923,857	$ 1,112,429	$ 6,381,367	$ -	$ 30,646,048
Outlays, Gross (discretionary and mandatory)	$ 1,426,916	$ 9,658,520	$ 3,227,503	$ 3,311,068	$ 2,964,749	$ 9,242,252	$ 1,219,844	$ 6,899,342	$ 926,480	$ 38,876,674
Less: Actual Offsetting Collections (discretionary and mandatory)	11,665	2,087,046	1,572,672	33,683	529,910	1,308,051	95,965	383,911	895,542	6,918,445
Outlays, Net (discretionary and mandatory)	1,415,251	7,571,474	1,654,831	3,277,385	2,434,839	7,934,201	1,123,879	6,515,431	30,938	31,958,229
Less: Distributed Offsetting Receipts	4,596	777,312	-	206	243,616	(7,284)	3,892	3,306	-	1,025,644
Agency Outlays, Net (discretionary and mandatory)	$ 1,410,655	$ 6,794,162	$ 1,654,831	$ 3,277,179	$ 2,191,223	$ 7,941,485	$ 1,119,987	$ 6,512,125	$ 30,938	$ 30,932,585

U. S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2012

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Revenue Activity										
Sources of Cash Collections										
Delinquent Federal Civil Debts as Required by the Federal Debt Recovery Act of 1986	$ -	$ 6,995,798	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,995,798
Fees and Licenses	-	-	-	-	15,000	-	21,710	-	-	36,710
Fines, Penalties and Restitution Payments - Civil	-	-	-	-	12,595	-	18	-	-	12,613
Fines, Penalties and Restitution Payments - Criminal	-	39,750	-	-	-	-	74	-	-	39,824
Miscellaneous	-	43	-	-	-	10,736	2,873	-	-	13,652
Total Cash Collections	**$ -**	**$ 7,035,591**	**$ -**	**$ -**	**$ 27,595**	**$ 10,736**	**$ 24,675**	**$ -**	**$ -**	**$ 7,098,597**
Accrual Adjustments	-	-	-	-	(1,418)	-	13	-	-	(1,405)
Total Custodial Revenue	**$ -**	**$ 7,035,591**	**$ -**	**$ -**	**$ 26,177**	**$ 10,736**	**$ 24,688**	**$ -**	**$ -**	**$ 7,097,192**
Disposition of Collections										
Transferred to Federal Agencies										
U.S. Department of Agriculture	-	(105,670)	-	-	-	-	-	-	-	(105,670)
U.S. Department of Commerce	-	(3,746)	-	-	-	-	-	-	-	(3,746)
U.S. Department of the Interior	-	(129,015)	-	-	-	-	-	-	-	(129,015)
U.S. Department of Justice	-	(21,085)	-	-	-	-	-	-	-	(21,085)
U.S. Department of Labor	-	(9,175)	-	-	-	-	-	-	-	(9,175)
U.S. Postal Service	-	(7,675)	-	-	-	-	-	-	-	(7,675)
U.S. Department of State	-	(26,613)	-	-	-	-	-	-	-	(26,613)
U.S. Department of the Treasury	-	(917,662)	-	-	(27,595)	-	(24,328)	-	-	(969,585)
Office of Personnel Management	-	(157,714)	-	-	-	-	-	-	-	(157,714)
Federal Communications Commission	-	(310)	-	-	-	-	-	-	-	(310)
Social Security Administration	-	(921)	-	-	-	-	-	-	-	(921)
Smithsonian Institution	-	(8)	-	-	-	-	-	-	-	(8)
U.S. Department of Veterans Affairs	-	(125,354)	-	-	-	-	-	-	-	(125,354)
General Services Administration	-	(130,087)	-	-	-	-	-	-	-	(130,087)
Securities and Exchange Commission	-	(411)	-	-	-	-	-	-	-	(411)
Federal Deposit Insurance Corporation	-	(59)	-	-	-	-	-	-	-	(59)
Railroad Retirement Board	-	(288)	-	-	-	-	-	-	-	(288)
Tennessee Valley Authority	-	(8)	-	-	-	-	-	-	-	(8)
Environmental Protection Agency	-	(189,137)	-	-	-	-	-	-	-	(189,137)
U.S. Department of Transportation	-	(13,674)	-	-	-	-	-	-	-	(13,674)
U.S. Department of Homeland Security	-	(66,585)	-	-	-	-	-	-	-	(66,585)
Agency for International Development	-	(511)	-	-	-	-	-	-	-	(511)
Small Business Administration	-	(6,371)	-	-	-	-	-	-	-	(6,371)
U.S. Department of Health and Human Services	-	(1,283,167)	-	-	-	-	-	-	-	(1,283,167)
National Aeronautics and Space Administration	-	(725)	-	-	-	-	-	-	-	(725)
Export-Import Bank of the United States	-	(17,264)	-	-	-	-	-	-	-	(17,264)
U.S. Department of Housing and Urban Development	-	(1,129,547)	-	-	-	-	-	-	-	(1,129,547)
National Archives & Records Administration	-	(29)	-	-	-	-	-	-	-	(29)
U.S. Department of Energy	-	(3,313)	-	-	-	-	-	-	-	(3,313)
U.S. Department of Education	-	(14,452)	-	-	-	-	-	-	-	(14,452)
Independent Agencies	-	(63,619)	-	-	-	-	-	-	-	(63,619)
Treasury General Fund	-	(642,790)	-	-	-	(10,736)	-	-	-	(653,526)
U.S. Department of Defense	-	(217,607)	-	-	-	-	-	-	-	(217,607)
Transferred to the Public	-	(508,622)	-	-	-	-	-	-	-	(508,622)
(Increase)/Decrease in Amounts Yet to be Transferred	-	(567,495)	-	-	1,418	-	-	-	-	(566,077)
Refunds and Other Payments	-	(512,825)	-	-	-	-	(360)	-	-	(513,185)
Retained by the Reporting Entity	-	(162,057)	-	-	-	-	-	-	-	(162,057)
Total Disposition Of Collections	-	(7,035,591)	-	-	(26,177)	(10,736)	(24,688)	-	-	(7,097,192)
Net Custodial Activity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

U. S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2011

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Revenue Activity										
Sources of Cash Collections										
Delinquent Federal Civil Debts as Required by the Federal Debt Recovery Act of 1986	$ -	$ 5,222,083	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,222,083
Fees and Licenses	-	-	-	-	15,000	-	17,437	-	-	32,437
Fines, Penalties and Restitution Payments - Civil	-	-	-	-	82,268	-	20	-	-	82,288
Fines, Penalties and Restitution Payments - Criminal	-	38,255	-	-	-	-	95	-	-	38,350
Miscellaneous	-	59	-	-	-	902	3,892	-	-	4,853
Total Cash Collections	**$ -**	**$ 5,260,397**	**$ -**	**$ -**	**$ 97,268**	**$ 902**	**$ 21,444**	**$ -**	**$ -**	**$ 5,380,011**
Accrual Adjustments	-	-	-	-	3,617	-	26	-	-	3,643
Total Custodial Revenue	**$ -**	**$ 5,260,397**	**$ -**	**$ -**	**$ 100,885**	**$ 902**	**$ 21,470**	**$ -**	**$ -**	**$ 5,383,654**
Disposition of Collections										
Transferred to Federal Agencies										
U.S. Department of Agriculture	-	(96,346)	-	-	-	-	-	-	-	(96,346)
U.S. Department of Commerce	-	(5,103)	-	-	-	-	-	-	-	(5,103)
U.S. Department of the Interior	-	(29,959)	-	-	-	-	-	-	-	(29,959)
U.S. Department of Justice	-	(81,181)	-	-	-	-	-	-	-	(81,181)
U.S. Department of Labor	-	(736)	-	-	-	-	-	-	-	(736)
U.S. Postal Service	-	(4,362)	-	-	-	-	-	-	-	(4,362)
U.S. Department of State	-	(8,535)	-	-	-	-	-	-	-	(8,535)
U.S. Department of the Treasury	-	(130,778)	-	-	(97,268)	-	(21,138)	-	-	(249,184)
Office of Personnel Management	-	(58,144)	-	-	-	-	-	-	-	(58,144)
Federal Communications Commission	-	(14,727)	-	-	-	-	-	-	-	(14,727)
Social Security Administration	-	(2,726)	-	-	-	-	-	-	-	(2,726)
Smithsonian Institution	-	(190)	-	-	-	-	-	-	-	(190)
U.S. Department of Veterans Affairs	-	(28,703)	-	-	-	-	-	-	-	(28,703)
General Services Administration	-	(88,447)	-	-	-	-	-	-	-	(88,447)
Securities and Exchange Commission	-	(3)	-	-	-	-	-	-	-	(3)
Federal Deposit Insurance Corporation	-	(71)	-	-	-	-	-	-	-	(71)
Railroad Retirement Board	-	(100)	-	-	-	-	-	-	-	(100)
Environmental Protection Agency	-	(341,267)	-	-	-	-	-	-	-	(341,267)
U.S. Department of Transportation	-	(7,236)	-	-	-	-	-	-	-	(7,236)
U.S. Department of Homeland Security	-	(66,843)	-	-	-	-	-	-	-	(66,843)
Agency for International Development	-	(22,233)	-	-	-	-	-	-	-	(22,233)
Small Business Administration	-	(10,447)	-	-	-	-	-	-	-	(10,447)
U.S. Department of Health and Human Services	-	(2,001,923)	-	-	-	-	-	-	-	(2,001,923)
National Aeronautics and Space Administration	-	(3,792)	-	-	-	-	-	-	-	(3,792)
Export-Import Bank of the United States	-	(24,643)	-	-	-	-	-	-	-	(24,643)
U.S. Department of Housing and Urban Development	-	(11,099)	-	-	-	-	-	-	-	(11,099)
U.S. Department of Energy	-	(2,093)	-	-	-	-	-	-	-	(2,093)
U.S. Department of Education	-	(55,431)	-	-	-	-	-	-	-	(55,431)
Independent Agencies	-	(67,264)	-	-	-	-	-	-	-	(67,264)
Treasury General Fund	-	(618,814)	-	-	-	(902)	-	-	-	(619,716)
U.S. Department of Defense	-	(173,894)	-	-	-	-	-	-	-	(173,894)
Transferred to the Public	-	(516,597)	-	-	-	-	-	-	-	(516,597)
(Increase)/Decrease in Amounts Yet to be Transferred	-	(304,330)	-	-	(3,617)	-	-	-	-	(307,947)
Refunds and Other Payments	-	(364,312)	-	-	-	-	(332)	-	-	(364,644)
Retained by the Reporting Entity	-	(118,068)	-	-	-	-	-	-	-	(118,068)
Total Disposition Of Collections	-	(5,260,397)	-	-	(100,885)	(902)	(21,470)	-	-	(5,383,654)
Net Custodial Activity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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Required Supplementary Stewardship Information
Unaudited

See Independent Auditors' Report on Financial Statements

U.S. Department of Justice
Required Supplementary Stewardship Information
Consolidated Stewardship Investments
For the Fiscal Years Ended September 30, 2012, 2011, 2010, 2009 and 2008

The Bureau of Justice Assistance administers the Correctional Systems and Correctional Alternatives for Tribal Lands (CSCATL) and the Violent Offender Incarceration and Truth-In-Sentencing (VOI/TIS) Incentive grant programs. Both programs provide grants for the purposes of building and expanding correctional facilities and jails to increase secure confinement space for violent offenders and implementing correctional alternatives to reduce reliance on incarceration. VOI/TIS funds are available to any of the 50 United States, the District of Columbia, Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, the Northern Mariana Islands, and recognized Tribal governments; while CSCATL funds are available to tribes within the 50 states. The Tribal Law and Order Act of 2010 (Public Law 111-211) expanded the CSCATL grant program scope to include multi-purpose justice centers. The facilities built or expanded with these funds constitute non-federal physical property. Upon completion, the Bureau of Indian Affairs of the Department of Interior, and/or tribal grantees are responsible for supporting, operating, and maintaining the correctional facilities.

The CSCATL strategy broadly addresses tribal justice systems and lends support to tribes that:

− Are interested in establishing/enhancing (tribal/non-tribal) multi-agency cooperation and collaborations;

− Are committed to conducting community-wide assessment for purpose of developing a comprehensive master plan that encompasses the design, use, capacity, and cost of adult and/or juvenile justice sanctions and services;

− Wish to explore an array of detention and correctional building options, including prototypical or quasi-prototypical concepts/designs for local correctional facilities, multipurpose justice centers, and regional facilities; and

− Are interested in learning about/applying community-based alternatives to help control and prevent jail overcrowding due to growing problems involving alcohol, substance abuse, and methamphetamine.

CSCATL and VOI/TIS funds expended from fiscal years 2008 through September 30, 2012, are as follows:

Dollars in Thousands	2012	2011	2010	2009	2008
Cooperative Agreement Program Administered by USMS	$0	$0	$0	$0	$1,140
Discretionary Grants to Indian Tribes	97553	52,339	24,768	14,320	5,094
Formula Grants to States	84	-1,139	11,389	41,561	59,011
Total	$97,637	$51,200	$36,157	$55,881	$65,245

Other Accompanying Information
Unaudited

See Independent Auditors' Report on Financial Statements

U.S. Department of Justice
Other Accompanying Information
Combined Schedule of Spending
For the Fiscal Year Ended September 30, 2012

Dollars in Thousands			**2012**
What Money is Available to Spend?			
Total Resources		$	45,287,708
Less: Amount Available but Not Agreed to be Spent			2,948,354
Less: Amount Not Available to be Spent			1,088,078
Total Amounts Available to be Spent		**$**	**41,251,276**
How was the Money Spent?			
Personnel Compensation and Benefits			
1100	Personnel Compensation	$	10,917,316
1200	Personnel Benefits		4,238,615
1300	Former Personnel		14,817
2100	Travel & Transportation of Persons		481,904
2200	Transportation of Things		118,861
Other Program Related Expenses			
2300	Rent, Communications, and Utilities		3,145,662
2400	Printing		29,969
2500	Other Services		14,034,299
2600	Supplies and Materials		1,678,624
3100	Equipment/IT Software		1,158,926
3200	Leasehold Improvements		380,390
4100	Grants		3,661,089
4200	Insurance Claims and Indemnities		259,178
4300	Interest and Dividends		367
Total Spending			40,120,017
Amounts Remaining to be Spent			1,131,259
Total Amounts Available to be Spent		**$**	**41,251,276**

SECTION IV
Management Section

Section IV Management Section (Unaudited)

Overview

Each year, the Department identifies existing and potential management challenges, weaknesses, and areas in need of improvement. Two primary sources used to identify these issues are the Department's OIG-identified Top Management and Performance Challenges and the Federal Managers' Financial Integrity Act (FMFIA) assessment process. The challenges identified by the Department's OIG are from an auditor's perspective and include areas of concern that bear significantly on how well the Department carries out its mission and meets its responsibilities as a steward of public funds. The FMFIA assessment process evaluates the effectiveness of internal controls to support effective and efficient programmatic operations, reliable financial reporting, and compliance with applicable laws and regulations (FMFIA § 2) and whether financial management systems conform to financial system requirements (FMFIA § 4).

Presented on the following pages are the OIG-identified Top Management and Performance Challenges in the Department, Department management's response to those challenges, and the Corrective Action Plan resulting from the FMFIA assessment.

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OIG Top Management and Performance Challenges in the Department of Justice

November 7, 2012

MEMORANDUM FOR THE ATTORNEY GENERAL
THE DEPUTY ATTORNEY GENERAL

FROM: MICHAEL E. HOROWITZ
INSPECTOR GENERAL

SUBJECT: Top Management and Performance Challenges in the Department of Justice

Attached to this memorandum is the Office of the Inspector General's (OIG) 2012 list of top management and performance challenges facing the Department of Justice (Department). We have prepared similar lists since 1998. By statute this list is required to be included in the Department's annual Performance and Accountability Report.

The challenges are based on the OIG's oversight work, research, and judgment. While the challenges are not presented in priority order, we continue to believe that *Safeguarding National Security* presents the greatest challenge to the Department. We also have highlighted the many challenges the Department faces in enforcing federal law in a coordinated and effective fashion, and we again have highlighted the importance of *Restoring Confidence in the Department*, as recent events – most notably the events detailed in our August 2012 report on the Bureau of Alcohol, Tobacco, Firearms and Explosives' Operation Fast and Furious and Related Matters – have once more placed the Department's role as a custodian of the public's trust under intense scrutiny.

In addition, we have posed many questions that go to the heart of the Department's structure and operations, such as whether the Department is adequately addressing the growing costs of the federal prison system, whether aspects of the Department's four law enforcement components could be further consolidated with each other, and whether the Department's operations duplicate similar efforts by other federal agencies. These questions are not new, but they take on new importance in this era of constrained budgets. Together, these issues pose a clear, if daunting, challenge: the Department must have in place an innovative and transparent strategic vision for how to fulfill its mission without requiring additional resources.

We hope this document will assist the Department in addressing its top management and performance challenges. We look forward to continuing to work with the Department to respond to these important issues.

Attachment

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1. Safeguarding National Security: Terrorism remains a significant threat world-wide as the country moves into the second decade since the terrorist attacks of September 11, 2001. In its latest "Report on Terrorism," the National Counterterrorism Center identified more than 10,000 terrorist attacks world-wide during calendar year 2011, resulting in nearly 45,000 victims and over 12,500 deaths in 70 countries. Consequently, safeguarding national security has remained the Department of Justice's (DOJ or Department) highest priority and the focus of intensive resources: the Federal Bureau of Investigation (FBI) alone dedicated approximately 4,200 of its approximately 13,000 special agents to investigate more than 33,000 national security cases in fiscal year (FY) 2011.

The Office of the Inspector General's (OIG) oversight has consistently demonstrated that the Department faces many challenges in its efforts to help protect the nation from attack. One such challenge is ensuring that national security information is appropriately shared among Department components and the intelligence community so that responsible officials have the information they need to act in a timely and effective manner. The OIG is currently conducting numerous reviews in this area. For example, we are examining whether the FBI and National Security Division are appropriately handling and coordinating the Department's responsibilities with regard to terrorist financing, a crucial component of the country's efforts to disrupt terrorist organizations and prevent future attacks.

The OIG is also continuing its oversight of information sharing and coordination among Department components with respect to watchlisting terrorists. For example, in audits conducted in 2008 and 2009, the OIG concluded that the FBI was not adding known or suspected terrorists to the Terrorist Watchlist maintained by the FBI's Terrorist Screening Center in a timely fashion and that it lacked effective procedures to ensure that names on the watchlist were updated or removed as required by law. We have initiated another review to determine whether the FBI has made progress toward remedying these deficiencies.

We are also reviewing the operations and functions of the FBI's Foreign Terrorist Tracking Task Force, an entity formed to provide information that helps keep foreign terrorists and their supporters out of the United States or leads to their removal, detention, prosecution, or other legal action. Our review is evaluating whether the FBI has implemented a viable strategy to locate and track suspected terrorists and their supporters, including its efforts to coordinate with law enforcement and intelligence agencies both inside and outside the Department, and whether the FBI has appropriately managed terrorist-related information maintained by the task force.

In addition to the challenges of information sharing, the Department faces the challenge of ensuring the appropriate use of the tools available to its personnel responsible for monitoring and detecting national security risks and threats. The importance of this challenge was demonstrated in two prior OIG reviews assessing the FBI's use of national security letters (NSL), which allow the government to obtain information such as telephone and financial records from third parties without a court order, but which are subject to legal requirements that protect fundamental civil liberties and privacy interests. These reviews found that the FBI had misused this authority by failing to comply with important legal requirements designed to protect civil liberties and privacy interests, and we therefore made recommendations to help remedy these failures. The FBI has implemented many of these recommendations and continues to make progress in implementing others. However, some recommendations remain outstanding. We are now conducting our third review of NSLs to assess the FBI's progress in responding to those recommendations and to evaluate the FBI's automated system for tracking NSL-related activities and ensuring compliance with applicable laws. The review will also evaluate the FBI's use of two related national security tools: the authority to obtain business records pursuant to Section 215 of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act*, and the authority to use pen register and trap-and-trace devices under the *Foreign Intelligence Surveillance Act* (FISA).

Similarly, the OIG recently completed a review of the Department's use of Section 702 of the *FISA Amendments Act* (FAA), which culminated in a classified report released to the Department and Congress. Section 702 confers authority to "target persons reasonably believed to be located outside the United States to acquire foreign intelligence information." As required by the FAA, the OIG examined the number of disseminated FBI intelligence reports containing a reference to a U.S. person identity, the number of U.S. person identities subsequently disseminated in response to requests for identities not referred to by name or title in the original reporting, the number of targets later determined to be located in the United States, and whether communications of such targets were reviewed. The OIG also reviewed the FBI's compliance with the required targeting and minimization procedures.

2. Enhancing Cyber Security: Computer systems that are integral to the infrastructure, economy, and defense of the United States face the constant and rapidly growing threat of cyber intrusion and attack, including the threat of cyber terrorism. According to recent statements by the Secretary of Defense, the United States is increasingly vulnerable to foreign computer hackers seeking to launch cyber-attacks on critical national infrastructure. While the number of cyber security incidents directly affecting the Department remains classified, a recent study by the Government Accountability Office (GAO) found that the number of such incidents reported by federal agencies increased by nearly 680 percent from 2006 to 2011. The Department will continue to face challenges as it seeks to prevent, deter, and respond to cyber security incidents – both those targeting its own networks and those that endanger the many private networks upon which the nation depends.

The Department has identified the investigation of cyber crime and the protection of the nation's network infrastructure as one of its top priorities. The Department's FY 2013 budget request highlights the increased resources sought for the Comprehensive National Cybersecurity Initiative, which is intended to combine the missions of various federal agencies to protect government computer systems and begin to address the protection of private sector systems, as well as for the FBI's cyber terrorism investigations and the forensic examination of digital evidence. The budget request also seeks increased resources for the National Cyber Investigative Joint Task Force (NCIJTF), an FBI-led multi-agency task force to coordinate the counterintelligence, counterterrorism, intelligence, and law enforcement activities of its member organizations in response to cyber threats.

In addition to funding increases, the Department has sought to strengthen cyber security by responding to recommendations made in OIG reports relating to cyber security. For example, in September 2011, the OIG released an audit report examining the operations of the Justice Security Operations Center (JSOC), which was established in 2007 to protect the Department's information technology systems from cyber intrusions, attacks, espionage, and other cyber incidents. The audit identified needed improvements to JSOC's activities, including its cooperation and coordination with Department components and with the Department of Homeland Security's United States Computer Emergency Readiness Team. We made 20 recommendations to improve JSOC's ability to report and manage information pertaining to cyber incidents, and to enhance the effectiveness of coordination between JSOC and components and offices. The Department has implemented corrective action and closed 19 of the 20 recommendations. The Department has also implemented and closed all 10 recommendations in the OIG's 2011 audit report assessing the NCIJTF and the capabilities of FBI field offices to investigate national security cyber intrusion cases.

However, the challenges posed by cyber crime multiply as cyber threats grow in number and complexity. Of central importance to any cyber security strategy is working effectively with the private sector. The Department must not only encourage the private sector to invest in the security of its own networks, but it must also conduct aggressive outreach to assure potential victims of cyber crime that proprietary network information disclosed to law enforcement will not become public. Even a modest increase in the rate at which cyber crimes are reported would afford the Department invaluable opportunities to learn the newest tactics used by an unusually dynamic population of criminals and other adversaries, and to arrest and prosecute more perpetrators.

Cyber intrusion and attack also pose risks to the security of the Department's information, the continuity of its operations, and the effectiveness of its law enforcement and national security efforts, and the Department consequently faces the challenge of protecting its own systems, including systems that protect its sensitive and classified information. Partly in response to the highly publicized 2010 incident in which an Army intelligence analyst allegedly provided classified combat footage and hundreds of thousands of classified State Department documents to a website devoted to publishing secret information, news leaks, and classified media from anonymous sources, the President issued an executive order requiring a government-wide program for deterring, detecting, and mitigating insider threats. As a result, in March 2012 the Department established an Insider Threat Detection and Prevention Working Group. The Department plans to issue a strategy and guidance on how components should implement an insider threat program and to provide training on insider threats.

But more can be done. For example, the OIG annually conducts its *Federal Information Security Management Act* audits, which include testing the effectiveness of information security policies, procedures, and practices of a representative subset of agency systems. The OIG recently reviewed the security programs and a selection of individual systems for six Department components: the FBI, Justice Management Division (JMD), Federal Bureau of Prisons (BOP), U.S. Marshals Service (USMS), Criminal Division, and Tax Division. These audits identified deficiencies that included inadequate configuration management settings that expose workstations to cyber security threats; inadequate identification and authentication controls that increase the risk of inappropriate or unauthorized access to information systems; audit and accountability controls that decrease the timely identification of operational problems and unauthorized activity; and inadequate contingency planning that increases the risk that information systems will not continue to operate during an emergency. In addition, the Civil Division has yet to complete corrective actions in response to the 2009 OIG audit report finding significant vulnerabilities in its laptop computer encryption policies and practices. The Department must strive not only to correct these deficiencies, but to avoid them in the first instance.

