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

Fiscal Year 2022
Agency Financial Report

Department Overview

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," with the Attorney General as its head. To learn more about the history of the Department, please visit: DOJ History.[1]

FISCAL YEAR 2022 2026 STRATEGIC GOALS

The Department of Justice is committed to building on its mission by focusing on specific goals for the fiscal years 2022 - 2026. These goals are (1) Upholding the Rule of Law; (2) Keeping our Country Safe; (3) Protecting Civil Rights; (4) Ensuring Economic Opportunity and Fairness for All; (5) Administering Just Adjudicatory and Correctional Systems.

MISSION

The mission of the Department of Justice is to uphold the rule of law, keep our country safe, and protect civil rights.

LOCATION

The Department is headquartered in Washington, D.C., 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

Department Component Organizations as of September 30, 2022

Attorney General
Deputy Attorney General
Associate Attorney General
Access to Justice (ATJ)
Antitrust Division (ATR)
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
Bureau of Prisons (BOP)
Civil Division (CIV)
Civil Rights Division (CRT)
Community Relations Service (CRS)
Criminal Division (CRM)
Drug Enforcement Administration (DEA)
Environment and Natural Resources Division (ENRD)
Executive Office for Immigration Review (EOIR)
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 Community Oriented Policing Services (COPS)
Office for Organized Crime Drug Enforcement Task Forces (OCDETF)
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 (PARDON)
Office of Justice Programs (OJP)
Office of Professional Responsibility (OPR)
Office of Public Affairs (OPA)
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' Offices (USAO)
U.S. Marshals Service (USMS)
U.S. Parole Commission (USPC)

[1] https://www.justice.gov/history

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U.S. DEPARTMENT OF JUSTICE

FISCAL YEAR 2022 AGENCY FINANCIAL REPORT

January 2023

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

January 26, 2023

A MESSAGE FROM THE ATTORNEY GENERAL

The mission of the Justice Department is to uphold the rule of law, keep our country safe, and protect civil rights. The Department's Strategic Plan for Fiscal Years 2022-2026, issued in July 2022, organizes the Department's wide-ranging responsibilities into five strategic goals in pursuit of that mission. I am pleased with the significant progress we have made to advance each of these goals.

Our first strategic goal is upholding the rule of law. We have updated our guidelines governing communications between the Justice Department and the White House; issued new Freedom of Information Act guidelines emphasizing the presumption of openness and the importance of proactive disclosures; and codified into regulation new policies that limit the use of compulsory process for the purpose of obtaining information from, or records of, members of the news media acting within the scope of newsgathering. We have created an Election Threats Task Force and taken other steps to protect public servants at every level from violence and unlawful threats of violence. And we continue to investigate the January 6th attack on the Capitol to ensure that those who interfered with the peaceful transfer of power are brought to justice.

Our second strategic goal is keeping our country safe. The Department has announced a new strategy to combat foreign malign influence, foreign espionage, and other nation-state threats, and has brought cases against PRC, Russian, Iranian, and other foreign actors who seek to engage in transnational repression, interfere with our elections, or steal sensitive information. We continue to cooperate across all levels of government to deter and disrupt foreign and domestic terrorist attacks, including by prosecuting those who would provide foreign terrorist organizations with material support. And we have acted swiftly to hold Russia accountable for its unprovoked and unjust invasion of Ukraine, including by creating Task Force KleptoCapture and a War Crimes Accountability Team to identify, find, and bring to justice those who evade sanctions to enable the Russian regime or commit war crimes.

The Department is also intensifying its efforts to fight violent crime, reduce overdose deaths, and counter cyber threats. Our comprehensive anti-violent crime strategy, issued in May 2021 and updated in February 2022, mobilizes our federal prosecutors, agents, investigators, criminal justice experts, and grant managers to work with their state and local partners to prosecute violent crime, disrupt the most significant drivers of violent crime, and invest in prevention and intervention programs. As part of that effort, we have cracked down on illegal firearms trafficking, finalized rules to address stabilizing braces and the proliferation of ghost guns, and published the first volume of the National Firearms in Commerce and Trafficking Assessment. In response to the opioid crisis, we are investigating, arresting, extraditing, and prosecuting individual members of transnational criminal organizations and drug cartels; investigating precursor chemical suppliers from the PRC and elsewhere; removing millions of lethal doses of fentanyl from American streets; and prosecuting those who contribute to the crisis by unlawfully distributing prescription opioids. Finally, the Department has taken a range of actions to enhance our cybersecurity and combat cybercrime, including by implementing the recommendations of our now completed Comprehensive Cyber Review; investigating and disrupting ransomware threats; and launching new initiatives to aid in the investigation and prosecution of digital asset crimes.

Our third strategic goal is protecting civil rights. We are defending the right to vote by doubling the size of the Civil Rights Division's Voting Section; bringing cases and filing statements of interest regarding voting practices in Arizona, Texas, and other jurisdictions across the country; and issuing guidance regarding federal laws that apply to methods of voting, post-election audits, and redistricting. We are combating unlawful acts of hate, including through criminal prosecutions and grants to states and localities for improved hate crime incident reporting. We are working to build trust and accountability in law enforcement, including through implementation of the Department's body-worn camera initiative and other efforts. Since 2021, the Department has announced pattern-or-practice investigations into several police departments, including in Minneapolis, Louisville, Phoenix, and Mt. Vernon (New York), as well as into the Louisiana State Police and the New York Police Department Special Victims Division. We are pursuing environmental justice, including through a new Office for Environmental Justice within the Environment and Natural Resources Division and a new comprehensive environmental justice enforcement strategy. And we are using every tool at our disposal to defend reproductive rights protected by federal law, including through the creation of the Reproductive Rights Task Force.

Our fourth strategic goal is ensuring economic opportunity and fairness for all. The Department has strengthened its corporate criminal enforcement policies and practices, including through prioritizing the prosecution of individuals who commit and profit from corporate malfeasance. The Department has also stepped up its efforts to ensure competition and counter anticompetitive practices across all sectors. The Antitrust Division has more civil antitrust lawsuits in litigation than at any time in recent memory, and several mergers have been abandoned after they attracted the Division's scrutiny.

Finally, our fifth strategic goal is administering just adjudicatory and correctional systems. With respect to our nation's immigration courts, last year the Department filled every immigration judge position for which it has received appropriations, completed a record number of cases, and issued a rule to help ensure that asylum claims made by noncitizens subject to expedited removal are processed expeditiously, fairly, and consistent with due process. And with respect to our federal prison system, the Department has issued and implemented the First Step Act Time Credits Rule; announced a series of actions to address sexual abuse in Bureau of Prisons facilities; and took steps to increase the hiring of correctional officers.

In accordance with the Reports Consolidation Act of 2000 and Office of Management and Budget (OMB) Circulars A-1 l, A-123, and A-136, we have prepared the FY 2022 Department of Justice's Agency Financial Report (AFR). The AFR contains the Department's audited consolidated financial statements, as required under the Chief Financial Officers Act of 1990, as amended (CFO Act); the Government Management Reform Act of 1994 (GMRA); and the Accountability of Tax Dollars Act of 2002 (ATDA). The AFR also contains a statement of assurance regarding internal control over operations, reporting, and compliance, as required by the Federal Managers' Financial Integrity Act (FMFIA).

In FY 2022, the Department earned an unmodified audit opinion on our consolidated financial statements for the nineteenth straight year. The auditor's report on internal control identified a material weakness at the consolidated level due to improvements needed at the Bureau of Prisons related to risk assessment, financial management, and reporting controls, and at the Department related to its risk assessment process. In addition, a material weakness was reported for Federal Prison Industries related to untimely revisions to the internal control system, and a significant deficiency was reported for the Asset Forfeiture Fund / Seized Asset Deposit Fund related to reporting seized assets and recognizing out of period revenue. Our corrective actions are documented in Section III of this report.

The Department's assessment of risk and internal control in FY 2022 was conducted in accordance with OMB Circular A-123. Based on the results of the assessment and Assurance Statements provided by Department components, the Department can provide reasonable assurance that internal control over operations, reporting, and compliance was operating effectively as of September 30, 2022, except for the material weakness in financial management and reporting controls, and risk assessment process. Details of that weakness are provided in the AFR section regarding Analysis of Systems, Controls, and Legal Compliance. Corrective actions are already underway and will be evaluated as part of the Department's FY 2023 A-123 internal control assessment.

We look forward to working with our components, the Office of the Inspector General, and auditors in FY 2023 to continue to strengthen our financial operations and reporting.

Merrick B. Garland
Attorney General

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AFR U.S. Department of Justice – FY 2022

Table of Contents

Section III: Other Information

Appendices

AFR Introduction (Unaudited)

Purpose of Report and Reporting Process

The Agency Financial Report (AFR) is the Department of Justice's (DOJ or the Department) principal report conveying to the President, Congress, and the American public its commitment to sound financial management and stewardship of public funds. The AFR reports on the Department's end-of-fiscal-year financial position and provides results that include, but are not limited to, financial statements, notes to the financial statements, and reports of the independent auditors.

The Department's AFR 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 (JMD), Finance Staff, and audited by an independent public accounting firm under the direction of the Office of the Inspector General (OIG). These financial statements for Fiscal Year (FY) 2022 and FY 2021 report on all accounts and associated activities of each office, bureau, and activity of the Department.

Organization of the Report

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

Section II – Financial Section: This section includes OIG's Commentary and Summary on the Department's FY 2022 Annual Financial Statements, the Independent Auditors' Report, and the Department's consolidated financial statements and related notes.

Section III – Other Information: This section includes the OIG-identified Top Management and Performance Challenges Facing the DOJ and the DOJ's response to those challenges, as well as sections on payment integrity, civil monetary penalty adjustments, grants, FMFIA corrective action plan, and climate related financial risk.

Appendices: This section includes (A) Office of the Inspector General's Analysis and Summary of Actions Necessary to Close the Report, (B) Acronyms, and (C) Department Component Websites.

This report is available at URL: : Department of Justice | FY 2022 Agency Financial Report [2]

[2] https://prod.justice.gov/doj/fy-2022-agency-financial-report

Compliance with Legislated Reporting Requirements

This report meets legislated reporting requirements in the following statutes:

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

Federal Managers' Financial Integrity Act of 1982 (FMFIA) – Requires federal agencies to annually report on the effectiveness of internal control over operations, reporting, and compliance and whether agency financial management systems comply with government-wide requirements

Chief Financial Officers Act of 1990 (CFO) – Requires major executive departments and agencies to appoint a CFO to provide leadership and oversight for the implementation and maintenance of federal financial management practices

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

Payment Integrity Information Act of 2019 (PIIA) – Requires reporting on agency fraud reduction efforts and actions taken to address recommendations from recovery audit contractors

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 DOJ 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 Statement

> *The mission of the Department of Justice (DOJ) is to uphold the rule of law, to keep our country safe, and to protect civil rights.*

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

Independence and Impartiality. The Justice Department works each day to earn the public's trust by following the facts and the law wherever they may lead, without prejudice or improper influence.

Honesty and Integrity. The Justice Department's employees adhere to the highest standards of ethical behavior, mindful that, as public servants, we must work to earn the trust of, and inspire confidence in, the public we serve.

Respect. The Justice Department's employees value differences in people and in ideas and treat everyone with fairness, dignity, and compassion.

Excellence. The Justice Department works every day to provide the highest levels of service to the American people and to be a responsible steward of the taxpayers' dollars.

Organizational Structure

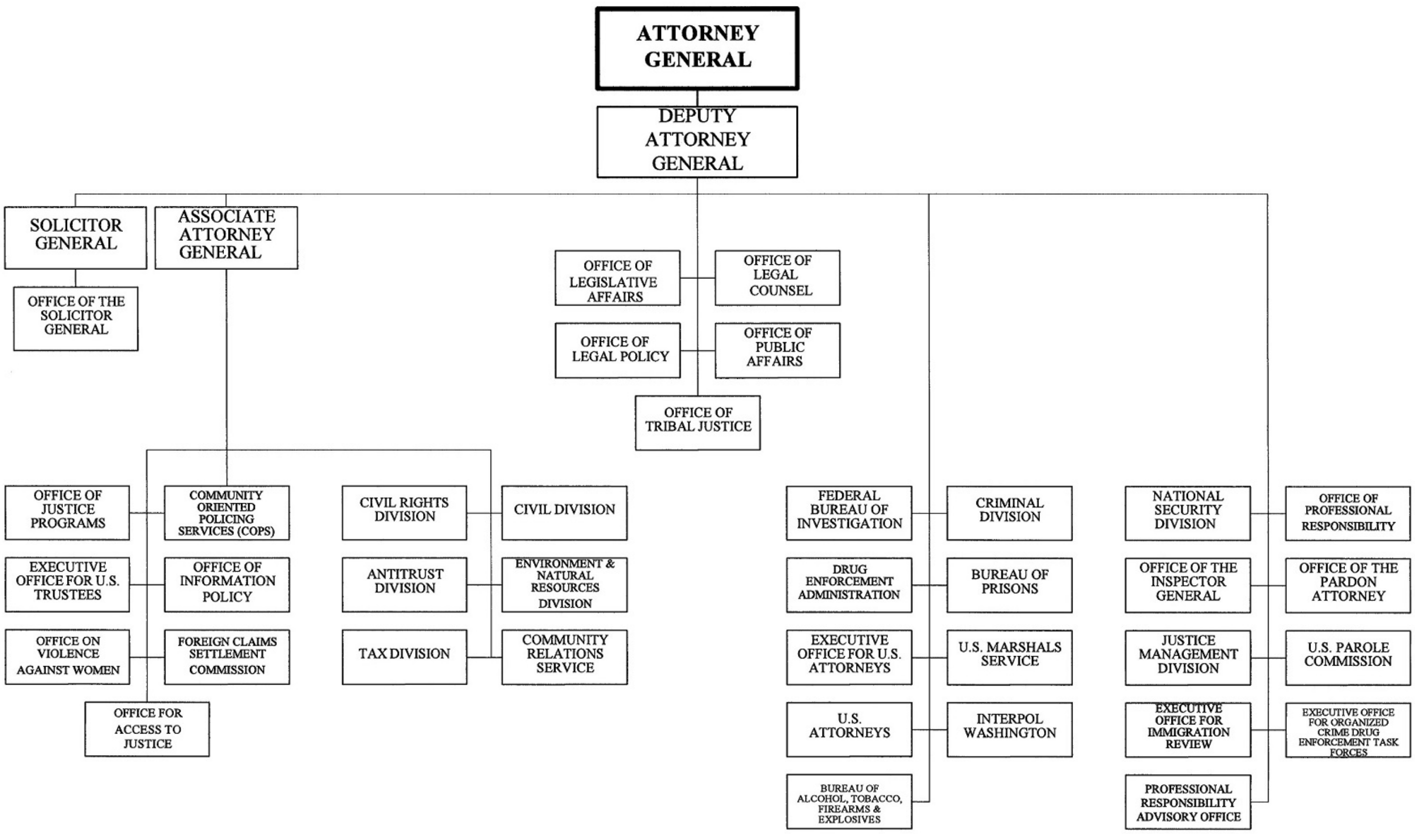
Led by the Attorney General, the Justice Department is comprised of more than forty separate component organizations. There are nearly 115,600 employees of the Department who ensure that the individual component missions, and the overarching Department mission, is carried out. These include major investigative components such as the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

The Department's litigating divisions represent the rights and interests of the American people and enforce federal criminal and civil laws. The major litigating divisions are comprised of the Antitrust (ATR), Civil (CIV), Civil Rights (CRT), Criminal (CRM), Environment and Natural Resources (ENRD), Tax (TAX) Divisions, and U.S. Attorneys (USAs).