3. Managing the Federal Prison System: Housing a continually growing and aging population of federal inmates and detainees is consuming an ever-larger portion of the Department's budget, making safe and secure incarceration increasingly difficult to provide, and threatening to force significant budgetary and programmatic cuts to other DOJ components in the near future. In FY 2006, there were 192,584 inmates in BOP custody. As of October 2012, the BOP reported 218,936 inmates in its custody, an increase of nearly 14 percent. Not surprisingly, these trends mirror the increased number of federal defendants sentenced each year, which rose from approximately 60,000 in FY 2001 to more than 86,000 in FY 2011, according to the U.S. Sentencing Commission.

The Department's own budget reports demonstrate the fundamental financial challenges facing the Department. Fifteen years ago, the BOP's enacted budget was $3.1 billion, which represented approximately 16 percent of the Department's budget. In comparison, the Department has requested

$6.8 billion for the BOP in FY 2013, or 26 percent of the Department's total FY 2013 budget request. Moreover, the President's FY 2013 budget projects the budget authority for federal correctional activities to rise to $7.4 billion by 2017.

The Department has been aware for years of the problems that it is facing due to the rapidly expanding prison population. The Department first identified prison overcrowding as a programmatic material weakness in its FY 2006 Performance and Accountability Report, and it has been similarly identified in every such report since. In fact, prison overcrowding was the Department's only identified material weakness in this last year. To reduce overcrowding in existing federal prisons as the inmate population continues to grow, the BOP has contracted with private sector and state and local facilities to house certain groups of low-security inmates, and it recently purchased an existing state facility. The Department also has expanded existing federal facilities, and the GAO recently reported that from FY 2006 through FY 2011 the BOP increased its rated capacity by approximately 8,300 beds as a result of opening 5 new facilities.

Yet despite this increase in bed space since FY 2006, and despite the growth in BOP budget authority from approximately 22 percent of the DOJ budget in FY 2006 to the requested 26 percent in FY 2013, conditions in the federal prison system continued to decline. Since FY 2000, the BOP's inmate-to-staff ratio has increased from about four-to-one to a projected five-to-one in FY 2013. Since FY 2006, federal prisons have moved from 36 percent over rated capacity to 39 percent over rated capacity in FY 2011, with medium security facilities currently operating at 47 percent over rated capacity and high security facilities operating at 52 percent over rated capacity. Moreover, the Department's own outlook for the federal prison system is bleak: the BOP projects system-wide crowding to exceed 44 percent over rated capacity through 2018. In an era where the Department's overall budget is likely to remain flat or decline, it is readily apparent from these figures that the Department simply cannot solve this challenge by spending more money to operate more federal prisons unless it is prepared to make drastic cuts to other important areas of the Department's operations.

One approach the Department recently has embraced to reduce prison system costs is to focus on reducing recidivism. According to Department figures, of the more than 45,000 federal offenders who leave prison every year and return to American communities, approximately 40 percent are rearrested or have their supervised release revoked within 3 years. The Deputy Attorney General has spoken about various alternatives to incarceration – including the Pretrial Alternatives to Detention Initiative in the Central District of Illinois, the Conviction and Sentence Alternative program in the Central District of California, and the BRIDGE program in the District of South Carolina.

The Department also is pursuing legislative proposals targeting the problem of recidivism. Recent proposals include the *Federal Prisoner Recidivism Reduction Programming Enhancement Act*, which would allow prisoners who successfully participate in programs that have been demonstrated to reduce recidivism to earn up to 60 days per year of credit toward the completion of their sentences, and the *Federal Prisoner Good Conduct Time Act*, which would increase the amount of time a federal prisoner could earn for good behavior to reduce his or her sentence.

The Department's efforts to develop new alternatives to incarceration also may help reduce overcrowding and costs. For example, it supported changes to the federal sentencing guidelines to permit drug or mental health treatment for certain low-level offenders to serve as an alternative to incarceration. It also revised the *U.S. Attorneys' Manual* regarding available alternatives to incarceration, such as pretrial diversion programs that offer addicted defendants treatment and monitoring instead of prosecution.

Additionally, the Department can make better use of existing programs to realize cost savings and reduce overcrowding. For example, in December 2011, the OIG reviewed the Department's International Prisoner Treaty Transfer Program, which permits certain foreign national inmates from treaty nations to transfer to their home countries to serve the remainder of their sentences. According to the U.S. Sentencing Commission, 48 percent of defendants sentenced in FY 2011 were non-U.S. citizens, up from 37 percent in FY 2006, and the BOP reported that, as of August 2012, up to approximately 27 percent of federal inmates were foreign nationals. Yet the OIG review found the BOP and the Criminal Division's International Prisoner Transfer Unit had rejected 97 percent of foreign national inmates' requests to transfer from FY 2005 through FY 2010, and in FY 2010, slightly less than 1 percent of the 40,651 foreign national inmates in the BOP's custody were transferred to their home countries to complete their sentences. While some factors that reduce the number of transfers are beyond the Department's control, the OIG found the Department could take steps to increase the number of inmates transferred and the timeliness of the process that would result in potentially significant savings. The Department is now implementing the OIG's 14 recommendations to manage the program more effectively. Similarly, the OIG is reviewing the BOP's implementation of its Compassionate Release Program, which allows the Department to release prisoners under extraordinary and compelling conditions, such as terminal illness.

Importantly, the challenges facing the BOP and the Department are not limited to overcrowding and rapidly increasing costs. For example, the Department bears the heavy responsibility of preventing the sexual abuse of inmates in BOP facilities and detainees in the custody of the USMS. The OIG raised concerns about this issue in a 2009 report on the Department's efforts to detect and deter staff sexual abuse of inmates in federal prisons, and the *Prison Rape Elimination Act of 2003* (PREA) required the Department to issue by June 2010 national standards to enhance the detection, prevention, reduction, and punishment of prison rape. The Department issued its final rule in May 2012, and the new rule is responsive to the concerns we previously raised. However, the BOP's and USMS's implementation of the rule may prove challenging. Among other requirements, the new standards obligate agencies to include compliance with PREA standards as a requirement in any new contract or contract renewal with outside entities, thus imposing new monitoring obligations on the BOP and USMS with respect to private contract facilities.

The Department also faces challenges in managing its prisoner work program, Federal Prison Industries, Inc. (FPI), a wholly owned federal government corporation created by Congress that operates under the trade name UNICOR. As of September 2012, the FPI had closed 36 of 104 factories while opening only 13 new factories in the previous 5 years, resulting in an overall decrease in both the number of facilities and the number of inmates working in FPI facilities. The FPI is currently employing only about 8 percent of work-eligible inmates, well below its goal of 25 percent. The OIG is reviewing the FPI's business management practices to determine what factors have led to the significant reduction of inmate work and the FPI's plans to maintain and create work opportunities for inmates. Also under review are the FPI's management of its business operations, including development and significant changes to product offerings, and how the FPI is using new legislative authority that would allow it to grow its business and employ more inmates.

4. Leading the Department in an Era of Budget Constraints: The Department's mission has remained substantially unchanged since 2001, yet the budgetary environment in which the Department operates has changed dramatically. From FY 2001 through FY 2011, the Department's discretionary budget grew by more than 41 percent in real dollars, from $20.4 billion to $28.9 billion. Yet the Department's discretionary budget decreased by more than 7 percent in FY 2012 to $26.8 billion, and its FY 2013 discretionary budget request of $26.7 billion represents a further decrease from historical levels. With the President's budget for FY 2013 forecasting additional cuts to the overall Executive Branch discretionary budgets in coming years, it appears likely that Department leadership faces the significant challenge of fulfilling the Department's mission without the assurance of increased resources.

The Department has taken initial steps to reduce its budget. For example, the Attorney General issued a memorandum ordering a Department-wide temporary hiring freeze and instructed components to limit travel, training, and conference spending. In February 2011, the Deputy Attorney General provided guidance for operational and programmatic efficiencies. The Department has implemented cost-saving initiatives relating to information technology expenditures, travel expenses, and time-and-attendance tracking. The Attorney General also created his Advisory Council for Savings and Efficiencies (SAVE Council) in 2010, which has taken such steps as eliminating the Drug Enforcement Administration's (DEA) Mobile Enforcement Teams, posting administrative notices on the forfeiture.gov website, consolidating Department offices, and merging JMD's strategic planning and management functions.

With respect to the Department's budget request for FY 2013, the Department has proposed almost $700 million in efficiencies, offsets, and rescissions, representing approximately 2.6 percent of the Department's total budget. Approximately $647 million of these cuts resulted from administrative efficiencies, non-grant program reductions, and rescissions of prior year balances. However, the Department also has proposed approximately $228 million in FY 2013 program increases, including: $55 million for investigating and prosecuting financial and mortgage fraud; $32 million for traditional missions (civil rights, cyber security, intellectual property, transnational organized crime, and immigration services); and $141 million to ensure prisoners and detainees are confined in secure facilities and to improve federal prisoner reentry.

As part of the effort to find operational efficiencies, the Department should redouble its efforts to adopt and implement OIG recommendations designed to reduce costs. We understand that corrective actions take time to implement, but as of September 2012, 819 OIG recommendations to the Department remained open, including many recommendations that could lead to substantial cost savings. Our FY 2012 audits and related single audits also identified $25 million in questioned costs that the Department should make every effort to resolve and, if necessary, recover. Additionally, various GAO reports have identified functions that the Department may wish to consolidate, such as the recent report recommending that the Department consider combining its Asset Forfeiture Program with that of the Treasury Department.

The Department must also focus on enhancing long term planning for large information technology projects. For example, in January 2012, the OIG released a follow-up audit report examining the status of the Integrated Wireless Network program intended to address the Department's aging law enforcement communications systems, meet federal law enforcement requirements to communicate across agencies, allow interoperability with state and local law enforcement partners, and meet mandates to use federal radio frequency spectrum more efficiently. Our previous audit had concluded that the program was at high risk of failing to secure an integrated wireless network for use by the Department, the Department of Homeland Security, and the Treasury Department. We found that by 2012, after spending more than $356 million over 10 years, the program had yet to achieve the results intended when the Department began developing it in 1998 due to inconsistent funding from Congress, the departure from the program of a major federal agency partner, and unforeseen changes in the technological environment. Similarly, our September 2012 audit report examining the FBI Laboratory's forensic DNA case backlog found that after spending $14 million since 2003 on two attempts to develop an information management system, the FBI Laboratory did not have a system capable of electronically managing laboratory operations, and a new system was in the preliminary stages of development.

The Department should also continue to strengthen its efforts to collect criminal penalties, civil judgments, and other funds owed to the Department, while also ensuring that enforcement efforts across its components and sub-components remain equally and appropriately vigorous. In FY 2011, the U.S. Attorneys' Offices collected $6.5 billion in criminal and civil actions – $2.7 billion in restitution, criminal fines, and felony assessments, and $3.8 billion in individually and jointly handled civil actions – as well as an additional $1.68 billion collected through asset forfeiture actions in partnership with other divisions and agencies. However, at the end of FY 2011, the U.S. Attorneys' Offices reported an ending principle balance of nearly $75 billion relating to criminal and civil actions that remained uncollected. In addition, collection efforts may vary substantially among the U.S. Attorneys' Offices. For example, according to the United States Attorneys' Annual Statistical Report, a single office accounted for more than 68 percent of the approximately $1.5 billion recovered through civil asset forfeitures during FY 2011. Based on our review of Annual Statistical Reports for other fiscal years, this substantial variance does not appear to be anomalous.

Leading the Department in this climate of budget constraints will require careful budget management and significant improvements to existing operations. Discrete operating efficiencies are unlikely to fully address the significant challenges of moving the Department from an era of expanding budgets into an era of budget constraints without sacrificing its mission. It is therefore incumbent upon the Department to plot a new course for the current budgetary environment, one that streamlines the Department's operations while simultaneously taking on the most important and fundamental questions about how the Department is structured and run.

5. Protecting Civil Rights and Civil Liberties: Protecting civil rights and liberties requires that the Department ensure that it is respecting civil liberties and properly enforcing civil rights laws. The Attorney General has stated that "[s]afeguarding the civil rights of every American is at the heart of what we do, and represents our core mission." Yet this core mission remains a challenge in many respects.

Emerging technology – and shifting rules relating to its use – poses one of the most difficult challenges to the Department's efforts to protect civil rights and liberties, particularly when effective law enforcement techniques have the potential to encroach on civil rights and liberties. For example, in January 2012, the U.S. Supreme Court issued its decision in *United States* v. *Jones*, in which it found that installing a global positioning system (GPS) tracking device on a surveillance target's vehicle constitutes a search under the Fourth Amendment. Overnight, the Court's ruling required prosecuting attorneys to exercise greater oversight of the use of GPS devices and necessitated updated guidance and training with respect to the use of such technology. Subsequently, in August 2012, a federal appeals court held in *United States* v. *Skinner* that users of cellular telephones do not have a reasonable expectation of privacy in the data emanating from a cell phone that show its location. Whether other federal appellate courts will reach the same conclusion cannot be known, thus adding further complexity and uncertainty to the rules governing law enforcement's use of emerging surveillance technologies. The Department will continue to face similar challenges as technologies evolve, and it must be prepared to adapt quickly to a fast-changing landscape of legal rules.

Another emerging technology, unmanned aerial vehicles, or drones, has already joined the arsenal of some U.S. law enforcement agencies, and the Federal Aviation Administration predicts that 30,000 drones will be used in the United States within 20 years. Advances in drone technology represent an obvious opportunity for law enforcement, as drones can be equipped with facial or biometric recognition technology to identify and track individuals, and can even be recharged while in flight using a laser on the ground. The Department provides grant funds to state and local governments to purchase equipment and technology that could be, and has been, used for surveillance drones. Yet drones also raise significant privacy concerns, and there are several legislative proposals to improve the privacy safeguards attached to their use. As the use of drones increases, the Department will face the challenge of monitoring the use of its grant money to ensure that drone technology purchased with federal funds is used in a manner consistent with applicable privacy and civil rights protections.

Abolishing unlawful discrimination is one of the most important facets of the Department's civil rights and liberties mission. To that end, the Department's Civil Rights Division works to uphold the civil and constitutional rights of all Americans by enforcing federal statutes prohibiting improper discrimination with regard to criminal enforcement, disability rights, educational opportunities, employment, and housing. To ensure that this important work is conducted in an evenhanded manner, the OIG is conducting a review of the Civil Rights Division's Voting Section. Our review is examining the types of cases brought by the Voting Section and any changes in the types of cases over time; any changes in Voting Section enforcement policies or procedures over time; whether the Voting Section has enforced the civil rights laws in a non-discriminatory manner; and whether any Voting Section employees have been harassed for participating in the investigation or prosecution of particular matters. We are also investigating allegations that Voting Section managers improperly took political affiliations into account in hiring lateral attorneys and gave preferential treatment to political allies in responding to FOIA requests.

Finally, the OIG's recent investigation into the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) Operation Fast and Furious raised concerns about the approval process involving one of the Department's most intrusive investigatory tools, the wiretap. During our review, we determined that at least three of the five Deputy Assistant Attorneys General who reviewed the wiretap applications regularly relied on summary memoranda provided by subordinates when approving such applications rather than undertaking a personal review of the applications themselves. Given the significant intrusion on individual liberties that occurs following the approval of a wiretap application, as well as the substantial limitations that Congress placed on the approval of a wiretap, we concluded that the Department needed to strengthen its approval process and made a recommendation for it to do so.

6. Restoring Confidence: The Department must address several substantial challenges to ensure that it strengthens and maintains the public's trust in its fairness, integrity, and efficiency.

Inadequate management and oversight of law enforcement activities undermine confidence in Department operations. Over the past year, significant public attention has focused on ATF investigations that permitted "gun walking." The OIG's review of ATF's Operations Wide Receiver and Fast and Furious revealed that ATF and the U.S. Attorney's Office for the District of Arizona did not manage these investigations responsibly and that hundreds of firearms that ATF agents could and should have interdicted ended up at multiple crime scenes in the United States and Mexico, including the scene of a U.S. Customs and Border Protection agent's murder.

The OIG determined that the investigations were plagued by several systemic problems, including inadequate attention to public safety, a lack of sufficient supervisory controls and oversight from ATF Headquarters, inappropriate use of cooperating federal firearms licensees as informants, and a failure to coordinate with other law enforcement agencies. In addition, the OIG found that the Department responded to a congressional inquiry about ATF firearms trafficking investigations with inaccurate information. Such incidents seriously tarnish the Department's reputation and greatly enhance the need to focus on restoring the public's confidence in the Department as an organization capable of protecting public safety.

The Department also faces challenges with respect to ensuring the fairness of its prosecutions, an issue that was the focus of recent Senate and House Judiciary Committee hearings on discovery concerns arising out of the failed prosecution of former Senator Ted Stevens. To achieve this goal, the Department must be able to conduct fair, objective, and accountable reviews of the conduct of its lawyers and other professionals, and to mete out appropriate discipline when it finds misconduct.

In our management challenges reports in prior years, the OIG has outlined concerns about the Department's disciplinary efforts. For example, the Department's Office of Professional Responsibility (OPR), by statute, has jurisdiction to investigate allegations of misconduct against Department attorneys acting in their capacity as lawyers. The OIG has long questioned this role for OPR because OPR is managed as a component of the Department, has no institutional independence, and lacks transparency insofar as it does not regularly release its reports and conclusions to the public. It is therefore unduly difficult – if not impossible – for the public to assess the consistency of OPR's findings and conclusions. The credibility of the Department's disciplinary decisions is inevitably reduced when the responsible components operate under the direction of the Department's senior leadership and without appropriate transparency.

Additionally, the OIG is examining the effectiveness of the discipline system used by U.S. Attorneys' Offices and the Executive Office for U.S. Attorneys when investigating allegations of employee misconduct. This review is the sixth OIG review since 2001 to assess a component's disciplinary system. Previous OIG evaluations examined the disciplinary systems of the USMS, BOP, DEA, ATF, and FBI and made many recommendations to these components, including a still-open recommendation from 2004 that the BOP develop procedures to ensure that discipline is imposed consistently throughout the agency. But the Department faces a broader challenge than simply ensuring that individual components maintain internally consistent and effective disciplinary system: it must also ensure that disciplinary procedures remain consistent across components so that all of the Department's employees, attorneys and non-attorneys alike, are held to the same tough but fair standards.

The Department also faces challenges with respect to ensuring the integrity of its hiring processes. In July 2012, the OIG issued a report finding that eight current or former JMD officials – many holding senior positions – violated applicable statutes and regulations in seeking the appointment of their relatives to positions within JMD. The OIG also found that a Deputy Assistant Attorney General in JMD responded inadequately to warning signs she received concerning the hiring of relatives of JMD employees. The 2012 OIG report marks the third OIG investigation in the last 8 years involving improper hiring practices within JMD, suggesting that prior management efforts to correct hiring practices in JMD have been inadequate. Adherence to fundamental federal hiring laws and regulations must be enforced to restore confidence in the fairness of the Department's hiring processes and the integrity of its operations.

The Department must also restore the public's confidence that the FBI Laboratory is using forensic techniques in accordance with strict protocols to ensure unbiased, objective, and reliable results. Between 1996 and 2004, a Department task force reviewed thousands of past prosecutions potentially affected by 13 FBI Laboratory employees whom the OIG criticized in an April 1997 report concerning the FBI Laboratory. The task force identified and referred many cases for independent scientific review. This review involved an examination of available lab reports, bench notes, and trial testimony; it did not include a re-examination of the original evidence. The task force then provided the results of these reviews to prosecutors who, in turn, were responsible for determining whether to disclose the material to the defendants pursuant to laws requiring the disclosure of exculpatory evidence. However, the task force never published a complete accounting of the results of its review or the prosecutors' disclosures. At Congress's request, the OIG recently initiated a review of the task force's activities, processes, and decisions. Since the initiation of the OIG's current review of this matter, the FBI, in cooperation with the Department and the Innocence Project, announced that it will conduct a separate and new review of all case files involving FBI Laboratory hair and fiber examiners.

The Department's handling and use of informants also has affected the public's confidence in the Department. Among the most notable incidents was the FBI's failure to properly supervise Special Agent John Connolly, Jr.'s dealings with organized crime figures James "Whitey" Bulger and Stephen Flemmi. More recently, a former FBI agent, Adrian Busby, was convicted of making false statements when he lied to his supervisors and the OIG about his relationship with a female informant. The OIG's investigation determined that, after the informant came under investigation, Busby provided the informant and her defense attorney with copies of confidential FBI and Internal Revenue Service reports of interviews and also engaged in an inappropriate sexual relationship with the informant. Busby was sentenced to 1 year and 1 day for his crimes. Separately, the OIG found that ATF agents in both Operation Wide Receiver and Operation Fast and Furious used the substantial cooperation of federal firearms licensees to advance their investigations, creating at least the appearance that ATF agents approved or encouraged sales of firearms they knew were unlawful and did not intend to seize. In light of these missteps, the Department must focus its attention on ensuring the appropriate handling and use of informants.

The Department also must ensure the transparency of its operations. An important aspect of this effort is to avoid over-classifying its national security information, which can inhibit information sharing, increase the cost of information security, and unnecessarily limit the public's access to information. As required by the *Reducing Over-Classification Act*, the OIG is conducting a review to assess whether applicable classification policies, procedures, rules, and regulations have been adopted, followed, and effectively administered, and to identify whether any of these rules and practices may contribute to misclassification of Department information.

The Department also has received criticism for its responses to requests for information pursuant to the *Freedom of Information Act* (FOIA). The Department has made progress in this regard, most notably by issuing a memorandum from the Attorney General in 2009 encouraging federal agencies to make discretionary disclosures of information and by launching www.FOIA.gov in 2011 to make data from agencies' annual FOIA reports more accessible and useful. Nevertheless, with roughly 60,000 FOIA requests handled in a decentralized fashion by 34 separate FOIA offices and the equivalent of 528 full-time FOIA employees, the Department faces a continuing challenge in ensuring that its own FOIA responses are consistent with each other and with the presumption of disclosure articulated the Attorney General's memorandum. In addition, as part of its review of the Voting Section of the Civil Rights Division, the OIG is investigating allegations that Department personnel gave preferential treatment to political allies in responding to FOIA requests.

Finally, the Department must encourage its employees to come forward and report information about waste, fraud, abuse, and mismanagement in the Department's operations and functions. Further, the Department must be committed to protecting the legal rights of those employees who do come forward. Whistleblowers play a crucial role in uncovering waste, fraud, abuse, and mismanagement, yet they are too often subject to retaliation for their disclosures. The OIG has conducted numerous investigations into allegations of retaliation, and we recently appointed an OIG Whistleblower Ombudsperson responsible for, among other things, ensuring that complaints of retaliation within the OIG's jurisdiction are reviewed and addressed in a prompt and thorough manner, and for communicating with whistleblowers about the status and resolution of such complaints. The OIG will continue to monitor this important issue.

7. Coordinating Among Law Enforcement Agencies: Law enforcement represents a central element of the Department's mission, yet the ability and willingness of Department components to coordinate and share intelligence, resources, and personnel with one another and other law enforcement agencies has historically posed a significant challenge.

One cause of this challenge is the confusion created when components have overlapping jurisdictions. The Department has four primary law enforcement agencies – the FBI, DEA, ATF, and USMS – yet these components' jurisdictions are not exclusive. For example, whereas the FBI may investigate all federal crimes and instances of terrorism, other agencies possess simultaneous jurisdiction to enforce specific criminal laws that necessarily overlap, such as the DEA's investigations of federal drug cases or ATF's investigations of federal firearms cases. The OIG highlighted this issue in its October 2009 report detailing coordination problems between ATF and the FBI in explosives investigations and made 15 recommendations to assist in improving coordination and reducing conflict between the FBI and ATF on explosives investigations and associated support activities. Five of these recommendations remain open, including our recommendation that the FBI and ATF develop certain protocols on joint investigations for explosives incidents. More recently, an April 2011 GAO report, entitled *Law Enforcement Coordination: DOJ Could Improve Its Process for Identifying Disagreements Among Agents,* described similar coordination problems that exist outside of the realm of explosives investigations.

Some overlap between these four components is unavoidable and may even help ensure proper law enforcement focus and attention. However, the Department should clarify the jurisdictional boundaries of each wherever possible. It may also benefit from considering whether consolidation of any operational functions or administrative functions, such as information technology, human resources, budgeting, and records management, could yield operational benefits, improve law enforcement safety, or save costs. Similarly, the Department should consider ways to increase the sharing of lessons learned and best practices among law enforcement components.

In the same vein, the Department should consider whether its law enforcement components have the proper level of consistency in their standard procedures, protocols, and manuals; where there are differences, the Department should consider whether they are justified. While the Department's law enforcement components generally adhere to Attorney's General Guidelines and policies for law enforcement activities, specific protocols and procedures for particular investigative techniques often vary from component to component. In particular, our review of new policies ATF implemented after Operation Fast and Furious underscored the agency's delay in completing its integration into the Department and in implementing controls to protect the public that were used in other Department law enforcement components. For example, we found that ATF had not until recently used review committees to evaluate either its undercover operations or its use of high-level and long-term confidential informants. We also expressed concern that ATF and the Department had not devoted sufficient attention to ensuring that ATF's policies scrupulously adhered to requirements found in the Attorney General's Guidelines and other Department policies, including ATF's confidential informant policies, which were not revised to conform to the Attorney General's Guidelines Regarding the Use of Confidential Informants until 8 years after ATF joined the Department. We therefore believe that Department-led, cross-component assessments designed to compare the law enforcement components' policies could identify opportunities for improvements that would make the Department's law enforcement operations more consistent and efficient.

Finally, opportunities may exist for the Department to better coordinate the collection and sharing of information used in law enforcement investigations. The OIG is reviewing one such effort already under way, the Organized Crime Drug Enforcement Task Forces (OCDETF) Fusion Center, an intelligence and data center for drug and drug-related financial intelligence information from numerous member agencies and other sources, including the Treasury Department's Financial Crimes Enforcement Network (FinCEN). Our review is assessing the timeliness and value of the fusion center's analytical products and information sharing procedures.

8. Enforcing Against Fraud and Financial Offenses: The Department has long played an important role in preventing and reducing fraud and financial crimes, but rarely in the Department's history has this role received as much attention – or as many resources – as in the past few years.

From FY 2009 to FY 2011, with the country struggling to recover from the collapse of its housing market, the FBI received approximately $196 million from Congress to fund 156 new agents and 256 new non-agent positions devoted to combating mortgage fraud. During this same time period, the U.S. Attorneys received an additional $19.9 million in financial fraud funding, enough to fund 95 new attorney positions and 26 new non-attorney positions; the Criminal Division received $1.8 million in financial fraud funding for 5 new attorney positions and 2 new non-attorney positions; and the Civil Division received $10 million in financial rescue funding for 87 new attorney positions and 31 new non-attorney positions. The Department also requested an additional $55 million for FY 2013 to fund 328 new positions, including 40 FBI agents, 184 attorneys, 49 in-house investigators, 31 forensic accountants, and other administrative support, all to support the Department's efforts to investigate and prosecute financial fraud.

Resources alone, however, are not sufficient to address the problem of fraud and financial crime; the Department must also make the most of the tools and resources it has at its disposal. Prosecution and civil litigation are among the most important of those tools. For example, in September 2012, the Department announced that its total recoveries in *False Claims Act* cases since January 2009 exceeded $13 billion, of which $9.3 billion was recovered in cases involving fraud against federal health care programs. Many of those cases were the result of disclosures by whistleblowers, starkly demonstrating the importance of encouraging government employees to come forward with information about waste, fraud, abuse, and mismanagement. The Department should continue to strive to maximize such recoveries.

The Department has particularly targeted the problem of mortgage fraud. The Department reported in June 2012 a 92-percent increase in mortgage fraud prosecutions across the nation since FY 2009, and in February 2012, the Attorney General announced a $25 billion settlement with the nation's five largest mortgage servicers to address misconduct by the banks in bankruptcy cases involving inflated or inaccurate claims, improper accounting of mortgage payments, adding improper fees and charges to mortgage accounts, charging hidden fees to mortgage accounts, and other similar activities. The OIG is conducting an audit of the Department's strategy and approach to address mortgage fraud.

Another tool in the fight against fraud and financial crime is the Financial Fraud Enforcement Task Force (FFETF), an interagency working group established by the President in November 2009 and led by the Attorney General. With more than 20 federal agencies, 94 U.S. Attorneys' Offices, and state and local partners, the FFETF provides an unusual opportunity for a coordinated approach to the complex problem of fraud and financial crime. At the same time, an interagency effort of this scope also presents the significant challenge of coordinating these agencies' enforcement efforts, and the FFETF therefore requires strong leadership from the Department. Yet the FFETF is currently operating without an overall strategic plan that outlines its goals for preventing fraud and identifies how the effectiveness of the task force's efforts is to be measured. Nor has the FFETF published an annual report since 2010, its first year. We believe the FFETF has the opportunity to be more effective by uniting its members behind clear goals and by improving the accountability and transparency of its operations.

The Department has also prioritized the investigation of Residential Mortgage-Backed Securities (RMBS) fraud. The President, in his January 2012 State of the Union address, announced the creation of what became known as the Residential Mortgage-Backed Securities Working Group. The working group is intended to be a collaborative effort to investigate RMBS misconduct by looking for evidence of false or misleading statements, deception, or other misconduct by market participants in the creation, packaging, and sale of mortgage-backed securities. However, current budget uncertainties and the possibility of future budget constraints could cause future managerial challenges for the Department in fighting this area of financial fraud.

In addition, the Department must fight financial fraud both before and after it occurs. For example, the Department can use the suspension and debarment of individuals or entities to protect the government's financial interest from unethical, dishonest, or otherwise irresponsible entities and to reduce fraud, waste, and abuse in federal programs. Suspension and debarment decisions are made either administratively through agency suspending and debarring officials or statutorily as a result of convictions for qualifying offenses. In June 2012, the OIG completed an audit of the Department's implementation and oversight of statutory debarment activities from FY 2005 through FY 2010. Overall, the OIG found that the Department had not established an adequate system to ensure that it fulfills its responsibilities related to statutory debarment, creating the possibility that federal funding could be inadvertently and inappropriately awarded to excluded individuals. The OIG made 21 recommendations to the Department and its components to improve the effectiveness of statutory debarment programs, including recommending the development of additional policies and procedures to improve the completeness and accuracy of the reporting of debarment actions.

The Department also uses its Asset Forfeiture Program to confiscate both the means to commit and the proceeds of criminal activity. For FY 2011, the Department reported to Congress that it disposed of forfeited property valued at over $1.6 billion using methods such as liquidation and retention for official use. However, the Department may benefit from seeking greater interagency efficiency in its asset forfeiture efforts, as a recent GAO report concluded that there may be overlap between the asset management activities and the information technology infrastructures of the Department's Asset Forfeiture Program and the Treasury Department's similar Asset Forfeiture Fund. The Department may wish to consider studying the feasibility of consolidating or better coordinating the administrative structure of its asset forfeiture program with that of the Treasury Department.

9. Administering Grants and Contracts: The Department's management of grants and contracts has long presented a challenge by virtue of the large amounts of money at stake. From FY 2008 through FY 2011 the Department awarded approximately $15 billion in grants and $27 billion in contracts, and it awarded another approximately $1 billion in grants and $6 billion in contracts in FY 2012. Appropriate administration of public funds must always be a priority, but in this climate of constrained budgets, the use of billions of taxpayer dollars requires particular attention from Department management.

Grants

The OIG has previously noted the Department's demonstrated commitment to, and significant improvements in, the area of grant management. While we acknowledge the Department's continued efforts in this regard, we also believe that both challenges and opportunities for improvement remain.

The Department maintains three grantmaking components: the Office of Justice Programs (OJP), Office on Violence Against Women (OVW), and Community Oriented Policing Services (COPS).

This division of responsibility creates the challenge of ensuring that there is proper coordination of, and clear strategic vision for, its overall grantmaking efforts, and that those overall efforts are consistent with the priorities of the Department's non-grantmaking components. Prior OIG reports have found that improvements could be realized, particularly with regard to reducing duplication. For example, while OVW has in the past required its grant recipients to use the OJP financial guide, OVW has recently released its own financial guide. OVW grantees who also receive OJP grants therefore must often follow two different sets of rules, thereby increasing the risk of waste and noncompliance. A recent GAO report raised similar concerns, noting that COPS uses a different grant management system than OVW and OJP, thereby limiting the Department's ability to share information on the funding its components have awarded or are preparing to award. The Department should seek to consolidate the common functions of these three grantmaking components to increase coordination and save costs while maintaining key separate practices for meeting individual statutory requirements and fulfilling the missions of each office.

In addition to increased coordination, the Department should ensure that grants are achieving the intended results. The Department presented several outcome-oriented performance measures in its FY 2011 Performance and Accountability Report (PAR) that related to grants, yet many of those measures did not adequately measure the total return on investment a grant award has achieved. For example, the PAR included a measure of the percent reduction in DNA backlog, but it did not report the amount of resources used to achieve that reduction – a crucial element in any assessment of the success of DNA backlog-related grantmaking. Using performance measures that provide adequate information to evaluate not only the benefits achieved through the grantmaking process but also the investment required will help the Department improve the efficiency of its grantmaking and allow it to use its limited resources where they will be most useful.

Once grant funds are disbursed, the Department relies on thousands of governmental and non-governmental grant recipients to appropriately manage the billions of dollars of awards. It is imperative that the Department diligently oversee those recipients and provide them with tools to help ensure that grant terms and conditions are followed. Several such efforts are under way at the Department. For example, in September 2011, representatives from the Civil Division, the Antitrust Division, and the OIG, in cooperation with the Department's National Advocacy Center, produced a grant fraud training video for federal prosecutors and other government attorneys. In March 2012 the Financial Fraud Enforcement Task Force's Recovery Act, Procurement, and Grant Fraud Working Group, which includes the OIG, released a training framework for reducing grant fraud risk. The Department also developed and implemented a Grant Financial Management Online Training program complete with test questions to help support grant recipient compliance with rules and regulation. Yet not all of these training programs are required for all Department grant recipients, and as demonstrated by the $22 million in questioned costs reported in FY 2012 OIG grant and contract audits as well as related single audits, grant management and the oversight of grantee expenditures continue to be significant challenges for the Department.

Contracts

The Department spends more on contracts for goods and services each year than on grants. Some of the largest of these contracts are related to the planning, implementation, and management of complex information technology systems. For example, the Department awarded a contract of up to $512 million over 7 years to provide managed information technology services and secure technology solutions to ATF and the USMS. The Department's FY 2012 projections also included spending $220 million for the FBI's Next Generation Identification project to share fingerprint and other biometric information, $87 million for JMD's Law Enforcement Wireless Communications program, and $84 million for a Department-wide Unified Financial Management System, all under

Department-awarded contracts. In total, the Department awarded nearly $3 billion in contract funds on information technology in FY 2012.

The OIG's audits and reviews of Department programs have found instances of wasteful and poorly managed expenditures on information technology. For example, and as described above, the OIG's September 2012 audit of the FBI Laboratory's forensic DNA case backlog determined that two attempts and a combined $14 million since 2003 had failed to yield a system capable of electronically managing laboratory operations, and a new system is now in development. Additionally, the OIG's September 2012 interim report on the FBI's implementation of Sentinel, an investigative and case management system, found that the FBI deployed the system after taking over management of the project from a contractor. However, we found that the system was deployed behind schedule and did not provide all of the originally planned capabilities. We also found that although the FBI's $441 million cost estimate is $10 million less than the latest Sentinel budget, the estimate did not include originally planned operations and maintenance costs for the next 2 years, which the FBI estimated to be $30 million annually. Moreover, the FBI did not adjust its cost baseline when it transferred requirements to other FBI information systems. The Department must ensure that there is adequate management and oversight of information technology contracts to minimize cost overruns and provide planned system functionality.

Finally, the Department must ensure that it uses all the tools at its disposal to avoid awarding contracts to recipients who are likely to waste, embezzle, or mismanage the funds. For example, the Department should use suspension and debarment, described in detail above, to the fullest extent possible to protect the government's financial interest from unethical, dishonest, or otherwise irresponsible entities, and to reduce waste, fraud, and abuse in federal programs.

10. Ensuring Effective International Law Enforcement: According to the Administration's July 2011 *Strategy to Combat Transnational Organized Crime*, "[t]ransnational organized crime poses a significant and growing threat to national and international security, with dire implications for public safety, public health, democratic institutions, and economic stability across the globe." Moreover, transnational crime is no longer limited to organized crime. New communications technologies, the global banking system, and porous borders in international conflict zones have increasingly allowed criminals involved in terrorism, money laundering, gun trafficking, human trafficking, and myriad other crimes to operate internationally, thus creating new and daunting challenges for the Department's international law enforcement efforts.

In an effort to address this issue, the DEA, FBI, ATF, USMS, and the Department's Office of International Affairs (OIA) have stationed personnel abroad who work with their foreign counterparts to investigate and prosecute violations of U.S. law, and to provide reciprocal assistance to their foreign counterparts. The DEA maintains the Department's largest international presence with more than 1,000 full-time employees devoted to international operations in 65 countries. The DEA requested an international enforcement budget of more than $400 million in FY 2013. The FBI's international presence is also substantial, with 61 legal attachés, 14 sub-offices, and 287 authorized positions in 66 countries during FY 2012.

Devoting resources to transnational law enforcement efforts will not be enough: these resources must also be well managed, coordinated with each other, and coordinated with both domestic and foreign law enforcement organizations. Meeting these challenges requires putting frameworks in place to support international investigations before they begin, including clear lines of investigative authority among law enforcement agencies, appropriate mechanisms to share information, and appropriate and consistent training of all personnel involved in international operations. For example, the Department, and in particular the OIA, works to advance the government's interests in extraditing defendants from abroad and in obtaining critical information through Mutual Legal Assistance Treaty (MLAT) requests and other means. Yet with many countries, the United States does not have effective legal mechanisms to permit the exchange of defendants or information. Ensuring that these mechanisms are in place – including bilateral and multilateral treaties, memoranda of understanding with foreign counterpart law enforcement agencies, and other agreements – will greatly enhance the Department's ability to fight crime at home and abroad.

International law enforcement operations also require robust supervision and oversight. The OIG's recently released report on ATF's Operation Fast and Furious vividly demonstrated the importance of this challenge – and the serious pitfalls and potential threats to public safety that await when law enforcement efforts fall short. Our report examined ATF's Operation Wide Receiver, an investigation conducted in 2006 and 2007, focusing on straw purchasers of firearms that were later transferred to Mexico. The primary goal of the operation was to allow straw purchases to continue in order to identify and prosecute members of the firearms trafficking organization. In service of that goal, ATF agents did not arrest the primary subjects involved in straw purchasing and seized less than a quarter of the more than 400 firearms purchased. ATF also worked with Mexican law enforcement to attempt failed surveillance operations of cross-border firearms shipments and developed a "cooperative agreement" with its Mexican counterparts. Yet ATF Headquarters neither vetted nor approved these joint efforts with Mexico, and we found no evidence that senior leaders in the Department had knowledge of Operation Wide Receiver until 2009. That a single ATF field office could have conducted this investigation without more oversight illustrates the shortcomings of ATF's case initiation and monitoring processes.

In addition to robust partnerships with foreign allies, effective and efficient international law enforcement requires cooperation and coordination with other federal agencies. For example, our examination of Operation Fast and Furious raised questions about how information was shared among various offices of ATF, the DEA, and the FBI. We also saw coordination and information sharing issues between ATF and U.S. Immigrations and Customs Enforcement (ICE), a component of the Department of Homeland Security. Our report noted instances where ATF resisted ICE conducting any independent or coordinated investigations that were related to Operation Fast and Furious through recovered firearms. In light of ICE's jurisdiction over export violations involving munitions and firearms, close coordination with ICE was essential in an investigation that purported to target a cartel in Mexico and had as a goal identifying the border crossing mechanism the cartel was using to obtain firearms from the United States.

The need for cooperation among federal agencies in the context of international law enforcement is not limited to investigative entities. In March 2012, the OIG released a report on the Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) and the International Criminal Investigative Training Assistance Program (ICITAP) offices in the Criminal Division that assist foreign prosecutors, law enforcement agencies, and governments to develop effective mechanisms to combat criminal conduct around the world. We found that while OPDAT's and ICITAP's relationships with most of their partner agencies were productive, their relationships with their primary funder, the State Department's Bureau of International Narcotics and Law Enforcement Affairs, warranted significant improvement during our review period. These strained relationships compromised OPDAT's and ICITAP's ability to make long-term international program plans and personnel retention decisions prior to 2012. Although the Department stated at the time of our report that these relationships had greatly improved, the inefficiencies we identified underscore the importance of working collaboratively with other federal agencies to address the growing challenge of international crime.

MANAGEMENT'S RESPONSE
TO THE OFFICE OF THE INSPECTOR GENERAL'S REPORT ON THE
TOP MANAGEMENT AND PERFORMANCE CHALLENGES
IN THE DEPARTMENT OF JUSTICE

FY 2012

The Department of Justice (the Department, DOJ) is the world's largest law office and the central agency for enforcement of federal laws. Its mission and responsibilities extend over the broad spectrum of American life. The Department appreciates the Office of the Inspector General's (OIG) recognition of its progress in addressing management and performance challenges facing this diverse institution. The Department's progress is an indication of agreement with the categories of top challenges in the OIG's report and represents the Department's commitment to prioritize and address these areas.

1 Safeguarding National Security

The Attorney General has said, "First and foremost: we will protect Americans from terrorism and other threats to national security – both at home and abroad." He has pledged to use every available and appropriate tool to obstruct terrorists at all stages of their actions around the world and in the United States.

To address the challenge of ensuring that national security information is appropriately shared among Department components and the Intelligence Community (IC), the Federal Bureau of Investigation's (FBI) Joint Terrorism Task Forces (JTTFs) coordinate with law enforcement across multiple jurisdictions. These Task Forces combine the resources of the FBI, the IC, state and local officers, and the military, and serve as a coordinating mechanism to investigate and share information regarding terrorism activity. In support of these efforts the FBI developed eGuardian to meet the challenges of collecting and sharing terrorism-related information. The eGuardian system serves as a single information repository for suspicious activity and is accessible to thousands of law enforcement personnel. Information captured in eGuardian is migrated to FBI internal systems and assigned to the appropriate JTTF for further investigation.

The Terrorist Watchlist maintained by the FBI's Terrorist Screening Center (TSC) is a database of identifying information about those known or reasonably suspected of being involved in terrorist activity. The Department is pleased that, to date, the OIG has closed 20 out of 23 recommendations stemming from its two watchlist reports. Currently, the OIG is assessing the accuracy, timeliness, and completeness of watchlisting practices, including nominations, modifications, and removals.

The FBI's Foreign Terrorist Tracking Task Force (FTTTF) partners with other government agencies to obtain data, conduct analyses, and provide investigative information to assist these agencies in detecting foreign national security threats. The FBI has implemented a strategy that provides significant value by performing in-depth analyses that proactively identify national security threats and assist ongoing national security investigations.

Another tool that the Department employs is national security letters (NSL). The Department is pleased that the OIG recognizes the FBI's progress in its use of NSLs while adhering to the legal requirements that protect civil liberties and privacy interests. The Department looks forward to the OIG's feedback to resolve the outstanding recommendations, many of which are part of the current USA Patriot Act Review.

2 Enhancing Cyber Security

The Department is keenly aware of the scope of cybersecurity threats and is collaborating with interagency partners and building relationships with private sector allies to address them. There is recent evidence that these threats are growing, and leaders of the IC have assessed that the threat of cyber-based terrorism, cyber-based espionage, and other state-sponsored cyber intrusions may eventually surpass that of terrorism generally. These threats present complex technical, legal, and jurisdictional challenges. They demand an all-tools response – including the use of the Department's law enforcement and intelligence capabilities.

The Department addresses cybersecurity threats in two capacities: first, as an agency responsible for detecting, disrupting, and deterring cyber threats, and second, as a government entity that is a potential target of cyber threats. DOJ has a primary role in domestic cyber incident response, and DOJ components are taking steps to improve their respective cybersecurity activities and to expand cross-component coordination of the Department's cybersecurity efforts. The principal components that investigate or conduct operational cybersecurity activities (the FBI, the Criminal Division (CRM), and the National Security Division (NSD)) each have active and ongoing outreach efforts to increase the private sector's awareness of these threats and to encourage the reporting of cyber incidents. The FBI, NSD, CRM, and the U.S. Attorneys' Offices (USAOs) also are increasing the use of prosecutorial tools against cyber threats to the national security.

In addition to bringing prosecutions against domestic criminal actors, the FBI, CRM, NSD, and over 200 Computer Hacking and Intellectual Property (CHIP) coordinators in USAOs around the country have continued to develop innovative means to disrupt, deter, and prosecute online criminal behavior, including through the use of civil tools and criminal forfeiture. For their part, the CHIP coordinators in each USAO have not only focused their efforts on prosecuting computer crime and intellectual property offenses, they also (1) serve as the district's legal counsel on matters relating to those offenses and the collection of electronic or digital evidence; (2) train prosecutors and law enforcement personnel in the region; and (3) conduct public and industry outreach and awareness activities. In addition, over the past year, departmental components have continued robust international outreach to ensure that DOJ's law enforcement partners abroad have the capacity to address computer crime within their countries, including by extraditing to the United States individuals involved in data breaches and other computer crimes.

Additionally, the Department has been at the forefront of addressing the information sharing and public-private sector cooperation necessary to secure and protect critical networks. The Department was integral in developing the Administration's proposed cybersecurity bill that would enhance information sharing in both directions between the federal government and the private sector, giving the private sector better information to direct its investments in security and enhance its defense against criminals and other threats to computer systems and information.

As noted in the OIG report, the Department's ability to achieve its strategic goals depends heavily on its ability to collect, process, manage, analyze, and share information. To meet mission investigative and information sharing requirements, DOJ's agents, attorneys, and analysts are increasingly reliant on connectivity to the Internet, to other DOJ components, and to multiple levels of government. This connectivity level increases the exposure of DOJ systems to disruption from cyber threats and attacks.

DOJ strives to stay abreast of cybersecurity issues and improve the protection of its critical systems and information from attack and compromise. The Department developed a comprehensive continuous monitoring program that enables all components and the Office of the Chief Information Officer (OCIO) to achieve near real time awareness on the security posture of its more than 230,000 information technology (IT) endpoint assets. In addition, the Department operates a 24/7 Security Operations Center that monitors cyber threats and protects Department IT systems from cyber intrusions, attacks, espionage, and other cyber incidents. Regarding the remaining findings on contingency planning, identification and authentication, and audit and accountability controls, the Department developed rigorous plans of action and milestones for FY 2013 to help DOJ components correct these areas of weakness.

The Department has taken a leadership role to address the five classified information safeguarding priority areas identified by the Senior Information Sharing and Safeguarding Steering Committee. The Department OCIO worked closely with the FBI to consolidate DOJ classified circuits, with the results of significant security enhancements and cost savings. As noted in the report, the Department worked quickly to establish an Insider Threat Working Group comprised of components that access and process classified information. The Working Group has drafted Department policy, currently in final review, that establishes a Departmentwide insider threat detection and prevention program. This program, in addition to technology investments in the areas of enterprise audit, identity and access management, and removable media controls, will greatly reduce the risk of classified data loss within the Department.

DOJ's strategic security planning includes improvements in configuration management, identity and access management, security monitoring, auditing, alerting, and contingency planning. All of these enhancements leverage previous investments in security infrastructure and resources that form a strong foundation upon which the Department will continue to improve and respond to new and emerging cyber threats.

With regard to the *Federal Information Security Management Act* (FISMA) audits cited by the OIG, the Civil Division has fully implemented all seven of the OIG recommendations with respect to DOJ-owned equipment and equipment owned by most contractors, which comprise the vast majority of portable equipment potentially housing DOJ data. OIG has marked four of the seven recommendations "closed." The remaining three are outstanding only for equipment owned and operated by some outside experts, neutrals, and consultants hired under specific contracts. The solution for such contractors had been delayed due to technical issues with the Departmentwide encryption solution provided to the Civil Division. However, a pilot program for the outside contractor solution is nearing completion, and the Civil Division is preparing for full implementation.

While the recent FISMA audit identified control weaknesses in configuration management in the Bureau of Prison's (BOP) information security program, the audit concluded that the risk of compromising BOP's information security environment was low. Nevertheless, BOP took steps to monitor and track vulnerabilities and immediately implemented corrective action pertaining to configuration management such that the issue was resolved immediately and the risk that the deficiency would reoccur in the future was eliminated.

3 Managing the Federal Prison System

The Department appreciates the OIG's descriptions of the challenges the Federal Prison System faces. In addition to the alternatives to incarceration the OIG cited, the U.S. Parole Commission (the Commission) continues to work with its criminal justice partners to use alternatives to incarceration for low risk offenders that have demonstrated non-compliant behavior on supervision.

As an example, in 2012, the Commission began the Short-term Intervention for Success project, which is designed to assist low risk offenders in successfully completing their terms of supervision by use of short-term prison sanctions rather than longer prison terms. During the first year that the project has been in place, the average length of prison stay for prisoners that participated in the project has been 3.5 months compared to 11 months for prisoners committing similar violations of supervision during the 2-year period that preceded the pilot project. Since the pilot's inception, the overall number of prisoners held in custody in the District of Columbia on a Commission warrant has been cut in half. The cost in jail bed days that is avoided by the reduced prison sentences has saved the federal government significant incarcerations costs. This is an evidence-based pilot program and the Commission will be evaluating whether recidivism rates are impacted by the shorter prison terms.

With respect to the OIG review of the Department's International Prisoner Treaty Transfer Program, the Department notes that only a small subset of the total number of foreign national prisoners incarcerated in the United States are either eligible to transfer to their native countries under the provisions of the applicable treaties or suitable to transfer after an analysis of the facts of each case. To clarify, the BOP's role in the treaty transfer process is limited with regard to determining eligibility and suitability. The BOP does not reject requests, but rather it reviews all inmate requests to determine if the inmate satisfies the requirements of the applicable treaty agreement and notifies the inmate of their apparent ineligibility. The BOP follows legally mandated guidance and applies the criteria to the requests. For example, the BOP uses criteria such as: the inmate has less than 6 months of the current sentence remaining to be served at the time of the request (France, Hong Kong, and Thailand require 12 months); the inmate has any pending proceedings, appeals, or collateral attacks – the judgment on the current conviction of sentence must be final. There are other equally concise criteria that the BOP applies to all requests. If an inmate believes the criteria were applied incorrectly, he can use the administrative remedy process to appeal. However, because the BOP applies a definitional process, not a judgmental one, to the requests, it is rare that an appeal is successful.