The U.S. Marshals Service (USMS), protects the federal judiciary, apprehends fugitives, and detains persons in federal custody; the Federal Bureau of Prisons (BOP), confines convicted offenders; and the National Security Division (NSD), brings together national security, counter-terrorism, counterintelligence, and foreign intelligence surveillance operations under a single authority.

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), Justice Management Division (JMD), the Executive Office for Immigration Review (EOIR), the Community Relations Service (CRS), the 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.

U.S. DEPARTMENT OF JUSTICE



Approved by: ______________________ Date: 10·28·21

MERRICK B. GARLAND
Attorney General

Financial Structure

As of September 30, 2022, the Department's financial reporting structure was comprised of nine principal components:

Components:

- Assets Forfeiture Fund and Seized Asset Deposit Fund (AFF/SADF)
- Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
- Federal 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
INTERPOL Washington
Office of Access to Justice
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 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

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

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. Strategic planning is the first step in an iterative planning and implementation cycle.

This cycle, which comes early in the Department's process 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 FYs 2022 - 2026 Strategic Plan provides an overarching framework for component and function-specific plans, as well as for annual performance plans, budgets, and reports. The Department's FYs 2022 - 2026 Strategic Plan is available on the Department's website: DOJ Strategic Plan 2022 - 2026.[3]

The table below provides an overview of the Department's FYs 2022 - 2026 strategic goals and objectives.

Strategic Goals		Strategic Objectives
1	Uphold the Rule of Law	1.1 Protect Our Democratic Institutions 1.2 Promote Good Government
2	Keep Our Country Safe	2.1 Protect National Security 2.2 Counter Foreign and Domestic Terrorism 2.3 Combat Violent Crime and Gun Violence 2.4 Enhance Cybersecurity and Fight Cybercrime 2.5 Combat Drug Trafficking and Prevent Overdose Deaths 2.6 Protect Vulnerable Communities
3	Protect Civil Rights	3.1 Protect the Right to Vote 3.2 Combat Discrimination and Hate Crimes 3.3 Reform and Strengthen the Criminal and Juvenile Justice Systems 3.4 Expand Equal Access to Justice 3.5 Advance Environmental Justice and Tackle the Climate Crisis
4	Ensure Economic Opportunity and Fairness for All	4.1 Reinvigorate Antitrust Enforcement and Consumer Protection 4.2 Combat Corruption, Financial Crime, and Fraud
5	Administer Just Court and Correctional Systems	5.1 Administer an Equitable and Efficient Immigration Court System 5.2 Maintain a Safe and Humane Prison System

[3] https://www.justice.gov/doj/doj-strategic-plan-2022-2026

Summary of Performance Information

The Department's performance planning and budgeting is driven by and consistent with long-term strategic goals. The Department's annual performance plan issued each year with the President's Budget, and the performance information included in the MD&A are organized according to the five strategic goals identified in the Department's Strategic Plan for Fiscal Years 2022 – 2026.

The Department's Plan includes 66 key performance measures, which are summarized in this document. The Department's full performance for these measures will be discussed in the Department's FY 2022 Annual Performance Report/FY 2022 Annual Performance Plan and submitted with the President's Budget in February 2023.

The Department reports in the Statement of Net Cost earned revenue and cost by five major programs listed and defined below.

- Program 1 - Law Enforcement
  - Protects and defends the United States against foreign and domestic threats by investigating, enforcing, and upholding the laws of the United States (e.g. AFF, ATF, DEA, FBI, OCDETF, and USMS)

- Program 2 - Litigation and Compensation
  - The litigating function defends or asserts the laws, programs, and policies of the United States and ensures greater coordination and unity of purpose between prosecutors and law enforcement agencies; the compensation function ensure that proceeds, monetary penalties, and fines are deposited into compensation funds that are distributed to victims (e.g. ATR, CIV, CRT, CRM, ENRD, EOUSA, INTERPOL, NSD, OLC, OPA, OSG, PRAO, TAX, USVSSTF, USAO, VCF, and RECA).

- Program 3 - Prisons and Detention
  - Provides for the safe, secure, and humane confinement of detained persons in prisons, detention centers, and community-based facilities, and provides services and programs to facilitate successful reentry (e.g. BOP, FPI, USPC, and USMS Detention).

- Program 4 - Grants
  - Reduces crime and improves the function of the criminal justice system by increasing public safety and improving fair administration of justice across America through innovative leadership and programs (e.g. COPS, OJP, and OVW).

- Program 5 - Executive Oversight and Enterprise Technology
  - Executive Oversight: Provides advice to senior management officials on matters including, but not limited to policy for budget and financial management, personnel management and training, procurement, equal employment opportunity, information processing, telecommunications, security, and all matters pertaining to organization authorities; also includes vital functions such as adjudicating immigration cases, preserving the bankruptcy system, managing multi-agency task forces, and national criminal justice programs (e.g. AG, DAG, ASG, other SMOs, CRS, EOIR, UST, OTJ, JMD, and OIG).

  - Enterprise Technology: Protects critical mission assets by strengthening security in particular areas including access management and incident response and recovery (e.g. Justice Information Sharing Technology (JIST) and Working Capital Fund (WCF).

To accomplish the objectives of the Department's five strategic goals, collaboration and joint effort are needed among the components, offices, boards, and divisions within DOJ. As a result, more than one major program may be tied to a single strategic goal to accomplish the goal's objectives. The table below lists strategic goals by the applicable DOJ component, office, board, or division, and links the strategic goal to the major program reported on the statement of net cost.

Strategic Goal	DOJ Component	Major Program
Goal 1	All components	All Major Programs
Goal 2	ATF, BOP, CIV, COPS, CRM, CRS, CRT, FBI, DEA, INTERPOL, JMD, NSD, OCDETF, OJP, OLP, OTJ, OVW, USMS, USAO, & USPC	All Major Programs
Goal 3	ATF, ATJ, BOP, COPS, CRM, CRS, CRT, OLP, OPA, OTJ, OVW, DEA, ENRD, EOIR, FBI, JMD, OJP, USAO, USMS, & UST	All Major Programs
Goal 4	ATR, CIV, CRM, FBI, TAX, USAO, & UST	Major Programs 1 & 2
Goal 5	ATJ, CIV, BOP, EOIR, OJP, USAO, USMS, & USPC	Major Programs 2, 3, 4, & 5

Additionally, the Department's performance for each strategic goal is measured by the goal's strategic objectives and associated key performance indicators (KPI) as described in the following table. KPIs further define the role each component, office, board, or division has in accomplishing the broad purpose of each strategic goal. Also, KPIs are assigned to a component, office, board, or division providing additional insight to the elements contained in the statement of net cost by major program.

Strategic Objective	Key Performance Indicator	FY 2022 Target	FY 2022 Actual	Target Achieved/ Not Achieved
Strategic Goal 1: Uphold the Rule of Law				
1.1	Percent of OPR inquiries resolved within one year [OPR]	75%	92%	Target Achieved
1.1	Number of criminal government program fraud cases where the proactive use of data led to the opening of an investigation by the Criminal Division. [CRM]	N/A*	50	
1.1	Number of U.S. Attorney's Offices that received proactive data leads in criminal government fraud cases from the Criminal Division. [CRM]	N/A	45	
1.1	Percent of cases concerning COVID-19 related fraud in which the Department seeks restitution [USAO]	90%	99%	Target Achieved
1.1	Percent of COVID-19 related fraud cases favorably resolved [USAO]	90%	98%	Target Achieved
1.1	Ratio of backlogged to incoming FOIA requests [OIP]	50%	68%	Not Achieved
1.2	Percent increase in the Department's average score on selected FEVS questions related to how well managers cultivate innovation, creativity, and collaboration [JMD]	60%	54%	Not Achieved
1.2	Percent of people involved in hiring who have completed implicit bias and interview skills training within the last three years [JMD]	N/A	0	
1.2	Disparities in employee attrition rates [JMD]	N/A	1.36	
1.2	Percent of Department websites reflecting U.S. Web Design System requirements and meeting best practices for plain language and user centered design [JMD]	N/A	38%	
1.2	Percent of common data sets accessible amongst DOJ components [JMD]	N/A	47%	

Strategic Objective	Key Performance Indicator	FY 2022 Target	FY 2022 Actual	Target Achieved/ Not Achieved
Strategic Goal 2: Keep Our Country Safe				
2.1	Number of counterintelligence program disruptions or dismantlements [FBI]	400	365	Not Achieved
2.1	Percent of prosecutions brought against defendants engaged in a) hostile activities against national assets, b) intelligence gathering, or c) export violations that are favorably resolved [NSD]	90%	98%	Target Achieved
2.1	Percent of Department-led foreign investment cases that were adjudicated favorably [NSD]	97%	100%	Target Achieved
2.2	Number of terrorism disruptions effected through investigations [FBI]	600	397	Not Achieved
2.2	Percent of counterterrorism defendants whose cases were favorably resolved [NSD]	90%	99%	Target Achieved
2.2	Number of individuals in the Department trained to prosecute domestic terrorism and domestic violent extremism [NSD]	1,000	1,073	Target Achieved
2.2	Percent of Department-issued Intelligence Information Reports used in the development of United States Intelligence Community Intelligence Products [FBI]	15%	20%	Target Achieved
2.3	Percent of federal violent crime defendants' cases favorably resolved [CRM, USAO, CRT]	90%	97%	Target Achieved
2.3	Volume of U.S. Attorney office records uploaded to the National Instant Criminal Background Check System [USAO]	5% [increase]	4%	Not Achieved
2.3	Percent of grantees that conduct community engagement activities as part of the program planning for their crime reduction initiative [OJP]	58%	TBD	
2.4	Percent increase in disruptions of malicious cyber actors' use of online infrastructure through proactive operations and judicial means [FBI]	5%	25.70%	Target Achieved
2.4	Percent of reported ransomware incidents from which cases are opened, added to existing cases, or resolved within 72 hours [FBI]	65%	39.35%	Not achieved
2.4	Percent increase in operations conducted jointly with strategic partners [FBI]	3%	15.98%	Target Achieved
2.4	Percent of confirmed cyber incidents to Department systems [JMD]	0.001%	TBD	
2.4	Percent increase of threat advisories disseminated to the private sector (changed from Number of) [FBI]	5%	4.17%	Not Achieved
2.5	Percent of disruptions or dismantlements of drug-trafficking organizations focused on the highest priority targets [OCDETF]	31%	26%	Not Achieved
2.5	Amount of diversion, nationally, of opioids and stimulants [DEA]	366,908g	308,376g	Not Achieved
2.5	Percent of relevant-funded grantee programs that provide Medication Assisted Treatment, which includes medication plus counseling, as part of their substance use disorder services [OJP]	N/A	TBD	

Strategic Objective	Key Performance Indicator	FY 2022 Target	FY 2022 Actual	Target Achieved/ Not Achieved
Strategic Goal 2: Keep Our Country Safe				
2.6	Percent increase in services to traditionally underserved victim populations through VOCA-funded organizations and anti-human trafficking programs [OJP]	N/A	TBD	
2.6	Percent of USAOs conducting training on trauma-informed and culturally sensitive approaches for attorneys, victim witness specialists, and support staff [USAO]	65%	46%	Not Achieved
2.6	Percent of victims reporting that they entered and maintained permanent housing upon exit from an OVW-funded transitional housing program 6 months after program completion (Transitional Housing Program only) [OVW]	80%	80%	Target Achieved
2.6	Percent of crimes-against-children FBI cases which address abductions, hands-on offenders, sextortion, or enticement [FBI]	44%	54%	Target Achieved
2.6	Number of formal relationships established with state, county, and local law enforcement, either directly or through state Police Officer Standards and Training councils or commissions, to communicate elder justice best practices [CIV]	0	0	Target Achieved
2.6	Percent of Indian Country homicide cases and sexual abuse cases favorably resolved [USAO]	90%	97%	Target Achieved
Strategic Goal 3: Protect Civil Rights				
3.1	Number of new Voting Rights Act matters initiated [CRT]	4	2	Not Achieved
3.1	Percent of cases prosecuting threats of violence and intimidation against election officials that are favorably resolved [CRM]	N/A	100%	
3.1	Percent of BOP facilities providing structured curriculum on voting rights to releasing individuals [BOP]	49%	47%	Not Achieved
3.2	Number of Title VII and USERRA investigations [CRT]	20	22	Target Achieved
3.2	Number of Limited English Proficiency (LEP) individuals who access department-funded materials in their native language to understand federal hate crimes and anti-discrimination laws [CRT]	30,000	35,403	Target Achieved
3.2	Percent of United States Attorney's Offices leading hate crime alliances with community representatives and local civil rights leaders [USAO]	65%	81%	Target Achieved
3.2	Percent of criminal cases addressing civil rights violations, including hate crimes, favorably resolved [CRT]	80%	96%	Target Achieved
3.3	Percent of federal law enforcement officers who receive Use of Force Sustained Training within a 3-year period [ATF, BOP, DEA, FBI, USMS]	85%	92%	Target Achieved
3.3	Percent of participants in CRS facilitated police-community relations programs who perceive stronger community capacity to address alleged inequities [CRS]	80%	75%	Not Achieved
3.3	Percent of federal law enforcement officers equipped with body-worn cameras and associated training [ATF, DEA, FBI, USMS]	20%	6%	Not Achieved
3.3	Percent of Justice Assistance Grant Program law enforcement grantees using innovative and evidence-based practices [OJP]	11%	TBD	