Just as challenging as the above are issues related to the sexual abuse of persons in the custody of the Department's BOP and the U.S. Marshals Service (USMS). As directed by the Prison Rape Elimination Act (PREA), the Department issued its final rule in May 2012 and is working to implement it throughout BOP and USMS facilities, including contract and Inter-Governmental Agreements facilities.

With regard to the prisoner work programs of Federal Prison Industries (FPI), the serious challenges to FPI's important reentry programs are not "business management practices" as mentioned by the OIG. Instead, fundamental changes to the economic and legislative environment in which FPI operates have diminished FPI's ability to market its products and provide for broader inmate employment and training opportunities. FPI is one of the BOP's most important reentry programs, one that reduces inmate recidivism by improving the job skills of inmates returning to society after serving their sentences. Unfortunately, FPI sales and revenues have significantly fallen in recent years, and, as the OIG indicates, more factories have been closed than opened since 2007. In addition to general economic and budgetary challenges affecting FPI, the change in its sales is also attributable to various legislative changes in Department of Defense authorization bills and various appropriations acts that have curtailed FPI's ability to enter into contracts with federal agencies. The Department's leadership, BOP leadership, and the FPI Board are acutely aware of the contracting and other budgetary dynamics affecting FPI's important programs, and will continue to seek opportunities to sustain FPI's programs. Among such approaches are an emphasis on finding repatriated off-shore work for FPI factories and a renewed emphasis on the use of job sharing for inmate workers.

4 Leading the Department in an Era of Budget Constraints

The Department has always faced budget constraints, but they have been greater over the past few years. As an agency whose mission requires that it often react to events, these constraints are felt across all DOJ components. Regardless, all components have developed strategies to work within these constraints, and the Department is pleased that the OIG recognizes these efforts.

In addition to typical approaches to address tight budgets, the Department proactively saves resources and uses them more efficiently. For example, the Attorney General's Advisory Council for Savings and

Efficiencies (SAVE Council) has saved $107.4 million to date by identifying opportunities for savings and implementing best practices Departmentwide. One example of component savings is the Drug Enforcement Administration's (DEA) approach to travel costs. In FY 2012, the DEA achieved savings of $6.5 million on travel costs by always choosing the lowest available airfares rather than customary government full refundable airfares.

Another SAVE Council initiative involves the Department advertising administrative forfeiture notices online. Because of the volume of administrative forfeiture notices, the Department expects to achieve an annual savings of $6.2 million. The Department currently offers the benefits of this online platform to other federal law enforcement agencies, including the U.S. Postal Inspection Service and the Secret Service. By expanding this program to more agencies, including Customs and Border Protection and Immigration and Customs Enforcement, even more taxpayers' dollars will be saved.

Both the DOJ and the Department of the Treasury (Treasury) have given serious on-going consideration to the Government Accountability Office (GAO) report recommending that the DOJ combine its Asset Forfeiture Program with that of the Treasury. While there are long-standing and significant differences between the operational and statutory environments of the two forfeiture programs, substantial benefits continue to be derived from adapting, whenever and wherever possible, the essential concept of economies of scale that is recommended by GAO. In this regard, judicial forfeiture cases are processed under one system for both forfeiture programs, and during FY 2012 a joint Claims Administration process was established to expedite the return of victims' assets forfeited under both programs. In FY 2013, a single joint international asset recovery support contract will be available to the investigative agencies of both programs.

Regarding long term planning for large IT systems, DOJ has maintained focus on the IWN program and, as noted in the OIG's report, changing circumstances have required the Department to change significantly the scope and deployment approaches for the IWN program over the last 10 years, thus adapting the program's spending during constrained and inconsistent funding periods. The IWN program's initial objectives were later reshaped due to advances in technology and the funding challenges of the program. Despite these challenges, as noted in the OIG Report, the Department has achieved significant improvements in the wireless communications capabilities delivered to DOJ's law enforcement agents.

The Department has maintained its commitment to implementing a secure, reliable, and interoperable Land Mobile Radio system for its tactical wireless communications. Additionally, the Department's Chief Information Officer (CIO), in conjunction with the Wireless Communication Board, provides oversight, governance, and management of resources associated with the IWN program to ensure efficiencies, reduce duplication, and improve economies of scale.

The Department is identifying and eliminating wasteful and duplicative IT spending. Several activities that were begun in FY 2012 to manage the Department's IT spending across the entire departmental portfolio will continue and expand in FY 2013. The Department is tracking all unclassified IT spending, allowing the Department to identify situations where duplicative component spending can be replaced with the use of shared resources. The Department also established commodity IT working groups in key areas such as email, data centers, telecommunications, and mobility. These cross-component groups are developing plans to consolidate IT assets and increase leveraged use of shared infrastructure. Another key area of work is strategic sourcing and vendor management. The Department will continue vendor management efforts begun in 2012 that include identifying strategic sourcing opportunities to pool the purchasing power of the Department.

Regarding the Department's debt collection efforts, in FY 2012, the Department collected $13.16 billion in criminal and civil actions - the highest amount ever and more than double the $6.5 billion collected in FY 2011. The $13.16 billion collected includes $3.03 billion in restitution, criminal fines, and felony assessments, and $10.12 billion in individually and jointly handled civil actions. In addition, $4.39 billion was collected through asset forfeiture actions in partnership with other divisions and agencies.

5 Protecting Civil Rights and Civil Liberties

The Department never loses sight of its responsibility to protect individuals' civil rights and liberties. This is more than just policy; protecting civil rights and civil liberties is part of the Department's culture and one of the Attorney General's identified priorities.

Discrimination persists in the education system, in the foreclosure crises, in America's workplaces, and in the voting booth. The Department uses a multifaceted program of enforcement designed to target and deter discriminatory conduct to: fulfill the promise of basic civil rights protections through effective and vigorous enforcement of the law; deter and remedy discriminatory and illegal conduct through the successful prosecution of these federal laws; and promote voluntary compliance and civil rights protection through a variety of education, technical assistance, and outreach programs.

The Department uses electronic surveillance techniques in some investigations because they are an effective law enforcement tool. At the same time, the Department recognizes that these court-authorized tools must be used carefully because if they are used inappropriately, they could intrude on civil liberties. The Department follows strict protocol when approving and using such techniques. In an effort to enhance its own approval process, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) updated and reissued guidance in April 2011 that reflects current laws and provides updated policies and procedures concerning approval and reporting requirements for the use of electronic surveillance. Another technology, unmanned aerial vehicles, also raises privacy and civil rights concerns. As a provider of grant funds to state and local governments to purchase equipment and technology that could be used for surveillance drones, the Department will ensure that grants used for funding drone technology will include requirements to ensure that federal funds are used in a manner consistent with applicable privacy and civil rights protections.

The Department is carefully monitoring court rulings and other legal proceedings related to the use of emerging technologies and modifying its investigative and prosecutorial guidance accordingly.

6 Restoring Confidence

The Department continues to strengthen its processes to maintain the public's trust in its fairness, integrity, and efficiency.

When the Attorney General learned of the ATF's flawed Fast and Furious operation, he ordered that the practices involved in that operation be stopped, he ordered the OIG to investigate the matter, and he instituted personnel changes and procedural reforms at the ATF. The ATF Acting Director issued a memorandum, dated November 3, 2011, clarifying policy concerning the transfer of firearms in the course of investigations. ATF established a monitored case program that ensures Headquarters' oversight of significant investigations. Additionally, ATF is completing a comprehensive revision to ATF's firearms transfer policy, which also addresses public safety, supervisory controls, and Headquarters' oversight of criminal investigations.

With respect to the OIG's concern that the Office of Professional Responsibility (OPR) has no institutional independence, the Department notes that OPR operates independently, with no interference from Department senior leadership. Actually, the OIG Report points to no instance in which Department senior leadership interfered with an OPR investigation, nor does it point to any OPR investigations that failed to hold Department leaders accountable. OPR has not hesitated to investigate senior Department leadership at the highest levels in the past, where appropriate, and to make misconduct findings against Department attorneys when the evidence supported such findings. Indeed, in FY 2012, OPR made professional misconduct findings in approximately 43% of the investigations it closed during the year.

To address the OIG's concern that OPR lacks transparency, OPR believes it is appropriately transparent, given the strict privacy protections afforded witnesses and subjects pursuant to the Privacy Act. In fact, the Privacy Act prevents OPR from releasing personal information about Department employees, except in limited circumstances.

With respect to the 2004 OIG Disciplinary Audit, the BOP continues to work to close the open recommendation. An unresolved issue regarding the Standards of Employee Conduct policy was litigated before the Federal Labor Relations Authority (FLRA). The FLRA ordered the agency to negotiate the union's proposal regarding its request for an employee to receive a copy of his affidavit during the course of Office of Internal Affairs and OIG investigations. The agency and the union have been unable to reach an agreement on this issue, but the BOP remains committed to resolving this matter and issuing the policy to meet the OIG's recommendation.

Regarding the OIG audit report on USMS Internal Affairs, a staffing shortage and a significant case backlog existed within Internal Affairs, the organization responsible for discipline within the USMS. However, as of August 2012, only 12 cases were older than 180 days. Additionally, the USMS has addressed its disciplinary system within its Strategic Plan. The USMS expects its latest update to the OIG regarding the status of open recommendations associated with this audit will close the audit report.

The Department's senior leadership took the OIG's findings in its report on the integrity of the hiring process within the Justice Management Division (JMD) very seriously. In response to the OIG report, the Assistant Attorney General for Administration (AAG/A) stressed to all JMD employees the importance of following the merit system principles, the prohibited personnel practices guidance, and the nepotism statute, all of which ensure a fair civil service system. In addition, the AAG/A instituted procedures to ensure that no inappropriate preferences in hiring occur in the future. Finally, the AAG/A appointed an impartial senior executive to review the employee and selecting official disclosures to ensure their confidentiality is preserved and that JMD is in compliance with all laws, policies, and regulations. As it did in the earlier cited instances, JMD will take appropriate action on the findings included in the OIG report.

The Department is focused on ensuring the transparency of its operations. It is committed to the full implementation of the "new era of open government" and the presumption of disclosure established in the President's and the Attorney General's Freedom of Information Act (FOIA) memoranda. Despite 3 straight years of receiving over 61,000 FOIA requests, the fourth highest number of requests received by any agency, the Department has made substantial efforts to ensure that requests consistently are processed in accordance with the FOIA and the President's and Attorney General's FOIA memoranda.

7 Coordinating Among Law Enforcement Agencies

The Department agrees with the OIG that its components must coordinate and share intelligence, resources, and personnel with one another and other law enforcement agencies. To address any possible confusion created within the Department due to overlapping jurisdiction among the four primary law enforcement components (ATF, DEA, FBI, and USMS), the Department has worked to clarify roles and responsibilities when multiple organizations are involved in an incident or investigation.

Under the direction of the Deputy Attorney General, law enforcement components within the DOJ convened a De-confliction Working Group, consisting of representatives from DEA, FBI, USMS, ATF, and JMD, to examine the existing departmental de-confliction policies, procedures, and practices to further improve the efficient use of available resources and maximize the Department's performance. De-confliction of operational information such as persons of interest, investigative targets, and pre-planned enforcement operations is an essential element in all DOJ law enforcement investigations. Additionally, de-confliction facilitates the sharing of investigative information as well as the coordination among federal, state, and local law enforcement agencies.

To address the OIG's recommendation that the FBI and ATF develop a protocol for joint investigations of explosives incidents, the organizations have been working together, under the direction the Deputy Attorney General, on the jurisdictional overlap pertaining to explosives investigations. Since the *Deputy Attorney General's Explosives Protocol* was issued in FY 2010, the FBI and ATF have continued to resolve any lingering confusion over which entity should lead particular explosives investigations. They are developing plans and strategies to improve further the Department's coordination and management of explosives investigations. The Department has made significant progress toward resolving the jurisdictional concerns outlined in the OIG report. It has improved and integrated the databases for explosives-related information, improved law enforcement training for explosives investigations, and identified ways in which the FBI and ATF laboratories can work more efficiently and collaboratively on explosives investigations.

The OIG also recommends that the Department consider whether components' standards are appropriately consistent and notes that ATF's revision of several policies after Fast and Furious "underscores" ATF's delay in fully integrating with the Department and implementing controls already in place to protect the public. ATF has been working over the last year to ensure that all of its law enforcement policies are updated and consistent with Attorney General's Guidelines and policies for law enforcement activities. For example, in addition to establishing monitored case program management and updating its Firearm Enforcement Program policy, ATF has coordinated with other departmental components to update its confidential informant (CI) protocols. The results have produced a number of positive changes and additions to ATF's CI policy that will ensure effective approval processes for CIs and comprehensive de-confliction, not only within ATF but with other law enforcement agencies.

The OIG identified the Organized Crime Drug Enforcement Task Force's (OCDETF) Fusion Center (OFC) as one of the Department's efforts to share law enforcement information. The OFC is a key compartment in the Department's information sharing efforts. It supports numerous types of cases, including drugs, gangs, and transnational organized crime. In total the Department operates three fusion centers that support its law enforcement mission, the OFC, the Special Operations Division, and the El Paso Intelligence Center. These fusion centers, which address separate aspects of the enforcement process, combine the support of numerous federal partners, including participants from the Department, the IC, and other federal law enforcement agencies, as well as state, local, and foreign agencies. The law enforcement information sharing activities provided by these centers not only support case agents in the specific cases they are investigating, but they also link cases and agents through the information sharing process.

8 Enforcing Against Fraud and Financial Offenses

For the past several years, the Department has prioritized its efforts to eliminate fraud and other financial offenses and penalize those who commit them, and it has made use of the available tools, including prosecution, civil litigation, investigations, and task forces.

Some examples of the use of prosecution and civil litigation include the following: In the real estate sector, as a result of the Department's Antitrust Division's (ATR) efforts in FY 2012, 53 defendants pleaded guilty to real estate foreclosure and tax lien conspiracies across the United States that suppress and restrain competition in ways that harm communities and already financially distressed homeowners. In the municipal bonds industry, ATR's ongoing investigations have resulted in criminal charges against 20 former executives of various financial services companies and one corporation. Numerous financial institutions have agreed to pay a combined total of nearly $750 million in restitution, penalties, and disgorgement to federal and state agencies for their roles in the conduct.

As for the use of investigations, since the creation of the Health Care Fraud Prevention and Enforcement Action Team (known as "HEAT") in May 2009, preventing and shutting down health care fraud schemes have become top priorities for both DOJ and the Department of Health and Human Services (HHS). Joint DOJ/HHS Medicare Fraud Strike Forces are now operating in nine locations nationwide: Miami, Los Angeles, Detroit, Houston, Brooklyn, Baton Rouge, Tampa, Chicago, and Dallas. Since the first Strike Force was launched in 2007, these teams have charged more than 1,480 defendants for falsely billing the Medicare program more than $4.8 billion.

The Financial Fraud Enforcement Task Force (FFETF) is a tool that was established by the President in 2009 and is led by the Attorney General. The FFETF's mission, enumerated in the Executive Order creating it, is to (i) enhance coordination and cooperation among government agencies responsible for the investigation and prosecution of significant financial crimes and violations, (ii) strengthen the efforts of the Department of Justice and other federal, state, and local agencies to investigate and prosecute significant financial crimes and other violations relating to the financial crisis and the recovery efforts, (iii) protect the public and encourage greater coordination in the detection and prosecution of financial crimes through extensive outreach and educational opportunities, and (iv) support victims of financial crimes. While the Task Force's goals are ambitious, its foundation is rooted in simplicity: those charged with protecting the public in all levels of government cannot work in isolated and compartmentalized silos. Instead, the government is unified in its approach and execution, and it can achieve more by having its many offices and agencies working together than it ever could with the organizations acting separately.

In FY 2012 the FFETF created two additional working groups, the Residential Mortgage-Backed Securities (RMBS) Working Group and the Consumer Protection Working Group, both of which already have produced identifiable results. For example, the RMBS Working Group is overseeing active investigations by various DOJ components, numerous USAOs, and other government and state agencies and offices. Recently it announced the filing of a civil complaint against J.P. Morgan Securities LLC (formerly known as Bear Stearns & Co. Inc.), JP Morgan Chase Bank N.A., and EMC Mortgage LLC (formerly known as EMC Mortgage Corporation) by the Office of the New York Attorney General (a Working Group co-chair) based in part on the substantial assistance provided by the Department and other Working Group members. The suit was filed against these defendants for making fraudulent misrepresentations and omissions to promote the sale of residential mortgage-backed securities to investors. These defendants allegedly deceived investors concerning the way with which they evaluated the quality of mortgage loans packaged into residential mortgage-backed securities prior to Bear Stearns & Co's collapse in early 2008, incurring losses that have totaled approximately $22.5 billion to-date.

The Department agrees with the OIG that transparency and accountability of the FFETF are important. That is a principle reason the FFETF initially established a public website, www.stopfraud.gov, which frequently contains updates of the efforts of the various Task Force members and their activities, as well as provides educational resources for the public. Significantly, in an effort to reach an even larger population, the Victims' Rights Committee, which maintains the website, recently added a web-page containing Spanish-language resources for victims of financial fraud crimes. The FFETF will continue to examine new ways it can expand its reach, as well as continue to publish the results of its work, to the extent practicable.

Last, although the resources of the FFETF RMBS Working Group are frequently a topic of public discussion, the group has been performing quite well with its existing resources. Currently, it has more than 200 attorneys, investigators, analysts, and staff actively engaged in these investigations, and another dozen USAOs that have assisted with witness interviews around the country. The President's budget request for FY 2013 includes $55 million to assist the Department in fighting financial fraud, including RMBS fraud, in such ways as funding more FBI agents, prosecutors, civil attorneys, in-house investigators, and forensic accountants.

The Department agrees that suspension and debarment are powerful administrative tools which, when used appropriately, help protect the government's financial interests from unethical, dishonest, or otherwise irresponsible entities, as well as help reduce waste, fraud, and abuse. The Department's Suspending and Debarring Official (SDO) has actively used these tools in cooperation with the OIG to the fullest extent possible. For example, in calendar year 2011, the OIG referred 27 cases to the SDO recommending suspension or debarment, and the SDO issued notices of suspension or proposed debarment in 22 cases. The SDO also issued a notice to show cause in one case, entered into an administrative agreement in one case, and declined to initiate proceedings in one case involving an organization and three employees. Thus far in calendar year 2012, the OIG has referred 28 cases to the SDO, and the SDO has issued notices of suspension or debarment in 26 cases and proposed the debarment of the organization rather than two of its employees in the final two cases.

Meanwhile, to increase the integrity of the participants in the investigation and prosecution processes related to fraud and other financial offenses, on January 30, 2012, the Attorney General issued a policy statement on parallel proceedings that updated and strengthened the Department's longstanding policy that its "prosecutors and civil attorneys coordinate together and with agency attorneys in a manner that adequately takes into account the government's criminal, civil, regulatory and administrative remedies." Pursuant to this policy statement, and in an effort to ensure that suspension and debarment officials at government agencies have greater access to publicly-available information on corporate defendants that would permit them to pursue debarment and suspension remedies as appropriate, the Deputy Attorney General directed that all litigating components provide corporate criminal case information to the Interagency Suspension and Debarment Committee quarterly.

Regarding the Department's Asset Forfeiture Program, as was stated in the Department's response to Challenge #4, the Department concurred with the GAO's recommendation and is working with the Treasury forfeiture program to conduct a joint study to assess the feasibility of consolidation in the areas of asset management and asset tracking systems. The study will take into account the costs, benefits, and key questions to consider when determining whether consolidation could realize increased efficiencies, effectiveness, and cost savings.

9 Administering Grants and Contracts

Grants

The Department's grant making components, the OJP, the Office on Violence Against Women (OVW), and the Community Oriented Policing Service (COPS), have significantly improved collaboration and information sharing among themselves and other federal agencies to reduce duplication, identify cost efficiencies, and address common issues. The DOJ Grants Management Challenges Workgroup, established by the Associate Attorney General's Office and comprised of grants officials from COPS, OJP, and OVW, meets to develop consistent practices and procedures in a wide variety of grant administration and management areas. For example, in January 2012, the Department issued policy and procedures developed by the Grants Management Challenges Workgroup to implement the DOJ-wide high risk grantee designation program.

In recent months, COPS, OJP, and OVW have taken a number of actions in response to the recent GAO recommendations pertaining to potential duplication and overlap. DOJ currently is conducting a study to identify opportunities for shared grants management services. The first phase of the study, completed in August 2012, focused on documenting each component's award life cycle and identifying the areas of commonality across functional requirements to better assess the feasibility of a shared solution from a systems perspective. The study found a high degree of commonality and the potential for greater collaboration among the grant making components. Based on these findings, the Department will conduct an assessment to better understand the extent to which the Department's grant programs overlap with one another and determine if grant programs may be consolidated to mitigate the risk of unnecessary duplication. Using the results from the assessment, DOJ will be in a better position to develop a targeted and strategic approach to carry out a review of applications across all three components during the pre-award process. As part of this approach, DOJ will work to establish policies and procedures to govern this coordinated effort.

Meanwhile, COPS, OJP, and OVW have been engaged in an IT shared services feasibility analysis. During the first phase of the project, and after reviewing the current systems and business requirements, the contractor concluded that sharing a grants system was feasible, but that without enhancements, neither OJP's system nor COPS' system could support the business needs of each component. The two offices currently are beginning phase two of the project which will assist them with identifying the most feasible option for sharing IT services. This may include enhancing an existing system, building a new system, or sharing data through a data warehouse.

The OIG expressed concern regarding a decision to maintain separate Financial Grants Management Guides for OJP and OVW and that the Guides had duplicate information and might confuse grantees of both offices. While the Department recognizes that two guides may create a slight additional burden on those grantees that receive funding from both organizations, the Department notes that specific guides improve grantee performance by responding to their specific needs.

Regarding performance measurement, the Department is constantly trying to develop more meaningful measures for its grant making components. OJP is improving the quality and usefulness of the performance data collected from state, local, and tribal partners to help the agency make better informed programmatic and funding decisions. OJP recently initiated a new Performance Management effort aimed at integrating high-quality, reliable data into performance reporting and its operations, specifically grant monitoring, strategic planning, and management decision-making. As a first step in this effort, in FY 2013, OJP will carry out a thorough assessment of its current business processes related to performance measurement.

The COPS' performance goal is to obtain COPS-related contribution to a 3% rate of change over 36 months in homicide violent crime rates. COPS will implement a comprehensive community policing strategy within targeted COPS-funded cities and compare the crime rates of those cities with cities of similar size and demographics that have not received COPS funding. Also, beginning in FY 2013, COPS will implement the Homicide Reduction Measure to determine if grant funding is achieving the intended results.

The Department is dedicated to improving continuously its oversight and monitoring of grantees and grant programs. OJP consistently exceeds its statutory requirement to conduct comprehensive monitoring of not less than 10% of total award dollars. In FY 2012, OJP monitored more than twice the award amount required by law. It also conducts annual desk reviews on each of its nearly 14,000 grants. COPS also has a comprehensive monitoring strategy that entails programmatic and financial oversight of all of its grantees. The COPS Monitoring Division conducts both on-site and office-based grant reviews. Each visit, whether on-site or in the office, is supported with an exhaustive monitoring report that captures an extended list of requests, potential problems, documented issues, and recommendations. During FY 2012, the Monitoring Division managed 144 on-site grantee monitoring visits totaling 222 grants valued at over $276 million.

The grant-making components also closely coordinate with grantees and the OIG to address issues identified in grant audits and resolve outstanding audit recommendations in a timely manner. They have worked proactively and collaborative with the OIG on significant new programs that pose special risks, such as the Presidential Nominating Convention Security Funding, to ensure that all steps are taken to mitigate the risks with such large and/or complex funding programs.

To help grant recipients follow grant terms and conditions, the Department ensures grantees have access to tools and training necessary to effectively implement and manage their programs. The Grant Management Challenges Workgroup created an on-line grantee financial management training program. In December 2011, the Department launched this comprehensive on-line training tool for all DOJ grantees and grant management staff. The OIG described this training as a tool to help ensure that grant terms and conditions are followed, and to support grant recipients' compliance with rules and regulations. On-line training has increased the accessibility of DOJ's grant recipients to financial management administration and program compliance requirements and has been highly rated by those using the tool. In addition, under the DOJ High Risk Policy, grantees designated as high-risk receive an automatic special condition on all new DOJ awards that requires them to take financial management training.

Contracts

The Department spends large amounts on contracts each year, and it closely monitors the cost, timeliness, and quality of requested goods and services. As noted by the OIG, some of the largest of these contracts are related to planning, implementation, and management of complex information technology systems. The Department, under the direction of its new Chief Information Officer, is examining its entire IT portfolio and is exploring opportunities for leveraged buying and strategic sourcing of IT commodities and services.

With regard to the OIG's comments on the FBI's Sentinel system, the FBI successfully deployed Sentinel in July 2012. The Department notes that the FBI did not eliminate or reduce any of the Sentinel requirements to stay within the $451 million budget allocation. However, IT has changed significantly since system requirement specifications were developed 7 years ago. Since October 2010, Sentinel executives and stakeholders have completed several comprehensive reviews of the requirements necessary to achieve the objectives set out for Sentinel. Some requirements changed to take advantage of new technology. Additional functionalities originally planned for Sentinel continue to be provided more effectively by other systems that remain online irrespective of Sentinel. The Department notes that implying that Sentinel was in any way deficient for "not providing all of the originally planned capabilities" is misleading. Because of the dynamic nature of the FBI's development process, the FBI deployed Sentinel for approximately $10 million less than had been budgeted. Beyond reporting the actual cost of the project, $441, there is no "cost baseline" to adjust.

The Department agrees that it "must ensure that there is adequate management and oversight of information technology contracts to minimize cost overruns." This aspect of the recommendation, however, is out of place following a discussion of Sentinel. The Sentinel project did not suffer from cost overruns; it came in under budget. As for the other aspect of the recommendation, rather than ensuring that an IT project "provide[s] planned system functionality" statically, as initially conceived even if that was years before deployment, Sentinel serves as a model of dynamic reassessment and refinement of a project's required functionality. Sentinel has not failed to provide any appropriate functionality; data provided to the OIG confirms that the FBI has recognized significant efficiency gains in just the first few months since deployment.

10 Ensuring Effective International Law Enforcement

As the OIG states, in an effort to address the threat of transnational organized crime, the DEA, FBI, ATF, USMS, and the Criminal Division's Office of International Affairs (OIA) have stationed personnel abroad to work with their foreign counterparts to investigate and prosecute violations of U.S. law. To build and nurture relationships with law enforcement counterparts, the Department works with host nation counterparts through vetted units, legal attaches, and other personnel stationed overseas. A large amount of the Department's international work, however, takes place in its domestic offices. For example, in addition to its 10 prosecutors stationed abroad, OIA has an additional 50 attorneys and 35 paralegals in Washington, DC. Similarly, the Department's law enforcement components have substantial numbers of personnel within the United States who are pursuing international cases and who work in collaboration with personnel posted overseas.

The Department agrees with the OIG that devoting resources to transnational law enforcement efforts will not be enough, that the resources must also be well managed, coordinated with each other, and coordinated with both domestic and foreign law enforcement organizations.

The Department recognizes that there always will be issues and differences that must be worked out with other organizations, regardless of whether those organizations are foreign or domestic. The OIG references the Criminal Division's Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) and its International Criminal Investigative Training Assistance Program (ICITAP) offices and their relationship with their primary funder, the State Department (State). While both OPDAT and ICITAP have responsibilities that are strictly focused on assisting foreign entities – training prosecutors, law enforcement agencies, and governments, they work very closely and collaboratively with their international counterparts. However, the complexity of funding for international activities presents challenges that the Department continues to address.

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FMFIA

Corrective Action Plan

FMFIA SECTION 2 – PROGRAMMATIC MATERIAL WEAKNESS – PRISON CROWDING

<table>
<tr><td>U.S. DEPARTMENT OF JUSTICE
Corrective Action Plan
Issue and Milestone Schedule</td><td colspan="2">Report Date
September 30, 2012</td></tr>
<tr><td>Issue Title
Prison Crowding</td><td>Issue ID
06BOP001</td><td>Component Name
Bureau of Prisons</td></tr>
<tr><td colspan="3">Issue Category
FMFIA, Section 2 ☐ Reportable Condition ☒ Material Weakness
FMFIA, Section 4 ☐ Non-conformance
OMB A-123, Appendix A ☐ Reportable Condition ☐ Material Weakness</td></tr>
<tr><td colspan="3">Issue Category – SAT Concurrence or Recategorization
Concur</td></tr>
<tr><td colspan="3">Issue Description
As of September 30, 2012, the inmate population housed in BOP operated institutions exceeded the rated housing capacity by 38 percent. The BOP’s Long Range Capacity Plan relies on multiple approaches to house the increasing federal inmate population, such as contracting with the private sector and state and local facilities for certain groups of low-security inmates; expanding existing institutions where infrastructure permits, programmatically appropriate, and cost effective to do so; and acquiring, constructing, and activating new facilities as funding permits.

To address this material weakness, the BOP will continue implementing its Long Range Capacity Plan, making enhancements and modifications to the plan, as needed, commensurate with funding received through enacted budgets. The BOP’s formal Corrective Action Plan includes utilizing contract facilities; expanding existing institutions; and acquiring, constructing, and activating new institutions as funding permits. The BOP will continue to validate progress on construction projects at new and existing facilities through on-site inspections or by reviewing monthly construction progress reports.

This material weakness was first reported in 2006. Remediation of the weakness through increasing prison capacity is primarily dependent on funding. Other correctional reforms and alternatives will require policy and/or statutory changes. Other initiatives notwithstanding, if the acquisition, expansion, construction, and activation plans detailed in the BOP’s Long Range Capacity Plan are funded as proposed, the over-crowding rate for FY 2018 is projected to be 44 percent.

The Department’s corrective action efforts are not limited to the BOP alone. The Department continues to consider and implement an array of crime prevention, sentencing, and corrections management improvements that focus on accountability and rehabilitation, while protecting public safety. The Department recognizes that the BOP’s capacity management efforts must be teamed with targeted programs that are proven to reduce recidivism and promote effective re-entry. The BOP will continue to work with the Department on these programs.</td></tr>
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Business Process Area (N/A for Section 2 and Section 4 issues)			
Not Applicable			
Date First Identified	**Original Target Completion Date**	**Current Target Completion Date**	**Actual Completion Date**
2006	09/30/2012	Dependent on funding	

Issue Identified By	**Source Document Title**
Bureau of Prisons	BOP Population Projections

Description of Remediation

Increase the number of federal inmate beds to keep pace with projected increases in the inmate population. Efforts to reach this goal include expanding existing institutions, acquiring surplus properties for conversion to correctional facilities, constructing new institutions, utilizing contract facilities, and exploring alternative options of confinement for appropriate cases.

Milestones	**Original Target Date**	**Current Target Date**	**Actual Completion Date**
1. As of September 30, 2006, the inmate population in BOP owned and operated institutions reached 162,514 and was housed in a capacity of 119,510, resulting in an over-crowding rate of 36 percent.	09/30/2006		09/30/2006
2. As of September 30, 2007, the inmate population in BOP owned and operated institutions reached 167,323 and was housed in a capacity of 122,189, resulting in an over-crowding rate of 37 percent, an increase of 1 percent for the year.	09/30/2007		09/30/2007
3. As of September 30, 2008, the inmate population in BOP owned and operated institutions reached 165,964 and was housed in a capacity of 122,366, resulting in an over-crowding rate of 36 percent, a decrease of 1 percent for the year.	09/30/2008		09/30/2008
4. As of September 30, 2009, the inmate population in BOP owned and operated institutions reached 172,423 and was housed in a capacity of 125,778, resulting in an over-crowding rate of 37 percent, an increase of 1 percent for the year.	09/30/2009		09/30/2009
5. As of September 30, 2010, the inmate population in BOP owned and operated institutions reached 173,289 and was housed in a capacity of 126,713, resulting in an over-crowding rate of 37 percent, the same rate as at the end of the previous year.	09/30/2010		09/30/2010
6. As of September 30, 2011, the inmate population in BOP owned and operated institutions reached 177,934 and was housed in a capacity of 127,795, resulting in an over-crowding rate of 39 percent, an increase of 2 percent for the year.	09/30/2011		09/30/2011
7. As of September 30, 2012, the inmate population in BOP owned and operated institutions reached 177,556 and was housed in a capacity of 128,359, resulting in an over-crowding rate of 38 percent, a decrease of 1 percent for the year.	09/30/2012		09/30/2012
8. Planning estimates call for a rated capacity of 130,404 to be reached by the end of FY 2013. The over-crowding rate is projected to be 40 percent at that time, an increase of 2 percent for the year.	09/30/2013		
9. Planning estimates call for a rated capacity of 134,170 to be reached by the end of FY 2014. The over-crowding rate is projected to be 39 percent at that time, a decrease of 1 percent for the year.	09/30/2014		
10. Planning estimates call for a rated capacity of 135,130 to be reached by the end of FY 2015. The over-crowding rate is projected to be 39 percent at that time, the same rate as projected for the end of the previous year.	09/30/2015		

11. Planning estimates call for a rated capacity of 136,430 to be reached by the end of FY 2016. The over-crowding rate is projected to be 40 percent at that time, an increase of 1 percent for the year.	09/30/2016		
12. Planning estimates call for a rated capacity of 136,430 to be reached by the end of FY 2017. The over-crowding rate is projected to be 42 percent at that time, an increase of 2 percent for the year.	09/30/2017		
13. Planning estimates call for a rated capacity of 136,942 to be reached by the end of FY 2018. The over-crowding rate is projected to be 44 percent at that time, an increase of 2 percent for the year.	09/30/2018		

Reason for Not Meeting Original Target Completion Date

Funding received through enacted budgets for additional capacity has not kept pace with the increases in the federal inmate population.

Status of Funding Available to Achieve Corrective Action

FY 2013 funding is unknown at this point because the FY 2013 budget has not been enacted. The Department of Justice's proposed FY 2014 budget for BOP is under review at the Office of Management and Budget.

Planned Measures to Prevent Recurrence

The BOP will continue to structure budget requests to address capacity needs in the most cost effective manner possible.

Validation Indicator

Results are measured as a new institution or expansion project is activated and resulting increases in rated capacity are established. A corresponding decrease in the over-crowding rate will also be a tangible measurement of the results. Progress on construction projects at new and existing facilities will be validated via on-site inspections of each facility or by review of monthly construction progress reports.

Organizations Responsible for Corrective Action

BOP Administration Division and Program Review Division

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Undisbursed Balances in Expired Grant Accounts

Section 536 of the Commerce, Justice, Science, and Related Agencies Appropriations Act, 2012 (Act) of the Consolidated Appropriations Act, 2010 (Pub. Law 112-55) requires certain departments, agencies, and instrumentalities of the United States Government receiving appropriations under the Act to track undisbursed balances in expired grant accounts for FY 2012.

Undisbursed balances in expired grant accounts include budget authority that is no longer available for new obligations but is still available for disbursement. According to Section 20.4(c) of OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget,* the expired phase "lasts five years after the last unexpired year unless the expiration period has been lengthened by legislation. Specifically, you may not incur new obligations against expired budget authority, but you may liquidate existing obligations by making disbursements." For FY 2012, the below information is required to be reported in the Performance and Accountability Reports and annual performance plans/budgets with regard to undisbursed balances in expired grant accounts: 1) details on future action the department, agency, or instrumentality will take to resolve undisbursed balances in expired grant accounts; 2) the method that the department, agency, or instrumentality uses to track undisbursed balances in expired grant accounts; 3) identification of undisbursed balances in expired grant accounts that may be returned to the Treasury of the United States; 4) in the preceding three fiscal years, details on the total number of expired grant accounts with undisbursed balances (on the first day of each fiscal year) for the department, agency, or instrumentality and the total finances that have not been obligated to a specific project remaining in the accounts.

Three Department of Justice grant-making agencies are required to report under this guidance: Community Oriented Policing Services (COPS), Office of Justice Programs (OJP), and the Office on Violence Against Women (OVW). Their responses are noted below:

Details on future actions that will be taken to resolve undisbursed balances in expired grant accounts:

COPS closely monitors the financial activity of all grantees. This includes requiring all grant recipients to report the financial expenditures for all COPS awards on a quarterly basis. COPS also maintains a group of dedicated Grant Program Specialists and Staff Accountants that offer grantees real-time technical assistance with implementing any aspect of their grant. Due to the additional reporting requirements and transparency associated with American Recovery and Reinvestment Act of 2009 (ARRA) grant recipients, COPS has implemented additional efforts to monitor COPS Hiring Recovery Program (CHRP) grantees. First, all CHRP grantees are required to complete an online grants management training, which includes a training track specifically addressing financial reporting and disbursement of funds. Second, CHRP grantees were notified earlier this year that the undisbursed balance on their grant awards will lapse on September 30, 2015 (5 years after the last unexpired year for ARRA), thus all grant program requirements should be completed by that time and all expensed funds disbursed. Third, beginning in November 2010, COPS conducts quarterly outreach efforts to a select group of CHRP grantees who appear to have either discrepancies in the financial or programmatic reporting on their awards. Finally, the COPS Director receives monthly and quarterly reports of CHRP activity, including disbursement data, and COPS management works with the Justice Management Division (JMD), OMB, and the Office of the Vice President (OVP) to ensure that ARRA funds are being disbursed and outlayed timely.

All OJP discretionary/categorical and block/formula grantees are required to submit a financial report quarterly. Grantees have 90 days after the end date of the award to drawdown funds and close out the award. If the payments to the grantee are less than the amount of the grant expenditures, then the grantee is given the opportunity to draw down these funds. OJP Customer Service Outreach staff calls the grantee to ask them to draw down their funds. The first notice will commence on the same day as the phone call to the grantee. If the grantee has not drawn down their available funds after 14 calendar days, a second contact is made by the Customer Service Outreach staff and a second notice is sent. If there is no action by the grantee, a third notice is sent to the grantee informing them that OJP will de-obligate the funds from their grant. If the grantee has not retrieved their funds after 14 additional calendar days, the funds are de-obligated. After deobligation, the grantee will receive a Grant Adjustment Notice (GAN) in the mail informing them that the funds have been de-obligated and are no longer available and the grant is closed.

OVW closely monitors the financial activity of all grantees. All grant recipients are required to report their financial expenditures for OVW awards on a quarterly basis and their project performance activities on a semi-annual or annual basis. ARRA grantees are also required to submit special Section 1512 reports on a quarterly basis that include project and financial information. OVW reviews 100 percent of these reports for each reporting period and contacts the grantees regarding any concerns or questions. OVW has Grant Program Specialists and Financial Analysts that offer ARRA grantees technical assistance with implementing any aspect of their grant, including trainings, outreach, site visits and monitoring. The OVW management receives and reviews frequent reports on ARRA grant activity, including obligation and outlay data, and OVW management works with JMD, OMB, OVP, and the OIG to ensure that ARRA funds are being disbursed and outlayed timely.

Method used to track undisbursed balances in expired grant accounts:

COPS utilizes both the Financial Management Information System 2 (FMIS2) data as well as data from OJP's Grant Payment Request System (GPRS) to track CHRP undisbursed balances. OJP currently uses its Grants Management System (financial reports), FMIS2 and GPRS to track undisbursed balances. OVW utilizes both FMIS2 data as well as data from OJP's GPRS to track undisbursed balances.

Identification of undisbursed balances in expired grant accounts that may be returned to the Treasury:

The Department has the authority to transfer unobligated balances of expired appropriations to the Working Capital Fund. Specifically, Public Law 102-140 provides that at no later than the end the fifth fiscal year after the fiscal year for which funds are appropriated or otherwise made available, unobligated balances of appropriations available to the Department of Justice during such fiscal year may be transferred into the capital account of the Working Capital Fund to be available for the Department-wide acquisition of capital equipment, development and implementation of law enforcement or litigation related automated data processing systems, and for the improvement and implementation of the Department's financial management and payroll/personnel systems. Therefore, in general unobligated and undisbursed balances in the Department's expired grant accounts will be transferred to the Working Capital Fund for use as authorized by law, not returned to the Treasury. An exception to this will be American Recovery and Reinvestment Act grant funds; pursuant to Public Law 111-203, such grant funds that have not been obligated as of December 31, 2012, will be rescinded and returned to the Treasury.

The total number of expired grant accounts with undisbursed balances (on the first day of each fiscal year) and the total finances that have not been obligated to a specific project remaining in the accounts, are as follows (dollars in millions):

OJP:
FY 2008: 9 accounts; $105.5 in undisbursed and unobligated balances
FY 2009: 10 accounts; $66.0 in undisbursed and unobligated balances
FY 2010: 8 accounts; $1,638.6 in undisbursed and unobligated balances
FY 2011: 6 accounts; $859.7 in undisbursed and unobligated balances
FY 2012: 5 accounts; $485.6 in undisbursed and unobligated balances

COPS:
FY 2008: No undisbursed and unobligated balances
FY 2009: No undisbursed and unobligated balances
FY 2010: 1 account; $1,001.9 in undisbursed and unobligated balances
FY 2011: 1 account; $861.8 in undisbursed and unobligated balances
FY 2012: 1 account; $580.3 in undisbursed and unobligated balances

OVW:
FY 2008: No undisbursed and unobligated balances
FY 2009: No undisbursed and unobligated balances
FY 2010: 1 account; $223.0 in undisbursed and unobligated balances
FY 2011: 1 account; $154.4 in undisbursed and unobligated balances
FY 2012: 1 account; $63.2 in undisbursed and unobligated balances

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APPENDICES

APPENDIX A

Improper Payments Information Act (as amended by the IPERA) Reporting Details

The Improper Payments Information Act of 2002 (IPIA), as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA), requires agencies to annually report information on improper payments to the President and Congress through their annual Performance and Accountability Report. In accordance with that requirement and the implementing guidance in OMB Circular A-123, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*, and OMB Circular A-136, *Financial Reporting Requirements*, the Department provides the following improper payments reporting details.

Item I. Risk Assessment. Briefly describe the risk assessment performed (including the risk factors examined, if appropriate) subsequent to completing a full program inventory. List the risk-susceptible programs (i.e., programs that have a significant risk of improper payments based on OMB guidance thresholds) identified by the agency risk assessment. Highlight any changes to the risk assessment methodology or results that occurred since the FY 2011 IPIA report.

In accordance with the IPIA, as amended by the IPERA, and the April 2011 OMB implementing guidance, OMB Circular A-123, Appendix C, the Department assessed its programs and activities for susceptibility to significant improper payments. The Department's top-down approach for assessing the risk of significant improper payments allows for the analysis and reporting of results by the Department's five mission-aligned programs – Law Enforcement; Litigation; Prison and Detention; State, Local, Tribal, and Other Assistance; and Administrative, Technology, and Other. The approach promotes consistency across the Department in implementing the expanded requirements of the IPERA.

In FY 2012, the Department disseminated an updated risk assessment survey instrument for Departmental components to use in conducting the required risk assessment. The instrument examined disbursement activities against nine risk factors, such as payment volume and process complexity, and covered commercial payments, custodial payments, benefit and assistance payments, and grants and cooperative agreements.[1]

The Department's risk assessment methodology for FY 2012 did not change significantly from FY 2011; i.e., for FY 2012, the methodology again included assessing risk against various risk factors and for various payment types. The primary difference for FY 2012 was that the Department included clarifying language in the survey instrument to ensure components considered all questioned costs as improper payments when conducting the required risk assessment.

The results of the FY 2012 risk assessment did not differ from FY 2011; i.e., the Department concluded based on the results of the Department-wide risk assessment for the period ending September 30, 2012, that there were no programs susceptible to significant improper payments, i.e., improper payments exceeding the OMB thresholds of both 2.5 percent of program outlays and $10 million, or $100 million.

Item II. Statistical Sampling. Any agency that has programs or activities that are susceptible to significant improper payments shall briefly describe the statistical sampling process conducted to estimate the improper payment rate for each program identified with a significant risk of improper

[1] The nine risk factors examined during the risk assessment were Policies and Procedures; Results of OMB Circular A-123 Assessment, OIG Audits/Reviews, and other External Audits/Reviews; Corrective Actions; Results of Monitoring Activities; Results of Recapture Audit Activities; Process Complexities; Volume and Dollar Amount of Payments; Control Risk; and Capability of Personnel.

payments. Highlight any changes to the statistical sampling process that have occurred since the FY 2011 IPIA report.

Not applicable. Based on the results of the FY 2012 Department-wide risk assessment, there were no programs susceptible to significant improper payments. This remains unchanged from FY 2011.

Item III. Corrective Actions. Any agency that has programs or activities that are susceptible to significant improper payments shall describe the corrective action plans for:

A. Reducing the estimated improper payment rate and amount for each type of root cause identified. Agencies shall report root cause information (including error rate and error amount) based on the following three categories: Administrative and Documentation errors, Authentication and Medical Necessity errors, and Verification errors. This discussion must include the corrective actions, planned or taken, most likely to significantly reduce future improper payments due to each type of error an agency identifies, the planned or actual completion date of these actions, and the results of the actions taken to address these root causes. If efforts are ongoing, it is appropriate to include that information in this section and to highlight current efforts, including key milestones. Agencies may also report root cause information based on additional categories, or sub-categories, of the three categories listed above, if available.

Not applicable. Based on the results of the FY 2012 Department-wide risk assessment, there were no programs susceptible to significant improper payments.

B. Grant-making agencies with risk-susceptible grant programs shall briefly discuss what the agency has accomplished in the area of funds stewardship past the primary recipient. Discussion shall include the status of projects and results of any reviews.

Not applicable. Based on the results of the FY 2012 Department-wide risk assessment, there were no programs susceptible to significant improper payments, to include grant programs.

Item IV. Improper Payments Reporting.

A. Any agency that has programs or activities that are susceptible to significant improper payments must provide the following information in a table:
  - **all risk-susceptible programs must be listed whether or not an error measurement is being reported;**
  - **where no measurement is provided, the agency should indicate the date by which a measurement is expected;**
  - **if the Current Year (CY) is the baseline measurement year, and there is no Previous Year (PY) information to report, indicate by either "Note" or "N/A" in the PY column;**
  - **if any of the dollar amounts included in the estimate correspond to newly established measurement components in addition to previously established measurement components, separate the two amounts to the extent possible;**
  - **agencies are expected to report on CY activity or, if not feasible, PY activity is acceptable if approved by OMB. Agencies should include future year outlay and improper payment estimates for CY+1, +2, and +3 (future year outlay estimates should match the outlay estimates for those years as reported in the most recent President's Budget).**

Not applicable. Based on the results of the FY 2012 Department-wide risk assessment, there were no programs susceptible to significant improper payments.

B. Agencies should include the gross estimate of the annual amount of improper payments (i.e., overpayments plus underpayments) and should list the total overpayments and underpayments that make up the current year amount. In addition, agencies are allowed to calculate and report a second estimate that is a net total of both overpayments and

underpayments (i.e., overpayments minus underpayments). The net estimate is an additional option only and cannot be used as a substitute for the gross estimate.

Not applicable. Based on the results of the FY 2012 Department-wide risk assessment, there were no programs susceptible to significant improper payments.

Item V. Recapture of Improper Payments Reporting.

A. An agency shall discuss payment recapture audit (or recovery auditing) efforts, if applicable. The discussion should describe the agency's payment recapture audit program, the actions and methods used by the agency to recoup overpayments, a justification of any overpayments that have been determined not to be collectable, and any conditions giving rise to improper payments and how those conditions are being resolved (e.g., the business process changes and internal controls instituted and/or strengthened to prevent further occurrences). If the agency has excluded any programs or activities from review under its payment recapture audit program (including any programs or activities where the agency has determined a payment recapture audit program is not cost-effective), the agency should list those programs and activities excluded from the review, as well as the justification for doing so. Include in the discussion the dollar amount of cumulative recoveries collected beginning with FY 2004.

The Department's payment recapture audit program is part of its overall program of internal control over disbursements. The program includes establishing and assessing internal controls to prevent improper payments, reviewing disbursements to identify improper payments, assessing root causes of improper payments, developing corrective action plans, and tracking the recovery of improper payments and disposition of recovered funds. The Department's top-down approach for tracking and reporting the results of recovery auditing activities promotes consistency across the Department in implementing the expanded requirements of the IPERA. In FY 2012, the Department provided components an updated template to assist them in analyzing root causes of improper payments and tracking the recovery of such payments and disposition of recovered funds.

The root causes for overpayments other than for grants largely fell within the OMB-defined error category of Documentation and Administrative, as most errors were overpayments resulting from duplicate payments or data entry errors. Departmental components have implemented actions to address specific areas where improvements could be made. For example, to reduce duplicate payments and prevent other types of improper payments, the Drug Enforcement Administration (DEA) conducts data analytics on payment data entered into the Unified Financial Management System (UFMS) prior to processing disbursements to identify payments that, if processed, would be improper, e.g., payments to ineligible recipients, payments for ineligible services, and duplicate payments. To reduce data entry errors, the Federal Bureau of Investigation (FBI) increased its use of electronic billing and consolidation of invoices.

The root causes for grant overpayments also largely fell within the Documentation and Administrative category, as most involved payments for which grantees did not provide sufficient documentation to support the payments. To reduce the risk of these types of overpayments, the Department's granting components expanded training and communications informing grantees of their responsibilities related to receiving Federal awards. For example, the Office of Justice Programs (OJP) requires all grantees responsible for improper payments to submit written policies and procedures describing the internal controls put in place to prevent similar occurrences in the future.

Departmental components have also taken actions to facilitate the recovery of improper payments. For example, the FBI produces an accounts receivable report to track the age and collection efforts for all uncollected improper payments. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) issues demand letters to debtors notifying them of the status of the debt, the date payment is due, where to send payment, and the collection actions the ATF can pursue to recover the debt.

The Department excluded employee disbursements and intra-governmental payments from the scope of its payment recapture audit program in accordance with the IPERA and OMB implementing guidance. The Department also excluded payments to confidential informants because of its responsibility to protect sensitive law enforcement information. Lastly, the Department excluded payments at DEA foreign offices, because the DEA obtains the services of the Department of State for certifying and disbursing payments on behalf of the DEA at foreign offices.

In accordance with the IPERA and OMB implementing guidance, the Department measured payment recapture performance. Based on performance through the period ending September 30, 2012, the Department achieved a payment recovery rate of 93 percent for the cumulative period of FYs 2004 through 2012, and an annual recovery rate of 121 percent for FY 2012.[2] In FY 2012, approximately $22,400 of overpayments were determined not to be collectable, the majority of which were due to a vendor's bankruptcy. Table 1B provided later in this section provides additional detail on the approximate $40.5 million in improper payments identified in FYs 2004 through 2012 and the approximate $37.5 million of recovered funds.