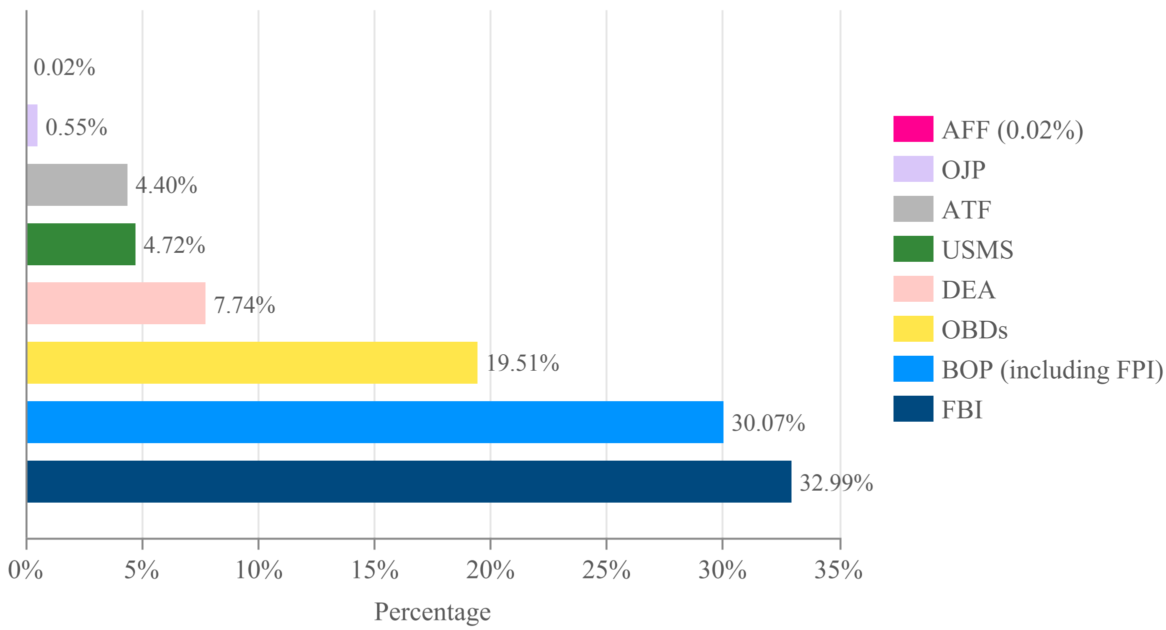
Strategic Objective	Key Performance Indicator	FY 2022 Target	FY 2022 Actual	Target Achieved/ Not Achieved
Strategic Goal 3: Protect Civil Rights				
3.4	Percent of eligible individuals represented by consistent defense counsel throughout that individual's justice system involvement [OJP]	N/A	TBD	
3.4	Number of Justice Department strategic partnerships established by the Office for Access to Justice to improve equal access to justice [ATJ]	6	10	Target Achieved
3.5	Number of Environmental Justice Coordinators designated [USAO]	93	93	Target Achieved
3.5	Percent of participants in CRS facilitated environmental justice programs who perceive stronger community capacity to address alleged inequities [CRS]	TBD	TBD	
3.5	Number of matters that address adverse environmental and public health effects brought under civil rights statutes [CRT]	16	29	Target Achieved
3.5	Percent of environmental enforcement cases in or substantially affecting overburdened and underserved communities that are favorably resolved [ENRD]	N/A	TBD	
3.5	Percent reduction in energy intensity used by the Department [JMD]	2%	TBD	
Strategic Goal 4: Ensure Economic Opportunity and Fairness for All				
4.1	Number of active civil non-merger investigations [ATR]	50	51	Target Achieved
4.1	Percentage of consumer protection branch cases favorably resolved [CIV]	85%	92%	Target Achieved
4.2	Percent of corporate criminal cases in which individual responsibility was evaluated [CRM, USAO]	95%	100%	Target Achieved
4.2	Percent of corporate criminal resolutions containing compliance reporting obligations that are evaluated by DOJ at least annually [CRM, USAO]	95%	96%	Target Achieved
4.2	Number of criminal disruptions or dismantlements in public corruption and fraud against the government [FBI]	468	407	Not Achieved
4.2	Percent of new contacts by the FBI with foreign anti-corruption agencies that progress to mutual sharing of information or assistance or result in a new international corruption case [FBI]	60%	61.73%	Target Achieved
Strategic Goal 5: Administer Just Court and Correctional Systems				
5.1	Median case completion time [EOIR]	853	1085	Not Achieved
5.1	Average number of vacancy-days for immigration adjudicator positions [EOIR]	403	655	Not Achieved
5.1	Percent of immigration judges who have received all relevant continuing legal education annually [EOIR]	90%	100%	Target Achieved
5.1	Visits to the Immigration Court Online Resource (ICOR) [EOIR]	12,000	276,913	Target Achieved
5.2	Percent of funded corrections officer positions filled at the end of each fiscal year [BOP]	100%	88%	Not Achieved
5.2	Percent of inmates in federal custody who have successfully completed or are enrolled in an FSA program or activity [BOP]	50%	61%	Target Achieved
5.2	Percent of inquiries from external stakeholders that BOP responds to within the target response time [BOP]	80%	100%	Target Achieved

*N/A: Indicates the component is currently establishing a baseline for the measure. The FY 2022 baseline will be used to set future targets.
*TBD: The FY 2022 Actuals will be reported in the Annual Performance Report at a later date.

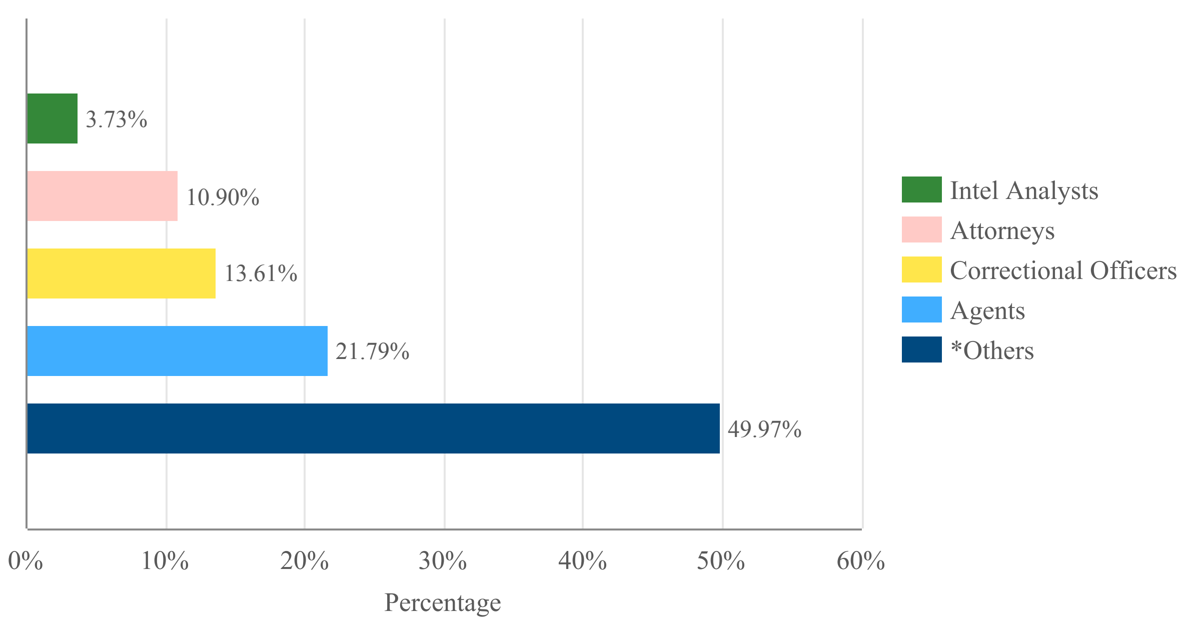
FY 2022 Resource Information

The following pages provide summary-level resource information regarding the Department's operations for FY 2022. The charts on this page reflect employees on board as of September 30, 2022.

FY 2022 DOJ Employees On Board by Component
approximately 115,600 Employees



FY 2022 DOJ Employees On Board by Category
Attorneys, Correctional Officers, Agents, and Others*



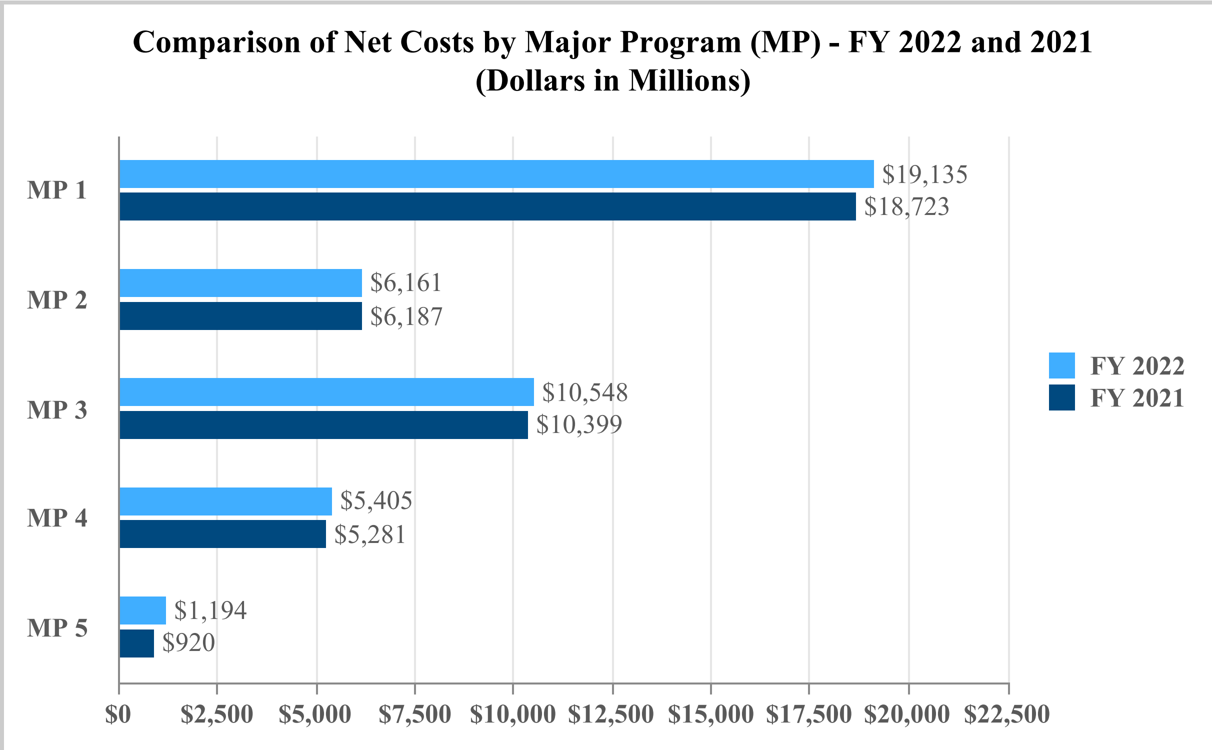
*Others include pay class categories such as paralegals, financial managers, procurement officers, evidence technicians, and security specialists.

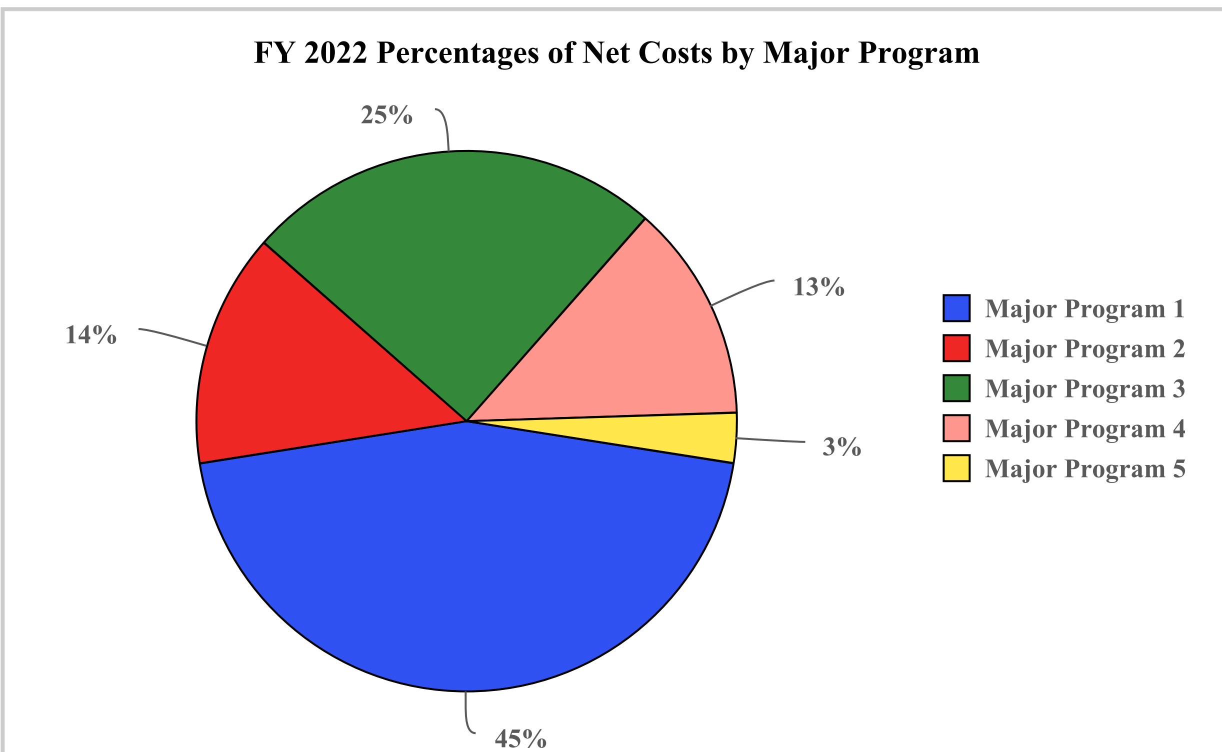
Table 1. Sources of DOJ Resources
(Dollars in Thousands)