B. Complete the tables below (if any of this information is not available, indicate by either "Note" or "N/A" in the relevant column or cell):

Note: To allow information to be easily viewable, the Department reformatted the table in OMB Circular A-136 into three separate tables. Table 1A provides information on the total amount of disbursements subject to review in FY 2012, as well as the total amount reviewed under the Department's payment recapture audit program. As shown in the table, the Department reviewed 100 percent of its FY 2012 disbursements, except for the payments excluded from review as discussed in Item V.A.

Table 1A
Payment Recapture Audit Reporting Scope

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Amount Subject to Review for FY 2012 Reporting	Actual Amount Reviewed and Reported in FY 2012	Percent Reviewed
Administrative, Technology, and Other	Commercial	$600,449,112	$600,449,112	100%
	Custodial	$5,955,270,022	$5,955,270,022	100%
Litigation	Commercial	$793,173,598	$793,173,598	100%
Law Enforcement	Commercial	$4,291,446,597	$4,291,446,597	100%
State, Local, Tribal, and Other Assistance	Benefits and Assistance	$159,235,197	$159,235,197	100%
	Commercial	$102,238,947	$102,238,947	100%
	Grants and Cooperative Agreements	$3,551,457,673	$3,551,457,673	100%
Prisons and Detention	Commercial	$6,431,245,074	$6,431,245,074	100%
Total		$21,884,516,220	$21,884,516,220	100%

[2] In FY 2012, the improper payments recovered exceeded the improper payments identified for recovery due to the recovery during FY 2012 of improper payments identified in previous years; this scenario resulted in the annual recovery rate exceeding 100 percent.

Table 1B provides the cumulative results of payment recapture audit activities for the nine-year period of FYs 2004 through 2012. As shown in the table, as of the end of FY 2012, the Department had recovered 93 percent of the improper payments identified for recovery. The Department reported a cumulative recovery rate of 86 percent in its FY 2011 PAR. As shown in the table, the cumulative recovery rate for grants was 79 percent, while the cumulative recovery rate for all other types of payments ranged from 90 to 100 percent. The lower recovery rate for grants is attributed in part to factors that extend the time frame for receiving recovered grant funds. For example, some grantees have been placed on multi-year repayment programs based on ability to pay and other factors.

Table 1B
Cumulative Payment Recapture Audit Reporting

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	FYs 2004 through 2012					
		Cumulative Improper Payments Identified for Recovery[3]	Cumulative Improper Payments Determined Not to be Collectable	Cumulative Improper Payments Recovered	Recovery Rate (Percent of Cumulative Improper Payments Recovered out of Cumulative Improper Payments Identified for Recovery)	Cumulative Improper Payments Outstanding	Percent Outstanding (Percent of Cumulative Improper Payments Outstanding out of Cumulative Improper Payments Identified for Recovery)
Administrative, Technology, and Other	Commercial	$1,260,749	$0	$1,236,335	98%	$24,414	2%
	Custodial	$0	$0	$0	N/A	$0	N/A
Litigation	Commercial	$3,396,822	$5	3,304,175	97%	$92,642	3%
Law Enforcement	Commercial	$18,032,017	$22,428	$17,816,867	99%	$192,722	1%
State, Local, Tribal, and Other Assistance	Benefits and Assistance	$10,000	$0	$10,000	100%	$0	0%
	Commercial	$356,861	$0	$356,861	100%	$0	0%
	Grants and Cooperative Agreements	$8,959,071	$0	$7,075,724	79%	$1,883,347	21%
Prisons and Detention	Commercial	$8,473,208	$0	$7,665,641	90%	$807,567	10%
Total		$40,488,728	$22,433	$37,465,603	93%	$3,000,692	7%

[3] Improper payments identified for recovery do not include all questioned costs. When questioned costs are identified in an OIG audit report or through some other means, Departmental management initiates a process to validate whether the costs in question were improper payments; e.g., the Department will request additional support from grantees for transactions that, at the time of audit, were not supported by adequate documentation. The validation process can take months, and in some cases years, to complete. Therefore, for payment recapture audit reporting purposes, improper payments identified for recovery include only the questioned costs for which Departmental management has completed the validation process and determined that the incurred costs should not have been charged to the Government.

Table 1C provides the results of payment recapture audit activities separately by current year (FY 2012) and previous years (FYs 2004 through 2011 combined). As shown in the current year section of the table, the improper payments recovered for two programs – Law Enforcement and State, Local, Tribal, and Other Assistance – exceeded the improper payments identified for recovery due to the recovery during FY 2012 of improper payments identified in previous years.

Table 1C
Payment Recapture Audit Reporting by Current Year and Previous Years

		Current Year (FY 2012)							Previous Years (FYs 2004 through 2011)	
DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Improper Payments Identified for Recovery	Improper Payments Recovered	Recovery Rate (Percent of Current Year Improper Payments Recovered out of Current Year Improper Payments Identified for Recovery)	Improper Payments Determined Not to be Collectable	Percent of Improper Payments Determined Not to be Collectable out of Improper Payments Identified for Recovery	Improper Payments Outstanding	Percent Outstanding (Percent of Current Year Improper Payments Outstanding out of Current Year Improper Payments Identified for Recovery)	Improper Payments Identified for Recovery	Improper Payments Recovered
Administrative, Technology, and Other	Commercial	$593,668	$571,201	96%	$0	0%	$22,467	4%	$667,081	$665,134
	Custodial	$0	$0	N/A	$0	N/A	$0	N/A	$0	$0
Litigation	Commercial	$715,807	$712,859	99%	$5	0%	$2,943	1%	$2,681,015	$2,591,316
Law Enforcement	Commercial	$2,092,781	$3,034,572	145%	$22,428	1%	($964,219)	(46%)	$15,939,236	$14,782,295
State, Local, Tribal, and Other Assistance	Benefits and Assistance	$0	$0	N/A	$0	N/A	$0	N/A	$10,000	$10,000
	Commercial	$0	$0	N/A	$0	N/A	$0	N/A	$356,861	$356,861
	Grants and Cooperative Agreements	$2,523,692	$3,363,168	133%	$0	0%	($839,476)	(33%)	$6,435,379	$3,712,556
Prisons and Detention	Commercial	$1,579,240	$1,374,451	87%	$0	0%	$204,789	13%	$6,893,968	$6,291,190
Total		$7,505,188	$9,056,251	121%	$22,433	1%	($1,573,496)	(22%)	$32,983,540	$28,409,352

If an agency has a payment recapture audit program in place, then the agency is required to establish annual targets to drive their annual performance. The targets shall be based on the rate of recovery. Agencies are expected to report current year amounts and rates, as well as recovery rate targets for three years.

Table 2 provides current year (FY 2012) payment recapture audit activities information, cumulative information (FYs 2004 through 2012), and recovery rate targets for three years. As mentioned, the lower cumulative recovery rate for grants is attributed in part to factors that extend the time frame for receiving recovered grant funds. In FY 2013, the Department will continue focusing on improving the recovery rate for grants and sustaining the high recovery rates for all other types of payments.

Table 2
Improper Payments Recovery Rates and Targets

		Cumulative (FYs 2004 through 2012)			Current Year (FY 2012)			Recovery Rate Targets[4]		
DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Improper Payments Identified for Recovery	Improper Payments Recovered	Recovery Rate	Improper Payments Identified for Recovery	Improper Payments Recovered	Recovery Rate	FY 2013	FY 2014	FY 2015
Administrative, Technology, and Other	Commercial	$1,260,749	$1,236,335	98%	$593,668	$571,201	96%	85%	85%	85%
	Custodial	$0	$0	N/A	$0	$0	N/A	85%	85%	85%
Litigation	Commercial	$3,396,822	3,304,175	97%	$715,807	$712,859	100%	85%	85%	85%
Law Enforcement	Commercial	$18,032,017	$17,816,867	99%	$2,092,781	$3,034,572	145%	85%	85%	85%
State, Local, Tribal, and Other Assistance	Benefits and Assistance	$10,000	$10,000	100%	$0	$0	N/A	85%	85%	85%
	Commercial	$356,861	$356,861	100%	$0	$0	N/A	85%	85%	85%
	Grants and Cooperative Agreements	$8,959,071	$7,075,724	79%	$2,523,692	$3,363,168	133%	85%	85%	85%
Prisons and Detention	Commercial	$8,473,208	$7,665,641	90%	$1,579,240	$1,374,451	87%	85%	85%	85%
Total		$40,488,728	$37,465,603	93%	$7,505,188	$9,056,251	121%			

[4] Recovery rate targets were adjusted in FY 2012 to 85 percent for all programs, consistent with OMB guidance.

C. In addition, agencies shall report the following information on their payment recapture audit programs, if applicable:

i. An aging schedule of the amount of overpayments identified through the payment recapture audit program that are outstanding (i.e., overpayments that have been identified but not recovered). Typically, the aging of an overpayment begins at the time the overpayment is detected. Indicate with a note whenever that is not the case.

Table 3 provides the aging schedule for the Department's overpayments that were outstanding (not recovered) as of the end of FY 2012. As shown in the table, of the approximate $2.5 million in overpayments that were outstanding for more than a year, 70 percent were grants. As mentioned, in FY 2013, the Department will continue focusing on improving the recovery rate for grants.

Table 3
Aging of Cumulative Outstanding Overpayments

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Amount Outstanding (0 to 6 months)	Amount Outstanding (6 months to 1 year)	Amount Outstanding (over 1 year)
Administrative, Technology, and Other	Commercial	$2,647	$0	$21,767
	Custodial	$0	$0	$0
Litigation	Commercial	$18,882	$63	$73,697
Law Enforcement	Commercial	$90,644	$37,699	$64,379
State, Local, Tribal, and Other Assistance	Benefits and Assistance	$0	$0	$0
	Commercial	$0	$0	$0
	Grants and Cooperative Agreements	$58,970	$48,604	$1,775,773
Prisons and Detention	Commercial	$185,433	$29,458	$592,676
Total		$356,576	$115,824	$2,528,292

ii. A summary of how recovered amounts have been disposed of (if any of this information is not available, indicate by either "Note" or "N/A" in the relevant column or cell).

Table 4 provides the disposition information for the improper payments the Department recovered in FY 2012. As shown in the table, approximately $8.7 million of the approximate $9.1 million recovered (or 96 percent) was returned to the original funds from which the payments were made.

Table 4
Disposition of FY 2012 Recovered Funds

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Improper Payments Recovered in FY 2012	Disposition						
			Returned to Original Fund	Agency Expenses to Administer the Program	Payment Recapture Auditor Fees	Financial Management Improvement Activities	Used for Original Purpose	Office of the Inspector General	Returned to the Treasury
Administrative, Technology, and Other	Commercial	$571,201	$571,201	$0	$0	$0	$0	$0	$0
	Custodial	$0	$0	$0	$0	$0	$0	$0	$0
Litigation	Commercial	$712,859	$712,859	$0	$0	$0	$0	$0	$0
Law Enforcement	Commercial	$3,034,572	$3,034,540	$0	$0	$0	$0	$0	$32
State, Local, Tribal, and Other Assistance	Benefits and Assistance	$0	$0	$0	$0	$0	$0	$0	$0
	Commercial	$0	$0	$0	$0	$0	$0	$0	$0
	Grants and Cooperative Agreements	$3,363,168	$3,016,890	$0	$0	$0	$0	$0	$346,278
Prisons and Detention	Commercial	$1,374,451	$1,372,553	$0	$0	$0	$0	$0	$1,898
Total		$9,056,251	$8,708,043	$0	$0	$0	$0	$0	$348,208

D. As applicable, agencies should also report on improper payments identified and recovered through sources other than payment recapture audits. For example, agencies could report on improper payments identified through statistical samples conducted under the IPIA, agency post-payment reviews or audits, Office of the Inspector General reviews, Single Audit reports, self-reported overpayments, or reports from the public. Specific information on additional required reporting for contracts is included in Section 7 of OMB memorandum M-11-04, issued in November 2010. Reporting this information is required for FY 2011 reporting and beyond. If previous year information is not available, indicate by a "Note."

The Department's payment recapture audit program leverages both internal and external efforts to identify improper payments. The reporting in Tables 1B through 5 is inclusive of all overpayments, regardless of whether they were identified through internal or external sources. Table 5 provides information on the overpayments that were identified in the current year (FY 2012) and previous year (FY 2011) by source, i.e., through internal efforts or by auditors, vendors, or payment recapture audit contractors. The table also provides the recovery information associated with overpayments identified by those sources. The table provides information for FYs 2011 and 2012 only, as agencies were not required to track this level of detail prior to FY 2011.

Table 5
Sources of Identifying Overpayments

Source	Current Year (FY 2012)		Previous Year (FY 2011)		Cumulative (FYs 2012 and 2011)	
	Improper Payments Identified	Improper Payments Recovered	Improper Payments Identified	Improper Payments Recovered	Improper Payments Identified	Improper Payments Recovered
Internal Efforts	$2,765,498	$3,442,617	$5,249,056	$4,308,320	$8,014,554	$7,750,937
Auditors (e.g., by the OIG or audits for OMB Circular A-133)	$2,017,196	$2,942,838	$5,909,309	$3,290,056	$7,926,505	$6,232,894
Vendors	$2,722,494	$2,670,796	$1,475,958	$1,658,681	$4,198,452	$4,329,477
Payment Recapture Audit Contractors	$0	$0	$0	$11,360	$0	$11,360
Total	$7,505,188	$9,056,251	$12,634,323	$9,268,417	$20,139,511	$18,324,668

Item VI. Accountability. Any agency that has programs or activities that are susceptible to significant improper payments shall describe the steps the agency has taken and plans to take (including timeline) to ensure that agency managers, accountable officers (including the agency head), programs, and States and localities (where appropriate) are held accountable for reducing and recovering improper payments. Specifically, they should be held accountable for meeting applicable improper payments reduction targets and establishing and maintaining sufficient internal controls (including an appropriate control environment) that effectively prevents improper payments from being made and promptly detects and recovers any improper payments that are made.

Not applicable. Based on the results of the FY 2012 Department-wide risk assessment, there were no programs susceptible to significant improper payments.

Item VII. Agency Information Systems and Other Infrastructure.

A. Describe whether the agency has the internal controls, human capital, and information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted.

The results of the FY 2012 Department-wide risk assessment demonstrated that, overall, the Department has sufficient internal controls over disbursement activities to prevent improper payments. The assessment identified no programs susceptible to significant improper payments.

Department-wide actions to reduce improper payments are accomplished through an aggressive strategy of re-engineering and standardizing business processes, concurrent with the Department's implementation of an integrated financial management system, which is underway. As of the end of FY 2012, all Departmental components reported that they had sufficient internal controls, human capital, and the information systems and other infrastructure needed to reduce improper payments to targeted levels.

In addition to the Department's actions to improve agency information systems and infrastructure, individual components have taken actions to incorporate additional controls into their financial systems to reduce improper payments. For example, in FY 2012, the Federal Prison Industries implemented a centralized accounts payable documentation management system. The system provides end-to-end automation of invoices and also provides reconciliation, voucher posting, workflow for approvals, and detailed reporting and auditing information that can be used to monitor payment activities.

B. If the agency does not have such internal controls, human capital, and information systems and other infrastructure, describe the resources the agency requested in its most recent budget submission to Congress to establish and maintain the necessary internal controls, human capital, and information systems and other infrastructure.

Not applicable. The continued implementation of the Department's integrated financial management system will complement the Department's current infrastructure and capabilities to reduce improper payments.

Item VIII. Barriers. Describe any statutory or regulatory barriers that may limit the agency's corrective actions in reducing improper payments and actions taken by the agency to mitigate the barriers' effects.

The Department has not identified any statutory or regulatory barriers that limit its corrective actions in reducing improper payments.

Item IX. Additional Comments. Discuss any additional comments, if any, on overall agency efforts, specific programs, best practices, or common challenges identified as a result of IPERA implementation.

The Department recognizes the importance of maintaining adequate internal controls to ensure proper payments and is committed to the continuous improvement of the overall disbursement management process. The Department's top-down approach for implementing the expanded requirements of the IPERA promotes consistency across the Department, both with regard to conducting the required risk assessment and for tracking and reporting payment recapture audit activities. In FY 2013, the Department will continue its efforts to further reduce improper payments, as well as improve the recovery rate for grants.

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APPENDIX B

FY 2012 Financial Management Status Report

This financial management status report describes the Department's three most significant and overarching financial management initiatives – achieving a clean audit opinion, implementing a new Department-wide financial management system, and continually improving internal controls. The President's emphasis on transparency emphasizes the significance of federal government performance and accountability to achieve successful results. The ultimate goal is accurate and timely financial information on a recurring basis. These initiatives support the Department's overall goal to improve management and administration of the Department's programs while also supporting mandates such as the CFO Act, the Government Management Reform Act (GMRA), the Federal Financial Management Improvement Act (FFMIA), the Government Performance and Results Act (GPRA), Federal Managers' Financial Integrity Act (FMFIA), and the Debt Collection Improvement Act (DCIA) of 1996.

Reliable Financial Statements and Meeting Due Dates for Financial Statements.
KPMG LLP, an independent public accounting firm under contract with the Department's Office of the Inspector General, performed the FY 2012 consolidated Department audit. The Department earned an unqualified opinion on its audited consolidated financial statements for FY 2012. All nine of the Department's components that produce financial statements received unqualified opinions, as well. The Department and components continued to demonstrate progress in remediating weaknesses identified by the independent auditors. The Department has consistently met the OMB due date for submission of the consolidated financial statements. Ensuring these deadlines are met required planning and coordination which included issuance of the annual Financial Statement Requirements and Preparation Guide (Guide). The Guide includes a detailed timeline of major events and interim milestones. This, along with components' corrective actions quarterly status updates, adds to the foundation necessary to eliminate auditor-reported internal control material weaknesses. For FY 2012 and beyond, the Department expects to maintain its consistent status on its audited consolidated financial statements.

Integrated Financial Management System.
The Unified Financial Management System (UFMS) initiative is the keystone to the Department's strategy for financial systems improvement. UFMS is replacing multiple core financial management and procurement systems with an integrated Commercial Off-The-Shelf (COTS) solution, Momentum, provided by CGI Federal Inc. Implementation of UFMS is streamlining and standardizing business processes and procedures across DOJ Components.

As of September 2012, UFMS continued to support more than 2,500 users worldwide from the DEA (fully implemented), ATF (fully implemented), Asset Forfeiture Program/AFP (Phase I), BOP (UFMS Acquisitions), FBI (Phase I), and USMS (UFMS Acquisitions). In October 2013 the number of UFMS users will grow to 5,000 with completion of three implementations – FBI phase II pilot, AFP (fully implemented) and USMS (fully implemented). By FY 2014 UFMS will serve as the financial system of record for 4 DOJ components (DEA, ATF, USMS and FBI), and AFP.

Major accomplishments in FY 2012 include the following:

- Go-lives in October 2012 are on schedule for the FBI phase II pilot, AFP and USMS.
- Worked collaboratively with FBI to stand up UFMS SECRET at an FBI facility to support the successful deployment of UFMS to FBI in October 2012.

- A newer version of UFMS, 2.1, was configured, tested and formally accepted in January 2012 which met the timeframe for the FBI configuration of UFMS.
- FY 2012 is the third year DEA relied on the UFMS as the system of record and the second year for ATF. Both received clean audit opinions based on UFMS.
- Requirements for two additional UFMS interfaces, the Over the Counter Channel Application (OTCnet) and CWTSato Travel E2 Solutions®, were finalized early in FY 12 and the design, development and testing activities were completed to enable deployment of both in October 2012.
- The UFMS 1.1 Shared Acquisitions users (BOP and USMS) were successfully migrated to the UFMS 2.0 Shared instance in June 2012. This is the 7th UFMS project completed on schedule and budget since FY 2008. The Shared Acquisitions migration also provided the first successful test/execution of data migration from an older to a newer version of UFMS. Successful data migrations will be critical to controlling the costs of the long term operations and maintenance of UFMS.
- Transitioned the responsibility and staff (government and contractor) from the UFMS Program Management Office (PMO) to Finance Staff to provide oversight of the IT security functions for UFMS. Transitioned responsibilities include leadership of IT security issues, subject matter expertise for vulnerability management, Certification &Accreditation activities, incident response, maintenance of documentation and collaboration with FBI on efforts relating to UFMS SECRET and the Cross Domain Solution. Responsibility for physical and personnel security as well as IT security maintenance functions such as collaboration on patch management, vulnerability scanning, analysis and tracking and audit log analysis, remains with the UFMS PMO/Solution Services group. The transition was effective in March 2012.

Federal Financial Management Improvement Act (FFMIA) Remediation Plan and A-123 Compliance.

During FY 2012, the Department continued efforts to resolve internal control weaknesses in critical areas by providing oversight and resources to individual components. Through ongoing review programs, components aggressively demonstrated their commitment to identify areas of concern and implement corrective actions promptly. The Department also continued to demonstrate progress on its multiyear project to implement an integrated financial management system. This system will eventually provide a single source for timely and reliable financial data, and strengthen the Department's overall control environment. The system will also facilitate the collection of information, increase transparency, and enhance decision-making by program managers.

The Department continued its commitment to improving and strengthening controls through the annual OMB Circular A-123, Appendix A assessment. Using a top-down risk-based approach, efforts were focused on significant areas where the risk of material errors in financial reporting could occur. Efforts are continuing to coordinate and leverage existing reviews and assessments of the controls over significant financial information systems. These actions, coupled with the Department's corrective action plan process, have enabled the Department to monitor the components' progress against corrective action plans more timely and, when necessary, provide additional resources to correct control weaknesses.

APPENDIX C

Major Program Evaluations Completed During FY 2012

Office of the Inspector General (OIG) Follow-Up Audit of the DOJ Internal Controls over Reporting of Terrorism-Related Statistics

In February 2007, the Office of the Inspector General (OIG) completed an audit of the Department's internal controls over reporting terrorism-related statistics. This audit reviewed terrorism-related statistics reported by the Department and three Department components – the Federal Bureau of Investigation (FBI), Executive Office for United States Attorneys, and Criminal Division, and it found that the Department components and the Department as a whole did not accurately report terrorism-related statistics. The three components did not accurately report 24 of the 26 statistics reviewed, with some statistics significantly overstated or understated, while others were overstated or understated by minor amounts.

The OIG initiated a follow-up audit to determine if the: (1) Department components took appropriate actions to implement the recommendations from the 2007 audit; and (2) corrective actions implemented improved the components' ability to gather, track, classify, verify, and report accurate terrorism-related statistics. Following the 2007 audit report, the National Security division (NSD) took over responsibility for corrective actions on the recommendations to the Criminal Division. In November 2008, the NSD's Counterterrorism Section revised and republished its circular that established and documented internal control procedures for gathering, verifying, and reporting terrorism-related statistics. These procedures, if implemented appropriately, should ensure that statistics are accurately reported and supported. This audit provided results pertaining only to the NSD.

The OIG found that while the NSD revised its procedures for gathering, classifying, and reporting terrorism-related statistics based on the recommendations from the 2007 audit, the NSD's implementation of the revised procedures were not effective at ensuring that terrorism-related statistics were reported accurately. In this audit, the OIG identified nine unique terrorism-related statistics reported by the NSD in budget submissions or other documents for fiscal years 2009 through 2012, and the auditors selected five of the nine statistics to test for accuracy. The OIG determined that the NSD did not accurately report four of the five statistics reviewed. Although it appears that the statistics were not significantly overstated or understated, the inaccurate reporting indicates a need for the NSD to strengthen further its application of controls for gathering, verifying, and reporting its terrorism-related statistics. The statistics were inaccurately reported because the NSD's: (1) Counterterrorism Section did not maintain documentation detailing the statistics on convictions, charges, and cases favorably resolved at the time the numbers were reported; and (2) Office of Justice for Victims of Overseas Terrorism did not have written internal control procedures for gathering, tracking, verifying, and reporting its terrorism-related statistic on U.S. victims of terrorism identified abroad.

NSD has already taken steps to implement all three of the OIG's recommendations.

Government Accountability Office (GAO) Review of Terrorist Watchlist Screening Processes

The attempted bombing of Northwest Flight 253 in December 25, 2009, exposed weaknesses in how the federal government nominated individuals to the terrorist watchlist and gaps in how agencies used the list to screen individuals to determine if they posed a threat. In response, the President tasked agencies to take corrective actions. GAO was asked to assess: (1) government actions since the incident to strengthen the nominations process; (2) how the composition of the watchlist has changed based on these actions; and (3) how agencies are addressing gaps in screening processes. GAO analyzed government reports, the guidance used by agencies to nominate individuals to the watchlist, data on the volumes of nominations from January

2009 through May 2011, the composition of the list, and the outcomes of screening agencies programs. GAO also interviewed official from intelligence, law enforcement, and screening agencies to discuss changes to policies, guidance, and processes and related impacts on agency operations and the traveling public, among other things. Overall, the volume of nominations the Terrorist Screening Center (TSC) is receiving from the FBI and NCTC has generally increased since the attempted attack. GAO found the TSC has avoided backlogs by employing a variety of strategies to address its workload, including management of personnel resources and use of more advanced technology.

GAO recommended the Assistant to the President for Homeland Security and Counterterrorism ensure that the outcomes and impacts of agencies' actions to strengthen nominations and screening processes are routinely assessed.

OIG Audit of the Federal Bureau of Investigation Laboratory's Forensic DNA Case Backlog

The OIG initiated an audit of the FBI's forensic case backlog on September 16, 2011. The primary objective of the audit was to: (1) verify the total number of forensic DNA cases that remained unprocessed by the FBI Laboratory; (2) evaluate the status of the implementation of a laboratory information management system; (3) examine the effect of outsourcing agreements on the overall DNA forensic casework backlog, and (4) assess any impending external factors that may have impacted the ability of the forensic DNA units to maintain their workload. The OIG concluded that the FBI Laboratory's forensic DNA casework backlog has been significantly reduced. The OIG found that the FBI has effectively eliminated the Nuclear DNA Unit case backlog, which is noted as a significant achievement. This progress can be attributed primarily to efficiency improvements and the addition of personnel. While the Mitochondrial DNA Unit's backlog decreased, the OIG found that that the decreases can be attributed to a decision to no longer automatically conduct Mitochondrial DNA analysis on all hairs identified or improvised explosive devices. The FBI took these cases out of the queue for automatic examination because there have been no documented instances for which probative results were generated from these Mitochondrial DNA examinations. Instead, the Mitochondrial DNA Unit worked together with the Terrorist Explosive Device Analytical Center (TEDAC) to revise the Unit's case acceptance policy so that new submissions to the unit are more likely to yield probative information. The FBI's current effort to implement a laboratory information management system, eLAB, has an experienced program manager, has secured initial funding of $4 million, and has adopted the FBI Information Technology Governance Framework.

GAO Study of the Bureau of Prisons (BOP) Inmate Crowding - Growing Inmate Crowding Negatively Affects Inmates, Staff, and Infrastructure

BOP operates 117 federal prisons to house approximately 178,000 federal offenders, and contracts with private companies and some state governments to house about another 40,000 inmates. BOP calculates the number of prisoners that each BOP-run institution can house safely and securely (i.e., rated capacity). GAO was asked to address (1) the growth in BOP's population from fiscal years 2006 through 2011 and BOP's projections for inmate population and capacity; (2) the effects of a growing federal prison population on operations within BOP facilities, and the extent to which BOP has taken actions to mitigate these effects; and (3) actions selected states have taken to reduce their prison populations, and the extent to which BOP has implemented similar initiatives.

GAO analyzed BOP's inmate population data from fiscal year 2006 through 2011, BOP's 2020 long-range capacity plan, and BOP policies and statutory authority. The results are not generalizable, but provide information on the effects of a growing prison population. Despite the continued growth in inmates and related expenses, in recent years, BOP has been adding capacity and staff at a lower rate than the inmate population has been growing. As a result, both individual facilities and the federal prison system as a whole are experiencing increased crowding. Crowding has implications for inmates, staff, and infrastructure – as well as safety and security, and the potential for inmate disruptions or an even more serious security incident is a significant concern. BOP has taken steps to help mitigate the implications of crowding in the federal system, but does not have the authority to implement many of the reforms that several states have adopted to reduce crowding and, in some states, the size of their prison populations. BOP also requires congressional approval and appropriated funds to expand capacity in the federal system. As such, BOP has limited ability to address crowding in the federal prison system. GAO makes no recommendations in this report.

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APPENDIX D

Intellectual Property Report – FY 2012

The information in this section is provided pursuant to the statutory mandate in Title 18, United States Code, Section 2320(g), which requires a report of Department of Justice prosecutions of intellectual property (IP) crimes brought under sections 2318, 2319, 2319A and 2320 of Title 18 of the United States Code. Prosecutions under other IP statutes are not included. This information has been provided by the Executive Office for United States Attorneys (EOUSA), which maintains criminal caseload information as reported by the 94 U.S. Attorneys' Offices.

The pages that follow contain summary case information, segregated by statutory provision, and preceded by a brief description of each offense. Also included is a list of cases referred for prosecution by the Bureau of Immigration and Customs Enforcement or the Bureau of Customs and Border Protection. Following the summary data is a district by district break out of the same data.

The automated case management system used to collect data for the U.S. Attorneys' Offices does not break out copyright infringement cases according to the following categories: audiovisual (videos and films); audio (sound recordings); literary works (books and musical compositions); computer programs or video games. Also, the case management system does not separately identify copyright infringement cases where the infringer advertises the infringing work online or makes the infringing work available on the Internet for download, reproduction, performance or distribution by others. Thus, that information is not included. Similarly, data on fines, penalties, settlements or restitution are not included because that information cannot be extracted from the database according to particular statutes.

TITLE 18, UNITED STATES CODE, SECTION 2318* - Trafficking in Counterfeit Labels for Phono Records and Copies of Motion Pictures or Other Audiovisual Works.

Offense: knowingly trafficking in a counterfeit label affixed or designated to be affixed to a phono record or a copy of a motion picture or other audiovisual work.

	FY 2012 - TOTALS (All Districts)
Referrals and Cases:	
Number of Investigative Matters Received by U.S. Attorneys:	22
Number of Defendants:	36
Number of Cases Filed:	10
Number of Defendants:	17
Number of Cases Resolved/Terminated:	7
Number of Defendants:	21
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	9
Number of Defendants Who Were Tried and Found Guilty:	1
Number of Defendants Against Whom Charge Was Dismissed:	11
Number of Defendants Acquitted:	0
Other Terminated Defendants:	0
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	4
1 to 12 Months Imprisonment:	4
13 to 24 Months:	1
25 to 36 Months:	0
37 to 60 Months:	1
61 + Months:	0

Total Dollar Value of All Criminal Fines Imposed: Not Available
(fines can be assessed in lieu of or in addition to prison sentences)

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318 was brought as any charge against a defendant. Displayed defendant outcome information is based upon the defendant's outcome on the individual charge. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2318 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2318.

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506* - Criminal Infringement of a Copyright.

Offense: willful infringement of a copyright for purposes of commercial advantage or private financial gain, or through large-scale, unlawful reproduction or distribution of a copyrighted work, regardless of whether there was a profit motive.

	FY 2012 - TOTALS (All Districts)
Referrals and Cases:	
Number of Investigative Matters Received by U.S. Attorneys:	79
Number of Defendants:	120
Number of Cases Filed:	40
Number of Defendants:	59
Number of Cases Resolved/Terminated:	33
Number of Defendants:	52
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	40
Number of Defendants Who Were Tried and Found Guilty:	1
Number of Defendants Against Whom Charge Was Dismissed:	11
Number of Defendants Acquitted:	0
Other Terminated Defendants:	0
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	16
1 to 12 Months Imprisonment:	11
13 to 24 Months:	7
25 to 36 Months:	3
37 to 60 Months:	4
61 + Months:	0

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information is based upon the defendant's outcome on the individual charge. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319.

TITLE 18, UNITED STATES CODE, SECTION 2319A* - Unauthorized Fixation of and Trafficking in Sound Recordings and Music Videos of Live Musical Performances.

Offense: without the consent of the performer, knowingly and for the purposes of commercial advantage or private financial gain, fixing the sounds or sound and images of a live musical performance, reproducing copies of such a performance from an authorized fixation; transmitting the sounds or sounds and images to the public, or distributing, renting, selling, or trafficking (or attempting the preceding) in any copy of an authorized fixation.

	FY 2012 - TOTALS (All Districts)
Referrals and Cases:	
Number of Investigative Matters Received by U.S. Attorneys:	0
Number of Defendants:	0
Number of Cases Filed:	0
Number of Defendants:	0
Number of Cases Resolved/Terminated:	0
Number of Defendants:	0
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	0
Number of Defendants Who Were Tried and Found Guilty:	0
Number of Defendants Against Whom Charge Was Dismissed:	0
Number of Defendants Acquitted:	0
Other Terminated Defendants:	0
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	0
1 to 12 Months Imprisonment:	0
13 to 24 Months:	0
25 to 36 Months:	0
37 to 60 Months:	0
61 + Months:	0

Total Dollar Value of All Criminal Fines Imposed: Not Available (fines can be assessed in lieu of or in addition to prison sentences.)

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319A was brought as any charge against a defendant. Displayed defendant outcome information is based upon the defendant's outcome on the individual charge. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319A where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319A.

TITLE 18, UNITED STATES CODE, SECTION 2320* - Trafficking in Counterfeit Goods or Services.

Offense: intentionally trafficking or attempting to traffic in goods or services and knowingly using a counterfeit mark on or in connection with such goods or services.

	FY 2012 - TOTALS (All Districts)
Referrals and Cases:	
Number of Investigative Matters Received by U.S. Attorneys:	223
Number of Defendants:	361
Number of Cases Filed:	110
Number of Defendants:	154
Number of Cases Resolved/Terminated:	110
Number of Defendants:	150
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	107
Number of Defendants Who Were Tried and Found Guilty:	2
Number of Defendants Against Whom Charge Was Dismissed:	34
Number of Defendants Acquitted:	2
Other Terminated Defendants:	5
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	61
1 to 12 Months Imprisonment:	20
13 to 24 Months:	12
25 to 36 Months:	8
37 to 60 Months:	8
61 + Months:	0

Total Dollar Value of All Criminal Fines Imposed: Not Available
(fines can be assessed in lieu of or in addition to prison sentences)

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2320 was brought as any charge against a defendant. Displayed defendant outcome information is based upon the defendant's outcome on the individual charge. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2320 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2320.

TITLE 18, UNITED STATES CODE, SECTIONS 2318, 2319, 2319A, 2320 OR TITLE 17, UNITED STATES CODE, SECTION 506*

All Districts - All Statutes

	FY 08	FY 09	FY 10	FY 11	FY12
Referrals and Cases:					
Number of Investigative Matters Received:	303	243	343	330	314
Number of Defendants:	467	404	543	481	496
Number of Cases Filed:	179	150	158	158	152
Number of Defendants:	239	203	239	203	218
Number of Cases Resolved/Terminated:	174	175	152	135	144
Number of Defendants:	270	230	212	206	205
Disposition of Defendants in Concluded Cases:					
Number of Defendants Who Pleaded Guilty:	220	198	185	178	183
Number of Defendants Who Were Tried and Found Guilty:	8	5	7	13	4
Number of Defendants Against Whom Charges Were Dismissed:	26	21	14	11	11
Number of Defendants Acquitted:	8	2	2	1	2
Other Terminated Defendants:	8	4	4	3	5
Prison Sentencing for Convicted Defendants (# represents defendants):					
No Imprisonment:	101	114	114	92	88
1 to 12 Months Imprisonment:	46	31	33	26	43
13 to 24 Months:	39	27	25	31	25
25 to 36 Months:	20	6	9	15	15
37 to 60 Months:	19	17	7	21	15
61 + Months:	3	8	4	6	1

Statistics on Matters/Cases Originating with the United States Bureau of Customs & Border Protection and Bureau of Immigrations & Customs Enforcement*

	FY 12
Referrals and Cases:	
Number of Investigative Matters Received:	155
Number of Defendants:	224
Number of Cases Filed:	91
Number of Defendants:	120
Number of Cases Resolved/Terminated:	90
Number of Defendants:	112
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	103
Number of Defendants Who Were Tried and Found Guilty:	1
Number of Defendants Against Whom Charges Were Dismissed:	4
Number of Defendants Acquitted:	1
Other Terminated Defendants:	3
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	61
1 to 12 Months Imprisonment:	19
13 to 24 Months:	11
25 to 36 Months:	8
37 to 60 Months:	5
61+ Months:	0

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information is based upon the overall outcome of the defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes. This chart does not include data on the investigation and prosecution of other intellectual property crimes, such as economic espionage, 18 U.S.C. 1831; theft of trade secrets, 18 U.S.C. 1832; signal piracy, 47 U.S.C. 553 and 605; and circumvention of copyright protection systems, 17 U.S.C. 1201 to 1205.

TITLE 18, UNITED STATES CODE, SECTION 2318 - TRAFFICKING IN COUNTERFEIT LABELS FOR PHONO RECORDS AND COPIES OF MOTION PICTURES OR OTHER AUDIOVISUAL WORKS
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
ALABAMA NORTHERN	1	1	0	0	1	1	1	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	1	1	0	0	0	0	0	0	0	0	0
CALIFORNIA EASTERN	4	11	4	11	2	12	5	0	7	0	0
CALIFORNIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0	0	0	0	0	0
FLORIDA MIDDLE	6	6	5	5	0	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GEORGIA MIDDLE	1	2	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	1	0	1	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	0	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	1	1	0	0	0	0	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA EASTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	0	0	0	0	0	0	0	0	0	0	0
MAINE	0	0	0	0	0	0	0	0	0	0	0
MARYLAND	0	0	0	0	1	1	0	0	1	0	0
MASSACHUSETTS	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0	0	0	0	0	0
MISSOURI WESTERN	1	1	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
NEW YORK WESTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0	0	0	0	0	0
OHIO NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	2	2	0	0	0	0	0	0	0	0	0
OREGON	0	0	0	0	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318 - TRAFFICKING IN COUNTERFEIT LABELS FOR PHONO RECORDS AND COPIES OF MOTION PICTURES OR OTHER AUDIOVISUAL WORKS
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	0	0	0	0	0	0	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	3	0	0	3	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS EASTERN	1	1	0	0	0	0	0	0	0	0	0
TEXAS NORTHERN	0	0	0	0	1	1	1	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS WESTERN	1	4	0	0	0	0	0	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	2	5	1	1	1	1	1	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	1	1	1	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	22	36	10	17	7	21	9	1	11	0	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318 was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2318 charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2318 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2318

TITLE 18, UNITED STATES CODE, SECTION 2318 - TRAFFICKING IN COUNTERFEIT LABELS FOR PHONO RECORDS AND COPIES OF MOTION PICTURES OR OTHER AUDIOVISUAL WORKS
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	0	0	0	0	0	0
ALABAMA NORTHERN	0	0	1	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	0	0	0	0	0	0
CALIFORNIA EASTERN	1	4	0	0	0	0
CALIFORNIA NORTHERN	0	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0
FLORIDA MIDDLE	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	1	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	0	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	0	0	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	0	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	0	0	0	0	0	0
NEW YORK WESTERN	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318 - TRAFFICKING IN COUNTERFEIT LABELS FOR PHONO RECORDS AND COPIES OF MOTION PICTURES OR OTHER AUDIOVISUAL WORKS
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	0	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	1	0	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0
TEXAS WESTERN	0	0	0	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	1	0	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	1	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
Grand Total	4	4	1	0	1	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318 was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2318 charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2318 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2318

CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
ALABAMA NORTHERN	0	0	1	1	1	1	1	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	5	10	2	4	2	2	2	0	0	0	0
CALIFORNIA EASTERN	5	10	3	8	0	8	1	0	7	0	0
CALIFORNIA NORTHERN	5	5	2	2	1	1	1	0	0	0	0
CALIFORNIA SOUTHERN	1	1	1	1	0	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0	0	0	0	0	0
CONNECTICUT	2	8	0	0	0	0	0	0	0	0	0
DELAWARE	3	4	1	1	1	2	1	0	1	0	0
DISTRICT OF COLUMBIA	2	3	1	1	1	1	1	0	0	0	0
FLORIDA MIDDLE	4	5	2	2	3	4	4	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	1	0	1	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	0	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0	0	0	0	0	0
IDAHO	1	1	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	1	1	0	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
INDIANA SOUTHERN	2	2	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
IOWA SOUTHERN	1	1	1	1	0	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY EASTERN	1	1	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA EASTERN	1	1	0	0	1	1	1	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	1	1	0	0	0	0	0	0	0	0	0
MAINE	0	0	0	0	0	0	0	0	0	0	0
MARYLAND	0	0	1	1	1	1	1	0	0	0	0
MASSACHUSETTS	1	1	0	0	0	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN WESTERN	2	2	1	1	1	1	0	0	1	0	0
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	1	3	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	2	2	0	0	1	1	1	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0	0	0	0	0	0
NEVADA	1	2	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	1	1	0	0	0	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	10	11	3	3	1	1	1	0	0	0	0
NEW YORK WESTERN	1	2	2	2	0	0	0	0	0	0	0
NORTH CAROLINA EASTERN	1	1	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0	0	0	0	0	0
OHIO NORTHERN	0	0	2	2	1	1	1	0	0	0	0
OHIO SOUTHERN	0	0	2	3	2	2	2	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	1	1	1	1	1	1	1	0	0	0	0
OREGON	1	1	0	0	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	1	1	0	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	1	1	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506 - CRIMINAL INFRINGEMENT OF A COPYRIGHT
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	1	1	0	0	0	0	0	0	0	0	0
PUERTO RICO	2	2	0	0	0	0	0	0	0	0	0
RHODE ISLAND	2	2	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	1	1	2	2	5	5	4	0	1	0	0
SOUTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	3	3	0	0	0	0
TENNESSEE MIDDLE	3	5	1	1	0	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	1	1	1	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS NORTHERN	2	2	2	2	4	4	4	0	0	0	0
TEXAS SOUTHERN	4	4	1	1	0	0	0	0	0	0	0
TEXAS WESTERN	1	1	0	0	1	1	1	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	2	2	2	0	0	0	0
VIRGINIA EASTERN	6	20	5	16	0	5	4	0	1	0	0
VIRGINIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	0	1	1	1	0	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	79	120	40	59	33	52	40	1	11	0	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319 or 17 U.S.C. 506 was brought as any charge against a defendant.
However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant.
Displayed defendant outcome information based upon the outcome of the charge only, and does not necessarily represent the overall outcome of a defendant.
Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving
18 U.S.C. 2319 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319.

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506 - CRIMINAL INFRINGEMENT OF A COPYRIGHT
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	0	0	0	0	0	0
ALABAMA NORTHERN	0	0	1	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	0	2	0	0	0	0
CALIFORNIA EASTERN	0	1	0	0	0	0
CALIFORNIA NORTHERN	0	0	1	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	1	0	0	0	0	0
DISTRICT OF COLUMBIA	0	1	0	0	0	0
FLORIDA MIDDLE	4	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	1	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	0	0	1	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	1	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	1	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	0	0	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	0	1	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	1	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	0	0	0	1	0	0
NEW YORK WESTERN	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	1	0	0	0	0	0
OHIO SOUTHERN	0	0	0	1	1	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	1	0	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506 - CRIMINAL INFRINGEMENT OF A COPYRIGHT
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	1	1	2	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	2	1	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	1	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	1	1	0	1	1	0
TEXAS SOUTHERN	0	0	0	0	0	0
TEXAS WESTERN	0	1	0	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	2	0	0	0	0	0
VIRGINIA EASTERN	1	1	2	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	16	11	7	3	4	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the outcome of the charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319.

TITLE 18, UNITED STATES, SECTION 2319A - UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
ALABAMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA EASTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0	0	0	0	0	0
FLORIDA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	0	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA EASTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	0	0	0	0	0	0	0	0	0	0	0
MAINE	0	0	0	0	0	0	0	0	0	0	0
MARYLAND	0	0	0	0	0	0	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK WESTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0	0	0	0	0	0
OHIO NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0	0	0	0	0	0
OREGON	0	0	0	0	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES, SECTION 2319A - UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	0	0	0	0	0	0	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS NORTHERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	0	0	0	0	0	0	0	0	0	0	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319A was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2319A charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319A where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319A.

TITLE 18, UNITED STATES, SECTION 2319A - UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	0	0	0	0	0	0
ALABAMA NORTHERN	0	0	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	0	0	0	0	0	0
CALIFORNIA EASTERN	0	0	0	0	0	0
CALIFORNIA NORTHERN	0	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0
FLORIDA MIDDLE	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	0	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	0	0	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	0	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	0	0	0	0	0	0
NEW YORK WESTERN	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES, SECTION 2319A - UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	0	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	0	0	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0
TEXAS WESTERN	0	0	0	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	0	0	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	0	0	0	0	0	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319A was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2319A charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319A where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319A.

TITLE 18, UNITED STATES CODE, SECTION 2320 - TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
ALABAMA NORTHERN	1	2	0	0	1	1	1	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	1	3	0	0	0	0	0	0	0	0	0
ARIZONA	1	2	0	0	0	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	2	2	2	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	27	31	19	23	13	14	9	0	4	0	1
CALIFORNIA EASTERN	10	20	5	7	1	2	0	0	2	0	0
CALIFORNIA NORTHERN	11	13	4	4	3	4	1	0	2	1	0
CALIFORNIA SOUTHERN	3	3	0	0	0	0	0	0	0	0	0
COLORADO	0	0	1	1	1	3	2	0	1	0	0
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0
DELAWARE	0	0	0	0	2	7	5	0	2	0	0
DISTRICT OF COLUMBIA	2	2	0	0	2	5	3	0	2	0	0
FLORIDA MIDDLE	13	20	7	7	7	7	7	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
FLORIDA SOUTHERN	5	9	2	6	4	7	6	0	1	0	0
GEORGIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	1	3	0	0	0	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	3	3	3	0	0	0	0
HAWAII	4	8	3	6	3	4	4	0	0	0	0
IDAHO	2	3	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	1	1	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	2	8	0	0	3	4	2	0	2	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA SOUTHERN	0	0	1	1	0	0	0	0	0	0	0
KANSAS	1	1	0	0	1	1	0	0	1	0	0
KENTUCKY EASTERN	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	2	2	0	0	0	0	0	0	0
LOUISIANA EASTERN	2	2	0	0	1	1	1	0	0	0	0
LOUISIANA MIDDLE	1	1	1	1	0	0	0	0	0	0	0
LOUISIANA WESTERN	2	5	0	0	1	1	1	0	0	0	0
MAINE	1	3	0	0	0	0	0	0	0	0	0
MARYLAND	6	13	4	9	4	8	4	0	1	0	3
MASSACHUSETTS	2	2	1	1	0	0	0	0	0	0	0
MICHIGAN EASTERN	4	8	2	3	0	6	0	0	6	0	0
MICHIGAN WESTERN	0	0	0	0	0	0	0	0	0	0	0
MINNESOTA	2	3	3	4	2	3	3	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	3	4	5	5	4	4	4	0	0	0	0
MISSOURI WESTERN	20	40	1	1	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	0	0	1	1	1	1	1	0	0	0	0
NEVADA	0	0	0	0	1	1	1	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	8	8	4	4	3	3	3	0	0	0	0
NEW MEXICO	1	2	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	7	10	1	3	1	4	3	0	1	0	0
NEW YORK NORTHERN	1	1	1	1	1	1	1	0	0	0	0
NEW YORK SOUTHERN	5	7	2	3	7	10	7	2	1	0	0
NEW YORK WESTERN	7	21	6	6	3	3	2	0	0	0	1
NORTH CAROLINA EASTERN	1	1	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	2	5	1	1	1	1	1	0	0	0	0
NORTH CAROLINA WESTERN	2	2	1	1	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	2	3	1	1	1	0	0	0	0
OHIO NORTHERN	5	11	3	4	5	5	5	0	0	0	0
OHIO SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0	0	0	0	0	0
OREGON	1	2	1	3	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	10	13	3	3	4	4	3	0	0	1	0
PENNSYLVANIA MIDDLE	1	1	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2320 - TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	1	2	1	1	1	1	1	0	0	0	0
PUERTO RICO	0	0	0	0	0	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	5	11	5	12	3	3	2	0	1	0	0
SOUTH DAKOTA	1	4	2	4	0	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	1	1	1	0	0	0	0
TENNESSEE MIDDLE	3	3	0	0	1	1	1	0	0	0	0
TENNESSEE WESTERN	4	4	0	0	0	0	0	0	0	0	0
TEXAS EASTERN	1	1	1	2	2	4	0	0	4	0	0
TEXAS NORTHERN	3	3	2	2	1	1	1	0	0	0	0
TEXAS SOUTHERN	8	14	6	7	2	5	4	0	1	0	0
TEXAS WESTERN	7	13	3	9	3	3	3	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	4	4	2	2	2	2	2	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	1	1	0	0	1	0	0
WASHINGTON EASTERN	1	1	0	0	1	1	1	0	0	0	0
WASHINGTON WESTERN	3	4	1	1	5	5	4	0	1	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	1	1	0	0	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	223	361	110	154	110	150	107	2	34	2	5

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2320 was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2320 charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2320 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2320.

TITLE 18, UNITED STATES CODE, SECTION 2320 - TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	0	0	0	0	0	0
ALABAMA NORTHERN	1	0	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0
ARKANSAS EASTERN	2	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	4	3	1	1	0	0
CALIFORNIA EASTERN	0	0	0	0	0	0
CALIFORNIA NORTHERN	1	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	1	1	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	2	3	0	0	0	0
DISTRICT OF COLUMBIA	1	0	1	1	0	0
FLORIDA MIDDLE	5	1	1	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0
FLORIDA SOUTHERN	4	0	0	2	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	1	2	0
HAWAII	2	0	2	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	1	1	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	1	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	1	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	1	0	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	4	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0
MINNESOTA	3	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	2	0	1	0	1	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	1	0	0	0	0	0
NEVADA	1	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	1	0	1	1	0	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	2	0	1	0	0	0
NEW YORK NORTHERN	1	0	0	0	0	0
NEW YORK SOUTHERN	7	2	0	0	0	0
NEW YORK WESTERN	2	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	1	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	1	0	0	0	0
OHIO NORTHERN	3	0	0	2	0	0
OHIO SOUTHERN	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	2	1	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2320 - TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	1	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	0	2	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	1	0
TENNESSEE MIDDLE	0	0	0	0	1	0
TENNESSEE WESTERN	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	0	0	1	0	0	0
TEXAS SOUTHERN	0	0	1	0	3	0
TEXAS WESTERN	3	0	0	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	0	2	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	1	0	0	0	0	0
WASHINGTON WESTERN	1	3	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	61	20	12	8	8	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2320 was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2320 charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2320 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2320.