Source	FY 2022	FY 2021	% Change
Earned Revenue:	**$ 2,937,116**	**$ 2,954,110**	(0.58)%
Financing Sources:			
Appropriations Received	38,072,879	36,047,475	5.62 %
Appropriations Transferred-In/Out	1,092,113	966,479	13.00 %
Nonexchange Revenues	867,039	782,022	10.87 %
Donations and Forfeitures of Cash and Cash Equivalents	1,365,174	1,070,709	27.50 %
Other Adjustments	(1,133,364)	(248,221)	356.59 %
Donations and Forfeitures of Property	420,818	393,144	7.04 %
Transfers-In/Out Without Reimbursement	(78,240)	(257,965)	(69.67)%
Imputed Financing	1,274,244	980,785	29.92 %
Other Financing Sources	(12,044)	(11,467)	5.03 %
Total DOJ Resources	**$ 44,805,735**	**$ 42,677,071**	4.99 %

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

Major Program		FY 2022	FY 2021	% Change
1 Law Enforcement				
	Gross Cost	$ 20,037,741	$ 19,445,202	
	Less: Earned Revenue	902,669	722,383	
	Net Cost	19,135,072	18,722,819	2.20 %
2 Litigation and Compensation				
	Gross Cost	6,533,249	6,586,885	
	Less: Earned Revenue	372,562	399,460	
	Net Cost	6,160,687	6,187,425	(0.43)%
3 Prisons and Detention				
	Gross Cost	11,221,607	11,047,772	
	Less: Earned Revenue	673,486	648,489	
	Net Cost	10,548,121	10,399,283	1.43 %
4 Grants				
	Gross Cost	5,418,830	5,300,885	
	Less: Earned Revenue	14,098	20,279	
	Net Cost	5,404,732	5,280,606	2.35 %
5 Executive Oversight and Enterprise Technology	Gross Cost	2,168,339	2,083,453	
	Less: Earned Revenue	974,301	1,163,499	
	Net Cost	1,194,038	919,954	29.79 %
	Total Gross Cost	**45,379,766**	**44,464,197**	
	Less: Total Earned Revenue	**2,937,116**	**2,954,110**	
	Total Net Cost of Operations	**$ 42,442,650**	**$ 41,510,087**	2.25 %





Major Program (MP) 1: Law Enforcement
Major Program (MP) 2: Litigation and Compensation
Major Program (MP) 3: Prisons and Detention
Major Program (MP) 4: Grants
Major Program (MP) 5: Executive Oversight and Enterprise Technology

Limitations of the Financial Statements

The principal financial statements are prepared to report the financial position, financial condition, and results of operations of the DOJ, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements have been prepared from the books and records of the Department in accordance with United States generally accepted accounting principles (GAAP) and the formats prescribed by the OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

Analysis of Financial Statements

The Department's financial statements, which are provided in Section II of this document, received an unmodified audit opinion for the fiscal years ended September 30, 2022 and 2021. These statements were prepared from the accounting records of the Department in accordance with the accounting principles generally accepted in the United States and 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 2022. The complete set of financial statements, related notes, and the opinion of the Department's auditors are provided in Section II of this document.

Assets: The Department's Consolidated Balance Sheet as of September 30, 2022, reflects $50.9 billion total assets, an increase of $1.5 billion or 3.0 percent compared to the previous year's total of $49.4 billion. The primary reason for the increase was due to a 1,604 percent increase to other than intragovernmental accounts receivable of $2.1 billion relating to an update to policies and procedures in the Office of Debt Collection Management (DCM). In FY 2022, DCM began accruing for claims not yet received on behalf of others as a result of violations of laws and regulations. This was offset by a reduction in general property, plant and equipment of $0.5 billion. Much of the reduction to general property, plant and equipment can be attributed to revised policy increasing the capitalization thresholds resulting in fewer capitalized acquisitions.

Liabilities: Total liabilities were $19.3 billion as of September 30, 2022, an increase of $2.4 billion or 14.2 percent compared to the previous year's total of $16.9 billion. A significant contributing factor to the variance can be attributed to a 208 percent increase or $1.7 billion to intragovernmental custodial liabilities as a result of DCM's accrual for claims not yet received on behalf of others, primarily federal entities. Also contributing to the variance was a 151 percent increase of $0.1 billion to Radiation Exposure Compensation Act (RECA) liabilities. This is attributed to the RECA Extension Act of 2022, PL 117-139. The Act extends the RECA Trust Fund and the filing deadline for new claims for two years of the enactment date (June 7, 2022). Lastly, the September 11th Victim Compensation Fund liabilities increased 8.7 percent or $0.3 billion due to increased claims impacting the projected total claim awards.

Net Cost of Operations: The Department presents their Consolidated Statement of Net Cost by major program. The net cost of the Department's operations totaled $42.4 billion as of September 30, 2022, a $0.9 billion or 2.2 percent increase from the previous year's total of $41.5 billion. There was not a single contributing factor for the increase in net cost from FY 2021 to FY 2022. However, among the five major programs FBI and BOP combine for 45 percent of the Department's total net cost and represent $0.6 billion or 64 percent of the Department's total increase to net cost.

Total Unexpended Appropriations: As of September 30, 2022 the Department's Consolidated Statement of Changes in Net Position shows total unexpended appropriations of $19.9 billion and $17.9 billion for FY 2022 and 2021, respectively, an increase of $2.0 billion or 11.2 percent. The net change of $2.0 billion can be attributed to a $1.3 billion increase to beginning balance in addition to an increase to appropriations received and appropriations transferred in of $2.1 billion. This was offset by an increase to appropriations used of $0.9 billion, in addition to an increase in permanent and temporary rescissions of approximately $0.6 billion.

Total Cumulative Results of Operations: As of September 30, 2022 the Department's Consolidated Statement of Changes in Net Position shows total cumulative results of operations of $11.6 billion and $14.6 billion for FY 2022 and 2021 a total decrease of $3.0 billion or 21 percent. The total decrease can be attributed to a $3 billion decrease to beginning balance in addition to a $0.4 billion reduction related to permanent rescissions in Special or Trust Funds. Furthering the reduction of cumulative results of operations was increased net cost of $0.9 billion. This was offset by increases primarily to appropriations used of $0.9 billion, donations and forfeitures of $0.3 billion, a reduction of transfers out of $0.3 billion, and increases to imputed financing of $0.3 billion.

Budgetary Resources: As presented on the Department's Combined Statement of Budgetary Resources, total budgetary resources were $59.9 billion as of September 30, 2022 and $55.3 billion as of September 30, 2021 reflecting a $4.6 billion or 8.3 percent increase. This can largely be attributed to a $2.3 billion increase to appropriations and $2.7 billion increase to unobligated balance from prior year budget authority, offset by $0.3 billion reduction in spending authority from offsetting collections.

Net Outlays: The Department's FY 2022 Combined Statement of Budgetary Resources shows agency outlays, net remained consistent. As of September 30, 2022 and 2021, agency outlays, net were $40 billion and $40.1 billion representing a decrease of $0.1 billion or 0.3 percent.

Analysis of Systems, Controls, and Legal Compliance

Financial Management Systems and the Department's Strategy for Improving those Systems

The Department's financial management systems strategy for FY 2022 was to complete the implementation of a single, integrated financial management system the Department has been deploying – the Unified Financial Management System (UFMS). UFMS delivers standard, core accounting and acquisition processes, as well as the data needed for effective financial and budget management. In October 2021, the Bureau of Prisons (BOP) migrated to UFMS to complete the implementation. Throughout FY 2022, the Department and BOP continued efforts to identify solutions for unexpected complications. The UFMS implementation goals have leveraged lessons learned from previous migrations and were based on and aligned with operational risks and requirements unique to each component.

The Department's UFMS implementation has enabled components to improve financial and budget management and realize increased efficiencies. 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.

Analysis of Legal Compliance

Department of Justice management is committed to ensuring compliance with applicable laws and regulations, including data standards and appropriations, acquisitions, and employment laws and regulations. Compliance is addressed through policies and procedures, along with oversight and governance by senior leadership. In FY 2022, DOJ component internal review activities and GAO and OIG reviews and audits identified isolated instances of noncompliance, none of which was significant enough to require reporting as a material weakness in the Department-level FMFIA Assurance Statement except the material weakness described in the FMFIA Assurance Statement on the following page.

Management Assurances

Federal Managers' Financial Integrity Act of 1982

The Federal Managers' Financial Integrity Act of 1982 (FMFIA or Integrity Act), 31 U.S.C. § 3512, provides the statutory basis for management's responsibility for and assessment of internal control. 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 laws; 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 assets. The Integrity Act also requires agencies to annually assess and report on the internal control that protects the integrity of federal programs (FMFIA § 2) and whether financial management systems comply with government-wide requirements (FMFIA § 4).

FMFIA Assurance Statement

Department of Justice management is responsible for managing risks and maintaining effective internal control to meet the objectives of FMFIA § 2 and § 4. In accordance with OMB Circular A-123, the Justice Department conducted its assessment of risk and internal control. Based upon the results of the assessment and Assurance Statements provided by DOJ components, the Department can provide reasonable assurance that internal control over operations, reporting, and compliance was operating effectively as of September 30, 2022, except for the material weakness identified at the consolidated level due to improvements needed at the Bureau of Prisons related to risk assessment, financial management, and reporting controls, and at the Department related to its risk assessment process. Details of the material weakness and the Department's corrective action plan are provided in Section III of this report.

The Justice Department is committed to sound financial management principles as we pursue our priorities, including upholding the rule of law, keeping our country safe, and protecting civil rights. As we continue the important work of the Department, we are dedicated to using our funds responsibly and transparently. We will continue to work in FY 2023 to strengthen our controls in areas identified through the Department's internal review activities and by the OIG and GAO.

Merrick B. Garland
Attorney General
January 26, 2023

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 (USSGL) at the transaction level. Furthermore, the Act requires independent auditors to report on agency compliance with the three requirements in the financial statement audit report. Guidance for implementing the FFMIA is provided through OMB Circular A-123, Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996.

FFMIA Compliance Determination

During FY 2022, 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 reviews conducted pursuant to the Federal Information Security Management Act 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 in Section III of this report.

Forward-Looking Information

During the past year, the Department of Justice (DOJ) developed its new FYs 2022-2026 Strategic Plan. Through this process the Department revisited its goals and objectives. The new plan lays out five Strategic Goals: Uphold the Rule of Law; Keep Our Country Safe; Protect Civil Rights; Ensure Economic Opportunity and Fairness for All; and Administer Just Adjudicatory and Correctional Systems. To address the array of challenges and risks that stem from the wide-ranging objectives and strategies, the Department identified risk themes to highlight both the opportunities and the threats/dangers the agency faces to meet its diverse mission.

Below are the risk themes the Department identified in the new Strategic Plan:

Building Trust

- Protect Our Democratic Institutions: Our nation depends on the stability of its democratic institutions. We will continue our work to ensure that the public views the Department as objective, impartial, and insulated from political influence.
- Promote Trust Between Communities and Law Enforcement: Community trust in law enforcement is essential to making policing more effective and less dangerous for officers on the street. The Department will strengthen relationships between law enforcement officers and communities through continuous review and revisions of operating procedures.
- Ensure Economic Opportunity and Fairness For All: In its pursuit of fair markets, the Department will help ensure that all companies compete by the same rules; that tax dollars flow to their intended recipients; and that corporate crime is deterred, detected, and prosecuted.

Coordination Challenges

- Strengthen Federal, State, Local, Tribal, and International Counterterrorism Partnerships: The Justice Department will protect national security by maintaining strong partnerships with law enforcement and intelligence community partners.
- Enhance Cyber Resilience Within and Outside the Department: The Department will work with the private sector and other government agencies to share vital information they can use to strengthen their cyber defenses and resilience. The Department will help the private sector identify and address their vulnerabilities through threat intelligence sharing and targeted outreach.
- Combat Hate Crimes and Other Bias-Related Incidents: The Department will continue to combat and deter unlawful acts of hate, including by improving incident reporting, increasing law enforcement training and coordination at all levels of government, prioritizing community outreach, and making better use of civil enforcement mechanisms.

Data Collection and Analysis Limitations

- Deter Violent Crime: Through innovation and partnerships, the Department will lead the law enforcement community to embody a culture that uses data-driven and risk-informed decision-making.
- Advance Equal Access to Justice: The Department will use innovative and community-centered approaches to improved research and data collection to better understand access-to-justice gaps and better gauge whether programs are effective, equitable, and accessible.
- Implement a Comprehensive Strategy to Advance Environmental Justice: The Department will prioritize the development of effective short- and long-term strategies for reducing environmental and public health burdens in overburdened and underserved low-income communities, communities of color, and Tribal and indigenous communities. The Department will improve data collection from federal grant recipients to support our enforcement activities.

Fragmentation and Globalization of Threats

- Counter Foreign and Domestic Threats: The Department will support law enforcement at all levels as we work to protect our country from foreign and domestic terrorism, while also zealously guarding civil liberties and ensuring our own accountability to the American people.

Impact of Technology

- Improve Cybersecurity to Combat Cybercrime: The Department will bolster its interagency and international collaborations to aid attribution, defend networks, sanction bad behavior, and otherwise deter or disrupt cyber adversaries in the United States and overseas.
- Disrupt the Emergence of New Security Vulnerabilities: Ransomware attacks cause financial losses and other harms to targeted governments, critical infrastructure, and industries. The Department will enhance its efforts to combat ransomware attacks by increasing the number of ransomware seizures or forfeitures.

Workforce

- Foster a High-Performing Workforce that Represents the Public We Serve: The Department will take a strategic and innovative approach to updating its management structure, training, and collaboration; to modernizing its technology; and to promoting diversity and ensuring equal employment opportunity.
- Address Post Pandemic-Related Challenges: The Department's leadership will focus its efforts to manage challenges and risks that affect programs and operations during this period of uncertainty.

Climate-Related Risks

DOJ is committed to contributing to the Federal government's leadership role in combating the climate crisis by integrating the most current climate science and assessment of climate-related risks into the management of its procurement, real property, and financial programs. In response to Executive Order 14008, DOJ prepared a Climate Action Plan that commits the Department to continue pursuing activities to bolster DOJ's adaptive capacity, enhance climate literacy, and ensure climate-ready facilities and a climate-ready supply of products and services. When assessing climate-related risks, DOJ considers the following risks of primary concern. Links to the most recent Climate Action Plan and Sustainability Report can be found in Section III, *Climate-Related Financial Risks*.

Assessing and Mitigating Climate-Related Risks to Physical Assets

In 2022, DOJ developed and deployed the Facility Climate Hazard Assessment Tool (F-CHAT) to component-level staff to facilitate a standardized approach for evaluating the potential exposure of DOJ real property assets to a range of current and future climate hazards, including coastal and riverine flooding, extreme heat, drought, and hurricanes. F-CHAT systematically guides users through the use of numerous publicly-available climate hazard projection mapping tools and provides a framework that applies standardized criteria to characterize the likelihood of exposure to individual hazards as low, medium, or high. To accompany F-CHAT, DOJ developed and distributed to bureaus a compilation of strategies to enhance facility resilience against a range of climate hazards. DOJ also initiated the development of an internal geographic information system tool that will enable Department staff to dynamically assess the potential climate hazard exposure for their real property assets by incorporating publicly available geospatial climate hazard data sets.

Assessing Climate-Related Risks to DOJ's Supply Chain

In early FY 2022, DOJ performed a quantitative assessment of the Department's total FY 2021 spending to identify the most often procured categories of goods and services by component. Subsequently, DOJ convened one-on-one meetings with bureau stakeholders to collect additional information about supply chain vulnerability concerns and best practices and lessons learned related to supply chain management in preparation for and in response to climate hazards and acute severe weather events for future compilation into an internal DOJ summary document. DOJ also participated in a meeting with the General Services Administration (GSA) to discuss GSA's Supply Chain Risk Management Framework to better understand GSA's plans for the tool and the suitability for its use to help DOJ assess the risks that climate change poses to its acquisition of goods and services.

SECTION II
Financial Section

Section II Financial Section

Overview

The Department's financial statements have been prepared to report the financial position, results of operations, net position, budgetary resources, and custodial activity of the Department pursuant to the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994, and the format suggested in OMB Circular A-136, *Financial Reporting Requirements.* This data outlines not only the costs of programs, but also the costs of achieving individual results by major programs. The following section provides the Statements of Net Cost by Major Program for the DOJ, and it is aligned directly with the goals and objectives in the Department's Strategic Plan and Annual Performance Plan.

Following the Office of the Inspector General's Commentary and Summary, and the Independent Auditors' Report are the following financial 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, 2022 and 2021.

Consolidated Statements of Net Cost – Presents the net cost of Department operations for the fiscal years ended September 30, 2022 and 2021. The Department's net cost of operations includes the gross costs incurred by the Department 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, 2022 and 2021.

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, 2022 and 2021.

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, 2022 and 2021.

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COMMENTARY AND SUMMARY

Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2022

Objectives

Pursuant to Section 304(a) of the Chief Financial Officers Act of 1990, as expanded by Section 405(b) of the Government Management Reform Act of 1994, the Department of Justice (Department) Office of the Inspector General (OIG) contracted with an independent auditor to perform an audit of the Department's annual financial statements.

The objectives of the audit were to opine on the financial statements; report on internal control over financial reporting; and report on compliance and other matters, including compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA).

Results in Brief

KPMG LLP (KPMG) found that the Department's financial statements are fairly presented as of and for the year ended September 30, 2022, and issued an unmodified opinion. KPMG identified one material weakness in the Independent Auditors' Report and did not report any instances of non-compliance.

The OIG reviewed KPMG's report 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 FFMIA, or conclusions on compliance and other matters. KPMG is responsible for the attached Independent Auditors' Report dated January 26, 2023, and the conclusions expressed in the report. Our review disclosed no instances where KPMG did not comply, in all material respects, with Government Auditing Standards.

Recommendations

KPMG provided the Department four recommendations to improve its financial management and reporting controls and risk assessment process.

Audit Results

Under the direction of the OIG, KPMG performed the Department's audit in accordance with auditing standards generally accepted in the United States of America. The fiscal year (FY) 2022 audit resulted in an unmodified opinion on the financial statements. An unmodified opinion means that the financial statements present fairly, in all material respects, the financial position and the results of the entity's operations in accordance with U.S. generally accepted accounting principles. For FY 2021, the Department also received an unmodified opinion on its financial statements (OIG Audit Division Report Number 22-020).

KPMG identified one material weakness in the FY 2022 Independent Auditors' Report that involved BOP not maintaining effective internal controls over financial management and reporting, and the Department continuing to experience deficiencies in its risk assessment process. The financial management and reporting deficiencies identified by the auditors were isolated to the BOP and similar to the FY 2021 material weakness related to the BOP's financial statement preparation and review controls needing improvements. Specifically, the BOP continued to experience resource constraints throughout the organization that significantly impacted its ability to maintain internal controls over financial management. Additionally, the BOP's conversion to the Department's Unified Financial Management System (UFMS) in FY 2022 amplified the deficiencies.

No instances of non-compliance or other matters were identified during the audit that are required to be reported under Government Auditing Standards. Additionally, KPMG's tests disclosed no instances in which the Department's financial management systems did not substantially comply with FFMIA.

The Department's financial statements are comprised of nine reporting entities as described in Note 1.A. to the financial statements. Three of these entities (Assets Forfeiture Fund and Seized Asset Deposit Fund; Federal Bureau of Investigation; and Federal Prison Industries, Inc.) also prepare separate audited annual financial statements, which are available on the OIG's website shortly after issuance.

In FY 2022, the Department concluded its multi-year implementation—begun in 2009—to the UFMS. The BOP, a financially significant Department reporting component, was the last component within DOJ to convert from its legacy general ledger system to UFMS. The BOP's implementation of the recommendations in the Independent Auditors' Report will allow BOP to fully utilize UFMS functionality to support the Department's ongoing accounting operations and the preparation of financial statements, in order to achieve the economies of scale envisioned.

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

Independent Auditors' Report

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the U.S. Department of Justice (Department), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related consolidated statements of net cost, changes in net position, and combined statements of budgetary resources, and custodial activity for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the U.S. Department of Justice as of September 30, 2022 and 2021, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. 22-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 22-01 are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter - Interactive Data

Management has elected to reference information on websites or other forms of interactive data outside the Agency Financial Report to provide additional information for the users of its consolidated financial statements. Such information is not a required part of the consolidated financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 22-01 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 22-01, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the U.S. Department of Justice's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated 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 consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We 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.

Other Information

Management is responsible for the other information included in the Agency Financial Report. The other information comprises the Department Overview, Message from the Attorney General, Introduction, Other Information sections, and Appendices, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2022, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in Exhibit I, we identified certain deficiencies in internal control that we consider to be a material weakness.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Exhibit I to be a material weakness.

Exhibit II presents the status of the prior year's finding and recommendation.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's consolidated financial statements as of and for the year ended September 30, 2022 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 22-01.

We also performed tests of the Department's compliance with certain provisions referred to in Section 803(a) of the *Federal Financial Management Improvement Act of 1996* (FFMIA). Providing an opinion on compliance with FFMIA was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances in which the Department's financial management systems did not substantially comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

KPMG

Department’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the finding identified in our audit and described in Exhibit I. The Department’s response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of the Reporting Required by *Government Auditing Standards*

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department’s internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.
January 26, 2023

EXHIBIT I

Material Weakness

This section contains our discussion of the material weakness that we identified in internal control over financial reporting.

Improvements are Needed in Financial Management and Reporting Controls, and Risk Assessment Process

During fiscal year (FY) 2022, the U.S. Department of Justice (Department) completed its multi-year financial management strategy to consolidate multiple financial management systems into one system. Specifically, management migrated the legacy core accounting system for the Federal Bureau of Prisons (BOP), a financially significant Department reporting component, into the Department's centralized accounting system, the Unified Financial Management System (UFMS). Additionally, the BOP continued to experience resource constraints throughout the organization. Due to the ongoing challenges with workforce attrition, employees with financial management responsibility were required to perform additional correctional officer duties on-top of existing key financial responsibilities. Finally, the Department partially implemented an accounting policy change related to the capitalization thresholds for general property, plant, and equipment that was effective for FY 2022.

During our FY 2022 audit, we noted the following deficiencies:

I. The Departmental component, BOP, did not maintain effective internal controls over financial management and reporting.

- Certain internal controls over financial reporting were not executed by employees with sufficient training to ensure transactions were recorded in accordance with generally accepted accounting standards and financial management policy. As a result, certain fixed asset accounts, accounts payable accruals, and non-personnel expenses and related budgetary accounts were not recorded timely and accurately at the BOP. Approximately $260 million in converted payroll were not properly reversed causing current budgetary resources to be misstated. Additionally, numerous contracts valued at approximately $113 million were not deobligated timely causing the status of budgetary resources to be overstated at year end. A sufficient risk assessment was not performed to identify and respond to changes and related risks resulting from the continued resource challenges.
- System-generated reports lacked quality information to permit management's timely and reliable execution of internal controls over financial reporting. There was an insufficient understanding of the data both available and unavailable in standard UFMS reports and of the unique needs of the BOP. A sufficient risk assessment was not performed to identify and respond to changes and related risks resulting from the BOP's UFMS conversion to maintain effective internal controls over financial reporting.
- Accounting ledgers required a significant number of accounting adjustments to correct material errors that were the result of deficient internal controls over financial reporting. The BOP had to perform multiple revisions to each of its populations' data sets based on errors identified by the audit. This resulted in significant delays in the production of auditable financial data and the completion of the financial statements audit.

II. Although management took certain steps to implement corrective actions related to its risk assessment process as identified in the prior year and noted above, deficiencies continued.

- Management did not perform a robust risk assessment to appropriately identify and quantify the impact of changes to its accounting policies prior to full adoption. In FY 2022, the Department did not prioritize the measurement and assessment needed for the impact of having inconsistent capitalization thresholds for a component that holds over 55 percent of the Department's capitalized property. Without first performing an adequate measurement and assessment for changes in accounting policies, the Department increases the risk that material inconsistencies exist that affect the comparability of the financial statements.

As a result of the above deficiencies, there is a reasonable possibility that a material misstatement in the Department's financial statements would not be prevented or detected and corrected on a timely basis.

Criteria:

The U.S. Government Accountability Office's Standards for Internal Control in the Federal Government:

Principle 4 – Demonstrate Commitment to Competence:

> "4.05 Management recruits, develops, and retains competent personnel to achieve the entity's objectives…"

Principle 9 – Identify, Analyze, and Respond to Change:

> "9.03 Conditions affecting the entity and its environment continually change. Management can anticipate and plan for significant changes by using a forward-looking process for identifying change. Management identifies, on a timely basis, significant changes to internal and external conditions that have already occurred or are expected to occur. Changes in internal conditions include changes to the entity's programs or activities, oversight structure, organizational structure, personnel, and technology. Changes in external conditions include changes in the governmental, economic, technological, legal, regulatory, and physical environments. Identified significant changes are communicated across the entity through established reporting lines to appropriate personnel.
>
> …9.04 As part of risk assessment or a similar process, management analyzes and responds to identified changes and related risks in order to maintain an effective internal control system. Changes in conditions affecting the entity and its environment often require changes to the entity's internal control system, as existing controls may not be effective for meeting objectives or addressing risks under changed conditions. Management analyzes the effect of identified changes on the internal control system and responds by revising the internal control system on a timely basis, when necessary, to maintain its effectiveness."

Principle 12 – Implement Control Activities:

> "12.05 Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks. If there is significant change in an entity's process, management reviews this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately. Changes may occur in personnel, operational processes, or information technology."

Statement of Federal Financial Accounting Standards 6: *Accounting for Property, Plant, and Equipment*:

> "Para. 13 Because Federal entities are diverse in size and in uses of PP&E, entities must consider their own financial and operational conditions in establishing an appropriate capitalization threshold or thresholds. Once established, this threshold(s) should be consistently followed and disclosed in the financial reports."

Recommendations:

We recommend that the:

1. Department and BOP continue to recruit individuals with relevant financial management and/or accounting skills, and train existing resources on financial management standards, concepts, policies, and procedures. *(New)*

   Management Response:

   Management concurs with the recommendation. The Department has initiated actions based on implementation of the DOJ Strategic Plan Strategic Goal 1: Uphold the Rule of Law Objective 1.2: Promote Good Government by updating internal guidance, best practices, and policies related to outreach, recruitment, and hiring. The Department and BOP will continue recruitment of individuals with accounting and financial management skills. The BOP will enhance the training of those individuals in the areas of internal control, transaction processing and financial statement preparation and review.

2. BOP perform a robust analysis of changes to internal control conditions including an analysis of business and accounting operations; and prepare a sufficient response to those changes through revisions to the internal control system. *(New)*

   Management Response:

   Management concurs with the recommendation. The BOP will continue to review the internal control environments to support design and implementation of an improved internal control system.

3. BOP finalize information needed to perform processes and controls and create system-generated reports with necessary information to execute controls, including processing data into quality information to support the internal controls system and communicate quality information within the organization to enable authorized personnel to perform key roles, address risks, and support the internal control system. *(New)*

   Management Response:

   Management concurs with the recommendation. The BOP will continue to develop, enhance, and document our processes and procedures necessary to execute effective internal controls. The BOP will assess critical reports necessary to support validation of effective financial controls and ensure key personnel are properly trained to perform key roles, address risk and support the internal control system.

4. Department design and implement a control for the Department and the components to monitor and evaluate significant changes to operations or financial reporting processes that will identify and respond to financial reporting risks, such as the adoption of new accounting policies and procedures, and implementations and conversions of financially relevant systems. *(Updated)*

Management Response:

Management concurs with the recommendation. The Department and BOP will assess and implement controls to address reporting risks associated with changes to accounting standards and implementation of new systems.

EXHIBIT II

As required by *Government Auditing Standards* issued by the Comptroller General of the United States, we have evaluated whether the U.S. Department of Justice has taken the appropriate corrective action to address the finding and recommendations from the prior year's financial statements audit that could have a material effect on the financial statements or other financial data significant to the audit objectives. The following table provides the Office of the Inspector General report number where the deficiency was reported, our recommendations for improvement, and the status of the previously identified material weakness and recommendations as of the end of FY 2022.