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
FOR THE UNITED STATES BUREAU OF CUSTOMS & BORDER PROTECTION AND BUREAU OF IMMIGRATION & CUSTOMS ENFORCEMENT ONLY
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						OVERALL DISPOSITION OF THE DEFENDANT				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
ALABAMA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	1	2	0	0	0	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	1	1	1	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	20	22	15	17	8	9	8	0	1	0	0
CALIFORNIA EASTERN	6	12	4	7	2	4	4	0	0	0	0
CALIFORNIA NORTHERN	6	6	2	2	3	4	3	0	0	1	0
CALIFORNIA SOUTHERN	3	3	0	0	0	0	0	0	0	0	0
COLORADO	0	0	1	1	0	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0
DELAWARE	3	4	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	1	1	1	1	1	2	2	0	0	0	0
FLORIDA MIDDLE	15	20	11	11	8	10	10	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	3	6	6	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	3	3	3	0	0	0	0
HAWAII	2	4	2	4	3	4	4	0	0	0	0
IDAHO	3	4	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	1	1	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	3	4	4	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
IOWA SOUTHERN	1	1	2	2	0	0	0	0	0	0	0
KANSAS	1	1	0	0	0	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA EASTERN	3	3	0	0	2	2	2	0	0	0	0
LOUISIANA MIDDLE	1	1	1	1	0	0	0	0	0	0	0
LOUISIANA WESTERN	2	2	0	0	1	1	1	0	0	0	0
MAINE	1	3	0	0	0	0	0	0	0	0	0
MARYLAND	6	13	4	9	3	7	4	0	0	0	3
MASSACHUSETTS	0	0	1	1	0	0	0	0	0	0	0
MICHIGAN EASTERN	0	2	0	0	0	0	0	0	0	0	0
MICHIGAN WESTERN	2	2	1	1	1	1	1	0	0	0	0
MINNESOTA	2	3	3	4	2	3	3	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	4	5	4	4	4	4	4	0	0	0	0
MISSOURI WESTERN	5	11	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	0	0	1	1	1	1	1	0	0	0	0
NEVADA	1	2	0	0	1	1	1	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	3	3	1	1	1	1	1	0	0	0	0
NEW MEXICO	1	2	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	2	3	1	3	1	1	1	0	0	0	0
NEW YORK NORTHERN	1	1	1	1	1	1	1	0	0	0	0
NEW YORK SOUTHERN	5	5	2	2	6	6	5	1	0	0	0
NEW YORK WESTERN	4	13	6	7	1	1	1	0	0	0	0
NORTH CAROLINA EASTERN	1	1	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	1	1	1	1	1	0	0	0	0
NORTH CAROLINA WESTERN	1	1	0	0	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0	0	0	0	0	0
OHIO NORTHERN	3	7	3	4	6	6	6	0	0	0	0
OHIO SOUTHERN	0	0	1	2	0	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	1	1	0	0	0	0	0	0	0	0	0
OREGON	0	1	1	3	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	6	8	3	3	3	3	3	0	0	0	0
PENNSYLVANIA MIDDLE	1	1	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
FOR THE UNITED STATES BUREAU OF CUSTOMS & BORDER PROTECTION AND BUREAU OF IMMIGRATION & CUSTOMS ENFORCEMENT ONLY
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						OVERALL DISPOSITION OF THE DEFENDANT				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	1	2	0	0	0	0	0	0	0	0	0
PUERTO RICO	1	1	0	0	0	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	5	8	4	7	4	4	4	0	0	0	0
SOUTH DAKOTA	1	4	2	4	0	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	1	1	1	0	0	0	0
TENNESSEE MIDDLE	1	1	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	4	4	0	0	0	0	0	0	0	0	0
TEXAS EASTERN	1	1	0	0	1	1	0	0	1	0	0
TEXAS NORTHERN	1	1	2	2	2	2	2	0	0	0	0
TEXAS SOUTHERN	8	9	6	7	1	2	1	0	1	0	0
TEXAS WESTERN	6	6	1	1	3	3	3	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	2	6	1	4	1	5	5	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON EASTERN	1	1	0	0	1	1	1	0	0	0	0
WASHINGTON WESTERN	2	3	2	2	3	3	2	0	1	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	1	1	0	0	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	155	224	91	120	90	112	103	1	4	1	3

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 2319, 2319A, 2320 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the overall outcome of a defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes.

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
FOR THE UNITED STATES BUREAU OF CUSTOMS & BORDER PROTECTION AND BUREAU OF IMMIGRATION & CUSTOMS ENFORCEMENT ONLY
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	0	0	0	0	0	0
ALABAMA NORTHERN	1	0	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0
ARKANSAS EASTERN	1	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	4	3	0	1	0	0
CALIFORNIA EASTERN	1	3	0	0	0	0
CALIFORNIA NORTHERN	1	1	1	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	1	0	0	1	0
FLORIDA MIDDLE	8	1	1	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0
FLORIDA SOUTHERN	3	1	0	2	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	1	2	0
HAWAII	2	0	2	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	3	1	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	1	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	1	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	2	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	1	0	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	4	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	1	0	0	0	0	0
MINNESOTA	3	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	2	0	1	0	1	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	1	0	0	0	0	0
NEVADA	1	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	1	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	1	0	0	0	0	0
NEW YORK NORTHERN	1	0	0	0	0	0
NEW YORK SOUTHERN	5	0	0	1	0	0
NEW YORK WESTERN	1	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	1	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	4	0	0	2	0	0
OHIO SOUTHERN	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	2	1	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
FOR THE UNITED STATES BUREAU OF CUSTOMS & BORDER PROTECTION AND BUREAU OF IMMIGRATION & CUSTOMS ENFORCEMENT ONLY
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	1	2	1	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	1	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	0	0	1	1	0	0
TEXAS SOUTHERN	0	0	1	0	0	0
TEXAS WESTERN	3	0	0	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	1	2	2	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	1	0	0	0	0	0
WASHINGTON WESTERN	1	1	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	61	19	11	8	5	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 2319, 2319A, 2320 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the overall outcome of a defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes.

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						OVERALL DISPOSITION OF THE DEFENDANT				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
ALABAMA NORTHERN	2	3	1	1	3	3	3	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	1	3	0	0	0	0	0	0	0	0	0
ARIZONA	1	2	0	0	0	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	2	2	2	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	32	41	21	27	15	16	14	0	1	0	1
CALIFORNIA EASTERN	14	26	9	18	3	14	12	0	2	0	0
CALIFORNIA NORTHERN	16	18	6	6	4	5	4	0	0	1	0
CALIFORNIA SOUTHERN	4	4	1	1	0	0	0	0	0	0	0
COLORADO	0	0	1	1	1	3	3	0	0	0	0
CONNECTICUT	2	8	0	0	0	0	0	0	0	0	0
DELAWARE	3	4	1	1	2	7	6	0	1	0	0
DISTRICT OF COLUMBIA	4	5	1	1	3	6	5	0	1	0	0
FLORIDA MIDDLE	21	29	14	14	9	11	11	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
FLORIDA SOUTHERN	5	9	2	6	4	7	7	0	0	0	0
GEORGIA MIDDLE	1	2	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	1	3	0	0	0	1	0	1	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	3	3	3	0	0	0	0
HAWAII	4	8	3	6	3	4	4	0	0	0	0
IDAHO	3	4	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	1	1	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	2	8	1	1	3	4	4	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	1	1	0	0	2	2	2	0	0	0	0
INDIANA SOUTHERN	2	2	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
IOWA SOUTHERN	1	1	2	2	0	0	0	0	0	0	0
KANSAS	1	1	0	0	1	1	1	0	0	0	0
KENTUCKY EASTERN	1	1	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	2	2	0	0	0	0	0	0	0
LOUISIANA EASTERN	3	3	0	0	2	2	2	0	0	0	0
LOUISIANA MIDDLE	1	1	1	1	0	0	0	0	0	0	0
LOUISIANA WESTERN	3	6	0	0	1	1	1	0	0	0	0
MAINE	1	3	0	0	0	0	0	0	0	0	0
MARYLAND	6	13	5	10	4	8	5	0	0	0	3
MASSACHUSETTS	3	3	1	1	0	0	0	0	0	0	0
MICHIGAN EASTERN	4	8	2	3	0	6	6	0	0	0	0
MICHIGAN WESTERN	2	2	1	1	1	1	1	0	0	0	0
MINNESOTA	2	3	3	4	2	3	3	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	2	4	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	5	6	5	5	5	5	5	0	0	0	0
MISSOURI WESTERN	21	41	1	1	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	0	0	1	1	1	1	1	0	0	0	0
NEVADA	1	2	0	0	1	1	1	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	8	8	4	4	3	3	3	0	0	0	0
NEW MEXICO	1	2	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	8	11	1	3	1	4	4	0	0	0	0
NEW YORK NORTHERN	1	1	1	1	1	1	1	0	0	0	0
NEW YORK SOUTHERN	16	19	5	6	8	11	8	3	0	0	0
NEW YORK WESTERN	8	23	6	7	3	3	2	0	0	0	1
NORTH CAROLINA EASTERN	2	2	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	2	5	1	1	1	1	1	0	0	0	0
NORTH CAROLINA WESTERN	2	2	1	1	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	2	3	1	1	1	0	0	0	0
OHIO NORTHERN	5	11	4	5	6	6	6	0	0	0	0
OHIO SOUTHERN	1	1	2	3	2	2	2	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	2	2	1	1	1	1	1	0	0	0	0
OREGON	2	3	1	3	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	10	13	4	4	4	4	3	0	0	1	0
PENNSYLVANIA MIDDLE	2	2	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

	REFERRALS AND CASES						OVERALL DISPOSITION OF THE DEFENDANT				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	2	3	1	1	1	1	1	0	0	0	0
PUERTO RICO	2	2	0	0	0	0	0	0	0	0	0
RHODE ISLAND	2	2	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	5	11	6	13	7	7	7	0	0	0	0
SOUTH DAKOTA	1	4	2	4	0	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	1	4	4	0	0	0	0
TENNESSEE MIDDLE	6	8	1	1	1	1	1	0	0	0	0
TENNESSEE WESTERN	4	4	0	0	1	1	1	0	0	0	0
TEXAS EASTERN	2	2	1	2	2	4	1	0	3	0	0
TEXAS NORTHERN	5	5	4	4	5	5	5	0	0	0	0
TEXAS SOUTHERN	12	18	7	8	2	5	4	0	1	0	0
TEXAS WESTERN	9	18	3	9	4	4	4	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	2	2	2	0	0	0	0
VIRGINIA EASTERN	12	28	7	18	3	8	8	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	1	1	0	0	1	0	0
WASHINGTON EASTERN	1	1	0	0	1	1	1	0	0	0	0
WASHINGTON WESTERN	3	5	2	2	6	6	5	0	1	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	1	1	0	0	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	314	496	152	218	144	205	183	4	11	2	5

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 2319, 2319A, 2320 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the overall outcome of a defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes.

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	0	0	0	0	0	0
ALABAMA NORTHERN	1	0	2	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0
ARKANSAS EASTERN	2	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	6	6	1	1	0	0
CALIFORNIA EASTERN	1	6	1	2	2	0
CALIFORNIA NORTHERN	1	1	2	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	1	1	1	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	3	3	0	0	0	0
DISTRICT OF COLUMBIA	1	1	1	1	1	0
FLORIDA MIDDLE	9	1	1	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0
FLORIDA SOUTHERN	4	1	0	2	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	1	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	1	2	0
HAWAII	2	0	2	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	3	1	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	1	0	1	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	1	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	1	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	2	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	1	0	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	4	1	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	3	0	3	0	0	0
MICHIGAN WESTERN	1	0	0	0	0	0
MINNESOTA	3	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	2	0	1	0	2	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	1	0	0	0	0	0
NEVADA	1	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	1	0	1	1	0	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	2	0	1	0	0	1
NEW YORK NORTHERN	1	0	0	0	0	0
NEW YORK SOUTHERN	7	3	0	1	0	0
NEW YORK WESTERN	2	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	1	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	1	0	0	0	0
OHIO NORTHERN	4	0	0	2	0	0
OHIO SOUTHERN	0	0	0	1	1	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	1	0	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	2	1	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2012 REPORTED as of SEPTEMBER 30, 2012**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	1	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	1	4	2	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	2	1	0	0	1	0
TENNESSEE MIDDLE	0	0	0	0	1	0
TENNESSEE WESTERN	1	0	0	0	0	0
TEXAS EASTERN	1	0	0	0	0	0
TEXAS NORTHERN	1	1	1	1	1	0
TEXAS SOUTHERN	0	0	1	0	3	0
TEXAS WESTERN	3	1	0	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	2	0	0	0	0	0
VIRGINIA EASTERN	3	3	2	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	1	0	0	0	0	0
WASHINGTON WESTERN	2	3	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	88	43	25	15	15	1

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2012 numbers are actual data through the end of September 2012.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 2319, 2319A, 2320 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the overall outcome of a defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes.

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APPENDIX E

Acronyms

A

AAG/A	Assistant Attorney General for Administration
ACM	Asbestos Containing Materials
AFF	Assets Forfeiture Fund
AFF/SADF	Assets Forfeiture Fund and Seized Asset Deposit Fund
AMBER	America's Missing: Broadcasting Emergency Response
AOUSC	Administrative Office of U.S. Courts
ARRA	American Recovery and Reinvestment Act
ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
ATR	Antitrust Division

B

BIA	Board of Immigration Appeals
BJA	Bureau of Justice Assistance
BJS	Bureau of Justice Statistics
BOP	Bureau of Prisons
Budget	Budget of the United States

C

CAST	Case Status System
CBT	Cognitive Behavioral Therapy
CFO	Chief Financial Officer
CHRP	COPS Hiring Recovery Program (under Recovery Act)
CI	Confidential Informant
CIO	Chief Information Officer
CIV	Civil Division
CJIS	Criminal Justice Information Services
CODIS	Combined DNA Index System
COPS	Office of Community Oriented Policing Services
COTS	Commercial-Off-The-Shelf
CPC	Capacity Planning Committee
CPOT	Consolidated Priority Organization Target
CRM	Criminal Division
CRS	Community Relations Service
CRT	Civil Rights Division
CSCATL	Correctional Systems and Correctional Alternatives for Tribal Lands
CSRS	Civil Service Retirement System
CTD	Counterterrorism Division
CVF	Crime Victims Fund
CY	Calendar Year/Current Year

D

DCIA	Debt Collection Improvement Act of 1996
DCM	Debt Collection Management
DEA	Drug Enforcement Administration
DFTF	District Fugitive Task Force
Department, The	Department of Justice
DHS	Department of Homeland Security
DIDO	Designated Intelligence Disclosure Officials
DIRB	Department Investment Review Board
DNA	Deoxyribonucleic Acid
DOD	Department of Defense
DOJ	Department of Justice
DOL	Department of Labor
DSS	Defendant Statistical System

E

EEO	Equal Employment Opportunity
ENRD	Environment and Natural Resources Division
EOIR	Executive Office for Immigration Review
EOUSA	Executive Office for U.S. Attorneys
EPA	Environmental Protection Agency
EPIC	El Paso Intelligence Center
EURIBOR	Euro Interbank Offered Rate

F

FAA	FISA Amendments Act
FASAB	Federal Accounting Standards Advisory Board
FBI	Federal Bureau of Investigation
FBWT	Fund Balance with U.S. Treasury
FCI	Federal Correctional Institution
FCSC	Foreign Claims Settlement Commission
FECA	Federal Employees Compensation Act
FEGLI	Federal Employees Group Life Insurance Program
FEHB	Federal Employees Health Benefits Program
FERS	Federal Employees Retirement System
FFETF	Financial Fraud Enforcement Task Force
FFMIA	Federal Financial Management Improvement Act
FinCEN	Financial Crimes Enforcement Network
FISA	Foreign Intelligence Surveillance Act
FISMA	Federal Information Security Management Act
FLRA	Federal Labor Relations Authority
FMFIA	Federal Managers' Financial Integrity Act
FMIS	Financial Management Information System
FOIA	Freedom of Information Act
FPI	Federal Prison Industries, Inc.

FTE	Full-Time Equivalent
FTTTF	Foreign Terrorist Tracking Task Force
FY	Fiscal Year

G

GangTECC	National Gang Targeting, Enforcement, and Coordination Center
GAO	Government Accountability Office
GAN	Grant Adjustment Notice
GMRA	Government Management Reform Act
GPRA	Government Performance and Results Act
GPRAMA	GPRA Modernization Act of 2010
GPRS	Grant Payment Request System
GPS	Global Positioning System
GSK	GlaxoSmithKline

H

HEAT	Health Care Fraud Prevention and Enforcement Action Team
HHS	Department of Health and Human Services

I

IC	Intelligence Community
ICE	Immigrations and Customs Enforcement
ICITAP	Internation Criminal Investigative Training Assistance Program
IG	Inspector General
IGA	Intergovernmental Agreement
Integrity Act	Federal Managers' Financial Integrity Act
INTERPOL	International Criminal Police Organization
IP	Intellectual Property
IPERA	Improper Payments Elimination and Recovery Act
IPIA	Improper Payments Information Act
IRR	Intelligence Information Report
IRS	Internal Revenue Service
ISDC	Interagency Suspension and Debarment Committee
IT	Information Technology
IWN	Integrated Wireless Network

J

JDIS	Justice Detainee Information System
JMD	Justice Management Division
JSOC	Justice Security Operations Center
JTTF	Joint Terrorism Task Force

K

KG	Kilogram

L

LCD	Liquid Crystal Display
LCM	Lower of average cost or market value
LCN	La Cosa Nostra
LIBOR	London InterBank Offered Rate
LLC	Limited Liability Company
LLP	Limited Liability Partnership

M

MDMA	3,4-Methylenedioxymethamphetamine
MLAT	Mutual Legal Assistance Treaty
MOU	Memorandum of Understanding
MS	Mara Salvatrucha

N

N/A	Not Applicable
NCIC	National Crime Information Center
NCIJTF	National Cyber Investigative Joint Task Force
NCMEC	National Center for Missing and Exploited Children
NGI	Next Generation Identification
NGIC	National Gang Intelligence Center
NIJ	National Institute of Justice
NLETS	International Justice and Public Safety Information Network
NSD	National Security Division
NSL	National Security Letter

O

OAAM	Office of Audit, Assessment, and Management
OBDs	Offices, Boards and Divisions
OCDETF	Organized Crime Drug Enforcement Task Forces
OCGS	Organized Crime and Gang Section
OCIO	Office of the Chief Information Officer
ODR	Office of Dispute Resolution
OFC	OCDETF Fusion Center
OFDT	Office of the Federal Detention Trustee
OGA	Other Government Agency
OIA	Office of International Affairs
OIG	Office of the Inspector General

OIP	Office of Information Policy
OJP	Office of Justice Programs
OJJDP	Office of Juvenile Justice and Delinquency Prevention
OLA	Office of Legislative Affairs
OLC	Office of Legal Counsel
OLP	Office of Legal Policy
OMB	Office of Management and Budget
OPA	Office of the Pardon Attorney
OPDAT	Overseas Prosecutorial Development, Assistance and Training
OPM	Office of Personnel Management
OPR	Office of Professional Responsibility
OSG	Office of the Solicitor General
OSG	Operational Section for Gangs
OTJ	Office of Tribal Justice
OVP	Office of the Vice President
OVW	Office on Violence Against Women

P

PAR	Performance and Accountability Report
Patriot Act	USA PATRIOT Act
PHS	Public Health Services
PL	Public Law
PMT	Performance Measurement Tool
PMRU	Professional Misconduct Review Unit
PRAO	Professional Responsibility Advisory Office
PREA	Prison Rape Elimination Act
PSOB Act	Public Safety Officers' Benefits Act of 1976
PTS	Prisoner Tracking System
PY	Prior Year/Previous Year

R

RCA	Reports Consolidation Act of 2000
RDAP	Residential Drug Abuse Program
RECA	Radiation Exposure Compensation Act
Recovery Act	American Recovery and Reinvestment Act of 2009
RFTF	Regional Fugitive Task Force
RICO	Racketeering Influenced Corrupt Organization
RMBS	Residential Mortgage-Backed Securities
RSAT	Residential Substance Abuse Treatment

S

SAVE Council	Advisory Council for Savings and Efficiencies
SBF	Special Benefits Fund
SBR	Statement of Budgetary Resources
SDO	Suspending and Debarring Official
SENTRY	Bureau of Prisons' primary mission-support database

SFFAS	Statement of Federal Financial Accounting Standards
SG	Strategic Goal
SIS	Short-term Intervention for Success
SIU	Sensitive Investigation Unit
SOD	Special Operations Division

T

TAX	Tax Division
TBD	To Be Determined
TEDAC	Terrorist Explosive Device Analytical Center
Treasury, the	Department of Treasury
Trust Fund	Federal Prison Commissary Fund
TSC	Terrorist Screening Center
TSP	Federal Thrift Savings Plan

U

UDO	Undelivered Orders
UFMS	Unified Financial Management System
UNICOR	Federal Prison Industries, Inc.
US-CERT	United States Computer Emergency Readiness Center
USAs	United States Attorneys
USAO	United States Attorneys' Offices
USA PATRIOT	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism
USC	United States Code
USMS	United States Marshals Service
USNCB	United States National Central Bureau
USPC	United States Parole Commission
USSGL	U.S. Standard General Ledger
UST	United States Trustee
USTP	United States Trustees Program

V

VGSSTF	Violent Gang Safe Streets Task Force
VOI/TIS	Violent Offender Incarceration and Truth-In Sentencing

W

WCC	White-Collar Crime
WIN	Warrant Information Network System

APPENDIX F

Department Component Websites

Component	Website
American Indian and Alaska Native Affairs Desk (OJP)	www.ojp.usdoj.gov/programs/aiana.htm
Antitrust Division	www.justice.gov/atr/index.html
Bureau of Alcohol, Tobacco, Firearms and Explosives	www.atf.gov/
Bureau of Justice Assistance (OJP)	www.bja.gov/
Bureau of Justice Statistics (OJP)	www.bjs.gov/
Civil Division	www.justice.gov/civil/index.html
Civil Rights Division	www.justice.gov/crt/
Community Oriented Policing Services - COPS	www.cops.usdoj.gov/
Community Capacity Development Office (OJP)	www.ojp.usdoj.gov/ccdo/welcome_flash.html
Community Relations Service	http://www.justice.gov/crs/index.html
Criminal Division	www.justice.gov/criminal/
Diversion Control Program	www.deadiversion.usdoj.gov/
Drug Enforcement Administration	www.justice.gov/dea/
Environment and Natural Resources Division	www.justice.gov/enrd/
Executive Office for Immigration Review	www.justice.gov/eoir/
Executive Office for U.S. Attorneys	www.justice.gov/usao/eousa/
Executive Office for U.S. Trustees	www.justice.gov/ust/
Federal Bureau of Investigation	www.fbi.gov/
Federal Bureau of Prisons	www.bop.gov/
Foreign Claims Settlement Commission of the United States	www.justice.gov/fcsc/
INTERPOL Washington	www.justice.gov/interpol-washington/
Justice Management Division	www.justice.gov/jmd/
National Criminal Justice Reference Service (OJP)	www.ncjrs.gov/
National Institute of Corrections	www.nicic.gov/
National Institute of Justice (OJP)	www.ojp.usdoj.gov/nij/
National Security Division	www.justice.gov/nsd/
Office of the Associate Attorney General	www.justice.gov/asg/index.html
Office of the Attorney General	www.justice.gov/ag/
Office of the Deputy Attorney General	www.justice.gov/dag/
Office of the Federal Detention Trustee	www.justice.gov/ofdt/index.html
Office of Information Policy	www.justice.gov/oip/oip.html
Office of the Inspector General	www.justice.gov/oig/
Office of Intelligence Policy and Review	www.justice.gov/nsd/oipr-redirect.htm
Office of Justice Programs	www.ojp.usdoj.gov/
Office of Juvenile Justice and Delinquency Prevention (OJP)	www.ojjdp.gov/
Office of Legal Counsel	www.justice.gov/olc/index.html
Office of Legal Policy	www.justice.gov/olp/
Office of Legislative Affairs	www.justice.gov/ola/
Office of the Pardon Attorney	www.justice.gov/pardon/
Office of Professional Responsibility	www.justice.gov/opr/index.html
Office of Public Affairs	www.justice.gov/opa/index.html
Office of the Solicitor General	www.justice.gov/osg/
Office of Tribal Justice	www.justice.gov/otj/index.html
Office for Victims of Crime (OJP)	www.ojp.usdoj.gov/ovc/
Office on Violence Against Women	www.ovw.usdoj.gov/
Tax Division	www.justice.gov/tax/
U.S. Attorneys	www.justice.gov/usao/
U.S. Marshals Service	www.justice.gov/marshals/
U.S. Parole Commission	www.justice.gov/uspc/

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http://www.justice.gov/ag/annualreports/pr2012/TableofContents.htm

Please view our Strategic Plan at:
http://www.justice.gov/jmd/strategic2012-2016/index.html

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