Report	Material Weakness	Recommendations	Status
Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2021 Report No. 22-020	Improvements are Needed in Management's Risk Assessment Process, Monitoring, and Financial Statement Preparation and Review	**Recommendation No. 1:** Design and implement a control for JMD and the components to monitor and evaluate significant changes to operations or financial reporting processes within the Department that will identify, analyze, and respond to financial reporting risks, such as the adoption of new accounting standards, implementations and conversions of financially relevant systems, and utilization of new services organizations supporting the Department.	In Process (Updated by FY 2022 Recommendation No. 4)
		Recommendation No. 2: Design and implement effective internal control processes for JMD and the components to review and monitor service organization control risks to ensure that ineffective controls performed by service organizations are evaluated and appropriate compensating controls are designed and implemented.	Completed
		Recommendation No. 3: Design, implement, and execute policies and procedures for JMD and the components to identify and investigate significant variances across all certified financial statements and footnotes.	Completed

Principal Financial Statements and Related Notes

See Independent Auditors' Report

U.S. Department of Justice
Consolidated Balance Sheets
As of September 30, 2022 and 2021

Dollars in Thousands	2022	2021
ASSETS (Note 2)		
Intragovernmental		
Fund Balance with Treasury (Note 3)	$ 34,234,439	$ 33,922,718
Investments (Note 5)	3,136,559	3,598,898
Accounts Receivable (Note 6)	671,969	598,967
Advances and Prepayments	158,820	171,787
Other Assets (Note 10)	58,161	48,148
Total Intragovernmental	$ 38,259,948	$ 38,340,518
Other than Intragovernmental		
Cash and Other Monetary Assets (Note 4)	$ 1,412,310	$ 1,377,333
Accounts Receivable, Net (Note 6)	2,225,793	130,633
Inventory and Related Property, Net:		
Forfeited Property, Net (Note 8)	95,062	82,601
Other Inventory and Related Property, Net (Note 7)	120,361	118,144
General Property, Plant and Equipment, Net (Note 9)	8,265,779	8,769,704
Advances and Prepayments	502,293	570,870
Other Assets (Note 10)	598	591
Total Other than Intragovernmental	$ 12,622,196	$ 11,049,876
Total Assets	**$ 50,882,144**	**$ 49,390,394**
LIABILITIES (Note 11)		
Intragovernmental		
Accounts Payable	$ 424,125	$ 287,981
Advances from Others and Deferred Revenue	202,074	198,078
Other Liabilities:		
Custodial Liabilities (Note 21)	2,578,143	838,250
Other (Note 15)	607,469	570,564
Total Intragovernmental	$ 3,811,811	$ 1,894,873
Other than Intragovernmental		
Accounts Payable	$ 2,658,677	$ 2,644,385
Federal Employee Benefits Payable	2,673,387	2,833,459
Environmental and Disposal Liabilities (Note 12)	83,390	79,614
Advances from Others and Deferred Revenue	922,395	828,507
Other Liabilities:		
Accrued Grant Liabilities	821,239	796,630
Seized Cash and Monetary Instruments (Note 14)	2,877,233	2,849,978
Radiation Exposure Compensation Act Liabilities (Note 26)	155,437	61,918
September 11th Victim Compensation Fund Liabilities (Note 26)	3,580,103	3,294,883
United States Victims of State Sponsored Terrorism Act Liabilities (Note 26)	208,803	177,404
Other (Note 15)	1,550,672	1,404,619
Total Other than Intragovernmental	$ 15,531,336	$ 14,971,397
Total Liabilities	**$ 19,343,147**	**$ 16,866,270**
Commitments and Contingencies (Note 16)		
NET POSITION		
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	$ (1,444)	$ 2,877
Unexpended Appropriations - Funds from other than Dedicated Collections	19,924,921	17,889,713
Total Unexpended Appropriations	**$ 19,923,477**	**$ 17,892,590**
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	8,438,893	10,516,607
Cumulative Results of Operations - Funds from other than Dedicated Collections	3,176,627	4,114,927
Total Cumulative Results of Operations	**$ 11,615,520**	**$ 14,631,534**
Total Net Position	**$ 31,538,997**	**$ 32,524,124**
Total Liabilities and Net Position	**$ 50,882,144**	**$ 49,390,394**

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, 2022 and 2021

Dollars in Thousands

		Gross Costs			Less: Earned Revenues			
	FY	Intra-governmental	Other than Intra-governmental	Total	Intra-governmental	Other than Intra-governmental	Total	Net Cost of Operations (Note 18)
MP 1	**2022**	$ 5,989,078	$ 14,048,663	$ 20,037,741	$ 153,550	$ 749,119	$ 902,669	$ 19,135,072
	2021	5,440,447	14,004,755	19,445,202	48,987	673,396	722,383	18,722,819
MP 2	**2022**	1,661,383	4,871,866	6,533,249	177,141	195,421	372,562	6,160,687
	2021	1,580,595	5,006,290	6,586,885	159,910	239,550	399,460	6,187,425
MP 3	**2022**	2,132,871	9,088,736	11,221,607	288,672	384,814	673,486	10,548,121
	2021	2,020,959	9,026,813	11,047,772	273,720	374,769	648,489	10,399,283
MP 4	**2022**	224,481	5,194,349	5,418,830	14,098	—	14,098	5,404,732
	2021	248,603	5,052,282	5,300,885	20,276	3	20,279	5,280,606
MP 5	**2022**	462,898	1,705,441	2,168,339	683,565	290,736	974,301	1,194,038
	2021	396,174	1,687,279	2,083,453	636,888	526,611	1,163,499	919,954
Total	**2022**	**$ 10,470,711**	**$ 34,909,055**	**$ 45,379,766**	**$ 1,317,026**	**$ 1,620,090**	**$ 2,937,116**	**$ 42,442,650**
	2021	**$ 9,686,778**	**$ 34,777,419**	**$ 44,464,197**	**$ 1,139,781**	**$ 1,814,329**	**$ 2,954,110**	**$ 41,510,087**

Major Program (MP) 1 Law Enforcement
Major Program (MP) 2 Litigation and Compensation
Major Program (MP) 3 Prisons and Detention
Major Program (MP) 4 Grants
Major Program (MP) 5 Executive Oversight and Enterprise Technology

U.S. Department of Justice
Consolidated Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands

	2022			
	Funds from Dedicated Collections (Note 17)	**Funds from other than Dedicated Collections**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ 2,877**	**$ 17,889,713**	**$ —**	**$ 17,892,590**
Appropriations Received	1,356	38,071,523	—	38,072,879
Appropriations Transferred-In/Out	—	1,092,113	—	1,092,113
Other Adjustments	—	(771,525)	—	(771,525)
Appropriations Used	(5,677)	(36,356,903)	—	(36,362,580)
Net Change in Unexpended Appropriations	**$ (4,321)**	**$ 2,035,208**	**$ —**	**$ 2,030,887**
Total Unexpended Appropriations	**$ (1,444)**	**$ 19,924,921**	**$ —**	**$ 19,923,477**
Cumulative Results of Operations				
Beginning Balances	**$ 10,516,607**	**$ 4,114,927**	**—**	**$ 14,631,534**
Adjustments				
Changes in Accounting Principles (Note 27)	(8,500)	(402,596)	—	(411,096)
Beginning Balances, as Adjusted	**$ 10,508,107**	**$ 3,712,331**	**$ —**	**$ 14,220,438**
Other Adjustments	(127,000)	(234,839)	—	(361,839)
Appropriations Used	5,677	36,356,903	—	36,362,580
Nonexchange Revenues	866,418	621	—	867,039
Donations and Forfeitures of Cash and Cash Equivalents	1,364,899	275	—	1,365,174
Transfers-In/Out Without Reimbursement	(601,033)	522,793	—	(78,240)
Donations and Forfeitures of Property	420,818	—	—	420,818
Imputed Financing (Note 19)	39,327	1,250,715	(15,798)	1,274,244
Other	(8)	(12,036)	—	(12,044)
Net Cost of Operations	**(4,038,312)**	**(38,420,136)**	**15,798**	**(42,442,650)**
Net Change in Cumulative Results of Operations	**(2,069,214)**	**(535,704)**	**—**	**(2,604,918)**
Total Cumulative Results of Operations	**$ 8,438,893**	**$ 3,176,627**	**$ —**	**$ 11,615,520**
Net Position	**$ 8,437,449**	**$ 23,101,548**	**$ —**	**$ 31,538,997**

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

U.S. Department of Justice
Consolidated Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2021

Dollars in Thousands

	2021			
	Funds from Dedicated Collections	**Funds from other than Dedicated Collections**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ 2,877**	**$ 16,619,046**	**$ —**	**$ 16,621,923**
Appropriations Received	—	36,047,475	—	36,047,475
Appropriations Transferred-In/Out	—	966,479	—	966,479
Other Adjustments	—	(248,215)	—	(248,215)
Appropriations Used	—	(35,495,072)	—	(35,495,072)
Net Change in Unexpended Appropriations	**$ —**	**$ 1,270,667**	**$ —**	**$ 1,270,667**
Total Unexpended Appropriations	**$ 2,877**	**$ 17,889,713**	**$ —**	**$ 17,892,590**
Cumulative Results of Operations				
Beginning Balances	**$ 12,897,907**	**$ 4,791,420**	**$ —**	**$ 17,689,327**
Other Adjustments	—	(6)	—	(6)
Appropriations Used	—	35,495,072	—	35,495,072
Nonexchange Revenues	781,903	119	—	782,022
Donations and Forfeitures of Cash and Cash Equivalents	1,070,711	(2)	—	1,070,709
Transfers-In/Out Without Reimbursement	(448,279)	190,314	—	(257,965)
Donations and Forfeitures of Property	393,144	—	—	393,144
Imputed Financing (Note 19)	37,375	959,964	(16,554)	980,785
Other	4	(11,471)	—	(11,467)
Net Cost of Operations	**(4,216,158)**	**(37,310,483)**	**16,554**	**(41,510,087)**
Net Change in Cumulative Results of Operations	**(2,381,300)**	**(676,493)**	**—**	**(3,057,793)**
Total Cumulative Results of Operations	**$ 10,516,607**	**$ 4,114,927**	**$ —**	**$ 14,631,534**
Net Position	**$ 10,519,484**	**$ 22,004,640**	**$ —**	**$ 32,524,124**

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, 2022 and 2021

Dollars in Thousands	2022	2021
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory) (Note 20)	$ 11,891,437	$ 9,212,753
Appropriations (discretionary and mandatory)	43,012,364	40,757,966
Spending Authority from Offsetting Collections (discretionary and mandatory)	5,032,258	5,360,298
Total Budgetary Resources	**$ 59,936,059**	**$ 55,331,017**
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total)	$ 50,145,703	$ 44,891,099
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	7,937,039	8,618,468
Exempt from Apportionment, Unexpired Accounts	305,150	353,662
Unapportioned, Unexpired Accounts	323,169	481,672
Unexpired Unobligated Balance, End of Year	8,565,358	9,453,802
Expired Unobligated Balance, End of Year	1,224,998	986,116
Unobligated Balance - End of Year (Total)	9,790,356	10,439,918
Total Status of Budgetary Resources	**$ 59,936,059**	**$ 55,331,017**
Outlays, Net		
Outlays, Net (Total) (discretionary and mandatory)	$ 40,917,136	$ 41,187,770
Less: Distributed Offsetting Receipts	883,432	1,038,771
Agency Outlays, Net (discretionary and mandatory)	**$ 40,033,704**	**$ 40,148,999**

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

U.S. Department of Justice
Combined Statements of Custodial Activity
For the Fiscal Years Ended September 30, 2022 and 2021

Dollars in Thousands	2022	2021
Total Custodial Revenue		
Sources of Cash Collections		
Federal Debts, Fines, Penalties and Restitution	$ 4,378,795	$ 7,829,493
Fees and Licenses	121,040	108,878
Miscellaneous	4,994	660
Total Cash Collections	$ 4,504,829	$ 7,939,031
Accrual Adjustments	2,081,903	1,753
Total Custodial Revenue (Note 21)	**$ 6,586,732**	**$ 7,940,784**
Disposition of Collections		
Transferred to Federal Agencies		
Government Printing Office	(7)	—
The Judiciary	(109,186)	(89,232)
U.S. Department of Agriculture	(45,948)	(87,945)
U.S. Department of Commerce	(10,720)	(9,230)
U.S. Department of the Interior	(585,035)	(568,102)
U.S. Department of Justice	(554,680)	(203,482)
U.S. Department of Labor	(31,242)	(655)
Pension Benefit Guaranty Corporation	(106)	—
U.S. Postal Service	(13,327)	(32,115)
U.S. Department of State	(2,802)	(138)
U.S. Department of the Treasury	(563,964)	(649,229)
Office of Personnel Management	(35,568)	(15,542)
Federal Communications Commission	(420)	(3,908)
Social Security Administration	(567)	(484)
Federal Trade Commission	(162,373)	(150,506)
Smithsonian Institution	(2)	—
U.S. Department of Veterans Affairs	(25,435)	(169,423)
Equal Employment Opportunity Commission	—	(4,839)
General Services Administration	(1,435)	(14,892)
National Science Foundation	(1,755)	(334)
Federal Deposit Insurance Corporation	(128)	(4)
National Endowment For the Humanities	(14)	(1)
Railroad Retirement Board	(452)	(206)
Environmental Protection Agency	(314,173)	(1,073,923)
U.S. Department of Transportation	(4,496)	(6,310)
U.S. Department of Homeland Security	(244,157)	(151,990)
Agency for International Development	(312)	(6,951)
Small Business Administration	(8,270)	(11,361)
U.S. Department of Health and Human Services	(1,202,178)	(1,234,546)
United States Intl Development Finance Corporation	(33)	(130)
National Aeronautics and Space Administration	(4,070)	(1,732)
Export-Import Bank of the United States	(1,411)	(1,142)
U.S. Department of Housing and Urban Development	(26,952)	(117,398)
U.S. Department of Energy	(7,109)	(202,757)
U.S. Department of Education	(21,526)	(10,729)
Commodities Futures Trading Commission	(88)	(288)
Corporation of National & Community Services	(2,205)	(42)
Federal Reserve Board	(6)	(4)
Treasury General Fund	(306,674)	(2,737,626)
U.S. Department of Defense	(94,339)	(136,523)
Transferred to the Public	(277,574)	(256,130)
(Increase)/Decrease in Amounts Yet to be Transferred	(1,808,272)	231,622
Increase/(Decrease) in Refunds Payable and Other Liabilities	(6,463)	(3,809)
Retained by the Reporting Entity	(111,258)	(218,748)
Total Disposition Of Collections	**(6,586,732)**	**(7,940,784)**
Net Custodial Activity	$ —	$ —

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The DOJ (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)
- Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
- Federal Bureau of Prisons (BOP)
- Drug Enforcement Administration (DEA)
- Federal Bureau of Investigation (FBI)
- Federal Prison Industries, Inc. (FPI)
- Offices, Boards and Divisions (OBDs)
- Office of Justice Programs (OJP)
- U.S. Marshals Service (USMS)

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 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 Liabilities, as defined by OMB Circular A-136, have been disaggregated on the Consolidated Balance Sheets. These include Custodial Liabilities; Accrued Grant Liabilities; Seized Cash and Monetary Instruments; Radiation Exposure Compensation Act (RECA) Liabilities; September 11th Victim Compensation Fund Liabilities; and United States Victims of State Sponsored Terrorism Fund (USVSSTF) Liabilities. Additionally, Inventory and Related Property, Net have been disaggregated on the Consolidated Balance Sheets to identify Forfeited Property, Net, and Other Inventory and Related Property, Net.

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Consolidation

The consolidated/combined financial statements of the Department include the accounts of the AFF/ SADF, ATF, BOP, DEA, FBI, FPI, OBDs, OJP, and USMS. 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 2022 and 2021, 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 is self-sustaining. While FPI performs budgetary accounting in preparing its financial statements, FPI does not record budgetary information at the transaction level. Additionally, FPI's revenues are primarily derived from the sale of products and services to other federal departments, agencies, and government institutions that purchase products listed on FPI's Schedule of Products.

Custodial activity reported on the Combined Statements of Custodial Activity, reports revenue from cash collections separately from receivable accruals, and cash disbursements are reported separately from payable accruals. Civil and Criminal Debt Collections are recorded when the Department receives payment from debtors. An accrual adjustment is recorded on the Statements of Custodial Activity recognize custodial accounts receivable, adjust cash collections, and refund disbursements with the net increase or decrease of accrued non-entity accounts receivables, net of uncollectible amounts, and refunds payable at year-end.

Proprietary and budgetary accounting are complementary; however, both the types of information presented, and the timing of their recognition are sometimes different. Information is therefore needed about the differences between proprietary and budgetary accounting, which is accomplished in part by presenting a Reconciliation of Net Cost to Net Outlays, Note 22. This reconciliation helps explain and clarify how proprietary basis of accounting Net Cost of Operations (cash and non-cash transactions) for the fiscal year relates to budgetary basis of accounting Outlays/Disbursements, Net (cash transactions) for the fiscal year and the reconciling items between the two.

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.

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, investments of seized cash, accounts receivable, and other monetary assets.

Note 1. Summary of Significant Accounting Policies (continued)

F. Fund Balance with Treasury and Cash and Other Monetary Assets

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 Fiscal Service. 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 Fiscal Service website. Investments are reported on the Consolidated Balance Sheets 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, the USVSSTF and the Federal Prison Commissary Fund are four Funds from Dedicated Collections that invest in Treasury securities. The Treasury does not set aside assets to pay future expenditures associated with funds from dedicated collections. Instead, the cash generated from Funds from Dedicated Collections is used by the Treasury for general government purposes. When these 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 funds as evidence of fund receipts and provide the funds with the authority to draw upon the U.S. Treasury for future authorized expenditures. Treasury securities held by funds from dedicated collections 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.

The United States Victims of State Sponsored Terrorism Act, codified at 34 U.S.C. § 20144 states that the USVSSTF shall be invested in the same manner as a trust fund and authorizes the Treasury to manage the investment of the USVSSTF. The DOJ notifies the Treasury promptly of amounts deposited to the USVSSTF in order to ensure that Treasury may invest such receipts in the account. Treasury, in its administrative discretion, determines how the USVSSTF will be invested, to ensure that the securities purchased for the USVSSTF will have maturities suitable to the needs of the USVSSTF. Interest revenue on investments will be reported on an accrual basis.

Note 1. Summary of Significant Accounting Policies (continued)

H. Accounts Receivable

Net accounts receivable includes reimbursement and refund receivables due from intragovernmental entities and other than intragovernmental entities, less the allowance for doubtful accounts. Intragovernmental accounts receivable primarily represent amounts due from other federal agencies for reimbursable work performed pursuant to the Economy Act and other statutory authority. Claims with other federal agencies are resolved in accordance with the business rules published in Appendix 10 of Treasury Financial Manual, Volume I, Part 2, Chapter 4700. In this regard, most intragovernmental accounts receivable are considered fully collectible, certain custodial activities being an exception. Other than intragovernmental accounts receivable primarily represent claims or damages owed to others, related to violations of laws or regulations, which DOJ is considered the collecting or custodial entity. The allowance for doubtful accounts for other than intragovernmental receivables, including custodial activities, is estimated based on past collection experience and analysis of outstanding receivable balances at year-end.

For Custodial Accounts Receivable, DOJ applies the accounting provisions of SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, as amended,* and SFFAS No. 1*, Accounting for Selected Assets and Liabilities.* SFFAS No. 7 requires that "nonexchange revenue should be measured by the collecting entities, but should be recognized by the entities legally entitled to the revenue (the recipient entities)." Further, SFFAS No. 1, relating to accounts receivable, defines "measurement" as the "process of expressing an asset or liability in monetary units." The accrual adjustment consists of accounts receivable, the allowance for uncollectible amounts, and liability for refunds. Additional details regarding the Department's custodial non-exchange activities are provided in Note 21, Custodial Revenues.

I. Inventory and Related Property

Inventory is 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. These categories are generally defined as follows: Raw Materials consist of materials that have been acquired and are available for the production cycle, Work-in-Process is composed of materials that have moved into the production process and have some measurable amount of labor and overhead added, and Finished Goods are materials with added labor and overhead that have completed the production cycle and are awaiting sale to customers.

Raw material inventory is valued at moving average costs. Inventories are valued at the lower cost or net realizable value (LCNRV) and include materials, labor, and manufacturing overhead. Net realizable value is calculated on the basis of the contractual or anticipated selling price, less allowance for administrative expenses. The Department values its finished goods and sub-assembly items at a standard cost that is periodically adjusted to approximate actual cost. The Department has established inventory allowances to account for LCNRV adjustments and excess, obsolete, or unserviceable inventory 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.

(Dollars in Thousands, Except as Noted)

Note 1. Summary of Significant Accounting Policies (continued)

J. General Property, Plant and Equipment

Capitalization of general property, plant and equipment (GPP&E) occurs when the initial cost of acquiring or improving the asset meets the minimum threshold and the asset has an estimated useful life of two or more years. Land is always capitalized regardless of the acquisition costs. Capitalization thresholds were amended for periods after September 30, 2021 by DOJ Policy Statement 1400.06, *Capitalization of General Property, Plant and Equipment, and Internal Use Software.* For projects funded by an appropriation, the Department established standard capitalization thresholds as shown below:

Type of Property	Capitalization Threshold
Real Property	$1,000
Personal Property	$100
Aircraft	$750
Internal Use Software	$5,000

An exception to the Department's standard capitalization thresholds provides Revolving, Working Capital, and Trust Fund entities the option to establish its own capitalization thresholds for GPP&E and Internal Use Software. If this option is exercised, the thresholds must not conflict with the standard capitalization thresholds, but may be more restrictive, at the discretion of the entity. Federal Prisons Industries, Inc., a revolving fund, exercised this option and established a threshold to capitalize personal property acquisition costs exceeding $10. The Federal Bureau of Prisons was granted a policy waiver, capitalizing real property acquisition costs equal to or exceeding $100 and personal property equal to or exceeding $50.

Depreciation or amortization of GPP&E, based on historical cost, is calculated using the straight-line method over the estimated useful life of the asset. Land is never depreciated.

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 funds disbursed to finance operations that exceed the total expenditures incurred. 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. The property is recorded at the estimated market value at the time of forfeiture and is adjusted at the time of disposal, or as needed by management. The value of the property is reduced by the estimated liens of record. The amount ultimately realized from the forfeiture and disposition of these assets could differ from the amounts initially reported. The proceeds from the sale of forfeited property are deposited in the AFF.

Note 1. Summary of Significant Accounting Policies (continued)

L. Forfeited and Seized Property (continued)

Market value of seized and forfeited property is determined by the following:

Asset Type	Valuation Documentation
Cash/Currency, Monetary Instruments	Copy of Check, cash management company (e.g., Brinks) receipt, EFT, wire confirmation, in accordance with DOJ policy
Financial Instruments	Web-based valuation tools (e.g., for crypto currency, CoinMarketCap.com), financial market, account statement, other source in accordance with DOJ policy
Vehicles	National Automobile Dealers Association (NADA) or Kelley Blue Book value in accordance with DOJ policy
Real Property	Real Property Appraisal/Broker's Price Opinion (BPO)
Other Valued Assets	Professional appraisal, web-based valuation tools (e.g., Usedprice.com), other source in accordance with DOJ policy

Seized property is property that the government has taken possession of, in consequence of an alleged violation of public law. Seized property can include cash and monetary instruments, cryptocurrency or digital currency [1], real property, and tangible personal property of others in the actual or constructive possession of the custodial agency.

Most seized property is held by the USMS from the point of seizure until its disposition. In certain cases, the investigative agency will keep seized property in its custody if the intention is to place the property into official use after forfeiture or to use the property as evidence in a court proceeding. This property is valued at fair market value upon seizure, or, as soon as reasonably possible when market value could not be readily determined. Seized cash and monetary instruments are presented as assets with offsetting liabilities on the Consolidated Balance Sheets. Seized property other than cash and monetary instruments are only presented in the notes to the financial statements.

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, 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.

Accounts payable recorded under liabilities are amounts owed by DOJ for goods and services received. When DOJ accepts title to goods, whether the goods are delivered or in transit, or incurs costs for services received, DOJ recognizes a liability for the unpaid amount of the goods and services. If invoices for those goods and services are not available when the financial statements are prepared, the amounts owed are estimated. Intragovernmental accounts payable consists of amounts owed to other Federal Government agencies for goods and services received. The remaining accounts payable consist of amounts due to the public.

[1] Cryptocurrency seized for evidence is reported with personal property in Note 8, Forfeited and Seized Property, Net

Note 1. Summary of Significant Accounting Policies (continued)

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 Consolidated financial statements. The key assumptions used in the grant accrual are: grantees have consistent spending patterns 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. Commitments and Contingencies

The Department is involved in various administrative proceedings, legal actions, and claims. Legal actions where management and the Chief Counsel consider adverse decisions “probable” or “reasonably possible” and the amounts are reasonably estimable are disclosed in Commitments and Contingencies, 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”. Where adverse decisions are considered “probable,” the Department considers those liabilities current as claims are generally paid shorty after settlement.

P. Annual, Sick, and Other Leave

Annual and compensatory unfunded 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 unfunded 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.

Note 1. Summary of Significant Accounting Policies (continued)

R. Retirement Plan

With few exceptions, employees of the Department are covered by one of the following retirement programs:

1) Employees hired before January 1, 1984, are covered by the Civil Service Retirement System (CSRS). The Department contributes 7% of the gross pay for regular employees and 7.5% for law enforcement officers.

2) Employees hired January 1, 1984 or later, are covered by the Federal Employees Retirement System (FERS).

    a. Employees hired January 1, 1984 through December 31, 2012, are covered by the FERS. The Department contributes 18.4% of the gross pay for regular employees and 37.6% for law enforcement officers.
    b. Employees hired January 1, 2013 through December 31, 2013, are covered by the Federal Employees Retirement System-Revised Annuity Employees (FERS-RAE). The Department contributes 16.6% of the gross pay for regular employees and 35.8% for law enforcement officers.
    c. Employees hired January 1, 2014 or later are covered by the Federal Employees System-Further Revised Annuity Employees (FERS-FRAE). The Department contributes 16.6% of the gross pay for regular employees and 35.8% for law enforcement officers.

All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For those employees covered by the FERS, FERS-RAE and FERS-FRAE, 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 government 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. 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, 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. 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

Note 1. Summary of Significant Accounting Policies (continued)

S. Federal Employee Compensation Benefits (continued)

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 other than intragovernmental represent exchange transactions made between the reporting entity and a non-federal entity. With the exception of certain accruals, the classification of revenue or cost as "intragovernmental" or "other than intragovernmental" is defined on a transaction-by-transaction basis.

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; fees for providing fingerprint-based and name-based Criminal History Record Information checks and other identification; 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 attributable to the collections of fines, penalty assessments, and bond

Note 1. Summary of Significant Accounting Policies (continued)

U. Revenues and Other Financing Sources (continued)

forfeitures from defendants convicted of federal crimes, and AFF/SADF interest on investments with the Treasury.

The Department's deferred revenue includes licenses with DEA 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. Funds from Dedicated Collections

SFFAS No. 43, *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds*, defines 'Funds from Dedicated Collections' as being financed by specifically identified revenues, provided to the government by non-federal sources, 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 a fund from dedicated collections are:

1) A statute committing the federal government to use specifically identified revenues and/or other financing sources that are originally provided to the federal government by a non-federal source only for designated activities, benefits or purposes;

2) Explicit authority for the funds to retain revenues and/or 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 fund from the federal government's general revenues.

The following funds meet the definition of a fund from dedicated collections: Assets Forfeiture Fund, U.S. Trustee System Fund, Antitrust Division, U.S. Victims of State Sponsored Terrorism Fund, Crime Victims Fund, Domestic Trafficking 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 A-136, 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:

Note 1. Summary of Significant Accounting Policies (continued)

W. Allocation Transfer of Appropriation (continued)

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 Public Law 111-117, "Consolidated Appropriations Act, 2010" and Public Law 112-74, "Consolidated Appropriations Act, 2012". Per OMB A-11, *Preparation, Submission, and Execution of the Budget* 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 HHS. PHS provides a portion of medical treatment for federal inmates. The money is designated and expended for current year obligations of PHS staff salaries, benefits, and applicable relocation expenses.

USMS, as the child, receives allocation transfers of appropriation from the Administrative Office of the U.S. Courts (AOUSC). 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 a periodic basis.

Per OMB guidance, the USMS reports all budgetary and proprietary activity transferred from the Administrative Office of the U.S. Courts to the USMS.

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 is 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 2021 financial statements were reclassified to conform to the FY 2022 Departmental financial statement presentation requirements.

These reclassifications have no material effect on total assets, liabilities, net position, change in net position, budgetary resources, or custodial activity as previously reported.

Note 1. Summary of Significant Accounting Policies (continued)

AA. Subsequent Events

Subsequent events and transactions occurring after September 30, 2022 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.

AB. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

AC. Public-Private Partnerships

SFFAS No. 49, *Public-Private Partnerships: Disclosure Requirements* establishes principles to ensure that disclosures about public-private partnerships (P3) are presented in the reporting entity's general purpose Federal financial reports (GPFFR). The principles guide financial reporting by establishing a P3 definition and identifying risk-based characteristics that need to exist before considering the P3 arrangement or transaction for disclosure. SFFAS No. 49 exempts certain arrangements or transactions from the P3 disclosure requirements. Such exempt arrangements or transactions are subject to existing disclosure requirements in other FASAB standards applicable to such arrangements or transactions. For FYs 2022 and 2021, the Department identified P3 relationships that met the SFFAS No. 49 disclosure requirements. Additional details regarding the P3 arrangements are provided in Note 23, Public-Private Partnerships.

(Dollars in Thousands, Except as Noted)

Note 2. Non-Entity Assets

As of September 30, 2022 and 2021

	2022	2021
Intragovernmental		
Fund Balance with Treasury	$ 732,003	$ 1,033,285
Investments	1,580,000	1,580,000
Other Assets	2,614	1,540
Total Intragovernmental	$ 2,314,617	$ 2,614,825
Other than Intragovernmental		
Cash and Other Monetary Assets	$ 1,344,069	$ 1,310,267
Accounts Receivable, Net	2,092,826	9,833
Total Other than Intragovernmental	3,436,895	1,320,100
Total Non-Entity Assets	5,751,512	3,934,925
Total Entity Assets	45,130,632	45,455,469
Total Assets	$ 50,882,144	$ 49,390,394

Note 3. Fund Balance with Treasury

The Fund Balance with Treasury represent the unexpended balances on the Department's books for the entire Department's Treasury Account Symbols.

As of September 30, 2022 and 2021

	2022	2021
Status of Fund Balances With Treasury		
Unobligated Balance - Available	$ 8,242,189	$ 8,972,130
Unobligated Balance - Unavailable	1,548,167	1,467,788
Obligated Balance not yet Disbursed	23,420,035	20,905,364
Non-Budgetary Fund Balance with Treasury	2,455,950	4,509,428
Budgetary Resources from Invested Balances	(1,435,949)	(1,936,039)
Total Status of Fund Balances with Treasury	$ 34,230,392	$ 33,918,671

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 – Available includes amounts restricted for use in future fiscal years (apportioned as Category C), and available for obligation in subsequent periods. For the fiscal years ended September 30, 2022 and 2021, the amounts restricted for future use are $217,163 and $262,459, respectively.

(Dollars in Thousands, Except as Noted)

Note 3. Fund Balance with Treasury (continued)

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 adjustments for existing obligations. 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.

Non-Budgetary Fund Balance with Treasury is primarily comprised of unavailable receipt accounts and clearing accounts that do not have budget authority and non-budgetary Fund Balance with Treasury recognized on the Balance Sheet such as non-fiduciary deposit funds.

As of September 30, 2022 and 2021, the respective immaterial variances of $4,047 and $4,047 between Fund Balance with Treasury line item on the Balance Sheet and Total Status of Fund Balances on the note represent sequestered BOP balances, respectively.

Note 4. Cash and Other Monetary Assets

As of September 30, 2022 and 2021

	2022	2021
Cash		
Undeposited Collections	$ 10	$ 11
Imprest Funds	68,241	67,066
Seized Cash Deposited	1,227,755	1,192,416
Other	37,781	30,821
Total Cash	1,333,787	1,290,314
Other Monetary Assets		
Seized Monetary Instruments	78,523	87,019
Total Other Monetary Assets	78,523	87,019
Total Cash and Other Monetary Assets	$ 1,412,310	$ 1,377,333

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

Note 5. Investments

	Cost/ Acquisition Value	Amortization Method	Amortized (Premium) Discount	Interest Receivable	Investments, Net	Market Value/Fair Value
As of September 30, 2022						
Intragovernmental Securities and Investments:						
Non-Marketable: Market Based	$ 3,113,919	Straight-Line	$ 22,534	$ 106	$ 3,136,559	$ 3,105,667
As of September 30, 2021						
Intragovernmental Securities and Investments:						
Non-Marketable: Market Based	$ 3,596,467	Straight-Line	$ 2,238	$ 193	$ 3,598,898	$ 3,601,241

(Dollars in Thousands, Except as Noted)

Note 6. Accounts Receivable, Net

As of September 30, 2022 and 2021

	2022	2021
Intragovernmental		
Accounts Receivable	$ 671,969	$ 598,967
Total Intragovernmental	$ 671,969	$ 598,967
Other than Intragovernmental		
Accounts Receivable	$ 5,035,046	$ 145,327
Allowance for Uncollectible Accounts	(2,809,253)	(14,694)
Total Other than Intragovernmental	2,225,793	130,633
Total Accounts Receivable, Net	$ 2,897,762	$ 729,600

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

The accounts receivable other than intragovernmental primarily consists of custodial receivables, OBDs U.S. Trustee Chapter 11 quarterly fees, FBI Non-Federal User Fee Program, and FBI National Name Check Program.

Accounts receivable related to criminal restitution orders the Department monitors is not included in this note, as the Department is not the ultimate recipient of the collections. Additionally, in many cases, the potential collections are not specifically identifiable, and the amount cannot be reasonably estimated.

Note 7. Inventory and Related Property, Net

As of September 30, 2022 and 2021

	2022	2021
Inventory		
Raw Materials	$ 52,925	$ 53,239
Work in Process	12,176	11,705
Finished Goods	16,595	19,677
Inventory Purchased for Resale	23,952	19,911
Excess, Obsolete, and Unserviceable	984	1,956
Inventory Allowance	(4,224)	(5,840)
Operating Materials and Supplies		
Held for Current Use	17,953	17,496
Total Inventory and Related Property, Net	$ 120,361	$ 118,144

(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net

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, asset group changes, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year.

Method of Disposition of Forfeited Property:

For the fiscal years ended September 30, 2022 and 2021, $198,461 and $176,085 of forfeited property were sold, $2,346 and $211 were destroyed or donated, $1,987 and $41,814 were returned to owners, and $202,652 and $213,983 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.

As of September 30, 2022

Forfeited Property Category		Beginning Balance	Adjustments (1)	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	236	385	913	(1,261)	273	—	273
	Value	$ 10,847	$ 36,028	$ 216,884	$ (253,849)	$ 9,910	$ —	$ 9,910
Real Property	Number	156	9	171	(223)	113	—	113
	Value	$ 48,285	$ 3,385	$ 117,176	$ (118,301)	$ 50,545	$ (1,243)	$ 49,302
Personal Property	Number	3,726	(176)	3,065	(2,580)	4,035	—	4,035
	Value	$ 25,858	$ (1,187)	$ 45,196	$ (33,296)	$ 36,571	$ (721)	$ 35,850
Non-Valued Firearms	Number	50,803	(456)	23,489	(17,778)	56,058	—	56,058
Total	Number	54,921	(238)	27,638	(21,842)	60,479	—	60,479
	Value	$ 84,990	$ 38,226	$ 379,256	$ (405,446)	$ 97,026	$ (1,964)	$ 95,062

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Property status changes include appealed forfeitures and other actions that change the status of an asset between seized and forfeited classifications. Asset group changes occur primarily when cash is substituted for a different asset category. Valuation changes occur primarily due to changes in appraisals.

(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net (continued)

As of September 30, 2021

Forfeited Property Category		Beginning Balance	Adjustments (1)	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	281	264	921	(1,230)	236	—	236
	Value	$ 12,298	$ 53,693	$ 238,431	$ (293,575)	$ 10,847	$ —	$ 10,847
Real Property	Number	191	3	171	(209)	156	—	156
	Value	$ 55,887	$ (93)	$ 87,041	$ (94,550)	$ 48,285	$ (1,802)	$ 46,483
Personal Property	Number	3,467	95	2,145	(1,981)	3,726	—	3,726
	Value	$ 39,653	$ 954	$ 29,219	$ (43,968)	$ 25,858	$ (587)	$ 25,271
Non-Valued Firearms	Number	48,687	(347)	19,019	(16,556)	50,803	—	50,803
Total	Number	52,626	15	22,256	(19,976)	54,921	—	54,921
	Value	$ 107,838	$ 54,554	$ 354,691	$ (432,093)	$ 84,990	$ (2,389)	$ 82,601

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Property status changes include appealed forfeitures and other actions that change the status of an asset between seized and forfeited classifications. Asset group changes occur primarily when cash is substituted for a different asset category. Valuation changes occur primarily due to changes in appraisals.

Analysis of Change in Seized Property:

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.

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.

Adjustments include property status, asset group changes, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year.

The DEA, FBI, and ATF have custody of drugs taken as evidence for legal proceedings. In accordance with FASAB 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.

Note 8. Forfeited and Seized Property, Net (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.

Method of Disposition of Seized Property:

For the fiscal years ended September 30, 2022 and 2021, $1,122,025 and $936,825 of seized property were forfeited, $318,987 and $227,127 were returned to parties with a bona fide interest, and $14,257 and $12,950 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.

(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net (continued)

As of September 30, 2022

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash & Monetary Instruments	Number	22,256	(122)	10,431	(10,987)	21,578	—	21,578
	Value	$ 2,791,275	$ 78,336	$ 1,242,168	$ (1,286,531)	$ 2,825,248	$ (440,158)	$ 2,385,090
Financial Instruments	Number	1,065	(211)	972	(594)	1,232	—	1,232
	Value	$ 465,863	$ (48,001)	$ 150,225	$ (46,525)	$ 521,562	$ (23,192)	$ 498,370
Real Property	Number	48	(10)	49	(40)	47	—	47
	Value	$ 91,143	$ (8,919)	$ 18,220	$ (52,120)	$ 48,324	$ (30,481)	$ 17,843
Personal Property	Number	8,610	(397)	3,900	(3,785)	8,328	—	8,328
	Value	$ 169,028	$ (5,811)	$ 335,423	$ (60,581)	$ 438,059	$ (60,913)	$ 377,146
Non-Valued Firearms	Number	37,991	2,365	26,426	(26,076)	40,706	—	40,706
Total	Number	69,970	1,625	41,778	(41,482)	71,891	—	71,891
	Value	$ 3,517,309	$ 15,605	$ 1,746,036	$ (1,445,757)	$ 3,833,193	$ (554,744)	$ 3,278,449

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Property status changes include appealed forfeitures and other actions that change the status of an asset between seized and forfeited classifications. Asset group changes occur primarily when cash is substituted for a different asset category.

As of September 30, 2021

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash & Monetary Instruments	Number	15,984	895	13,189	(7,812)	22,256	—	22,256
	Value	$ 2,355,697	$ 61,080	$ 1,400,619	$ (1,026,121)	$ 2,791,275	$ (575,132)	$ 2,216,143
Financial Instruments	Number	891	(99)	799	(526)	1,065	—	1,065
	Value	$ 313,382	$ (48,785)	$ 263,521	$ (62,255)	$ 465,863	$ (16,776)	$ 449,087
Real Property	Number	52	(2)	34	(36)	48	—	48
	Value	$ 87,622	$ 3,993	$ 34,121	$ (34,593)	$ 91,143	$ (61,144)	$ 29,999
Personal Property	Number	5,922	670	4,727	(2,709)	8,610	—	8,610
	Value	$ 136,472	$ (9,253)	$ 81,450	$ (39,641)	$ 169,028	$ (47,560)	$ 121,468
Non-Valued Firearms	Number	34,054	3,556	21,511	(21,130)	37,991	—	37,991
Total	Number	56,903	5,020	40,260	(32,213)	69,970	—	69,970
	Value	$ 2,893,173	$ 7,035	$ 1,779,711	$ (1,162,610)	$ 3,517,309	$ (700,612)	$ 2,816,697

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Property status changes include appealed forfeitures and other actions that change the status of an asset between seized and forfeited classifications. Asset group changes occur primarily when cash is substituted for a different asset category.

(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net (continued)

As of September 30, 2022

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance
Seized for Evidence						
Seized Monetary Instruments	Value	$ 68,160	$ (12,443)	$ 12,607	$ (7,294)	$ 61,030
Personal Property	Number	435	3	113	(104)	447
	Value	$ 10,012	$ 12,140	$ 427,565	$ (2,218)	$ 447,499
Non-Valued						
Firearms	Number	75,631	(4,701)	20,067	(12,165)	78,832
Drug Evidence						
Cocaine	KG	119,218	(6,203)	135,525	(110,734)	137,806
Heroin	KG	8,829	74	1,303	(1,371)	8,835
Marijuana	KG	7,340	32	900	(906)	7,366
Bulk Drug Evidence	KG	128,934	1,081	85,721	(104,942)	110,794
Methamphetamine	KG	64,101	1,464	27,273	(20,194)	72,644
Other	KG	13,777	17	6,981	(2,569)	18,206
Total Drug Evidence	KG	342,199	(3,535)	257,703	(240,716)	355,651

As of September 30, 2021

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance
Seized for Evidence						
Seized Monetary Instruments	Value	$ 67,142	$ (12,473)	$ 25,757	$ (12,266)	$ 68,160
Personal Property	Number	430	(18)	98	(75)	435
	Value	$ 8,434	$ (1,088)	$ 4,692	$ (2,026)	$ 10,012
Non-Valued						
Firearms	Number	72,152	(2,366)	16,427	(10,582)	75,631
Drug Evidence						
Cocaine	KG	83,455	1,068	120,661	(85,966)	119,218
Heroin	KG	8,487	109	1,324	(1,091)	8,829
Marijuana	KG	7,480	96	793	(1,029)	7,340
Bulk Drug Evidence	KG	152,984	422	135,909	(160,381)	128,934
Methamphetamine	KG	46,152	991	28,008	(11,050)	64,101
Other	KG	13,326	60	3,414	(3,023)	13,777
Total Drug Evidence	KG	311,884	2,746	290,109	(262,540)	342,199

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Asset group changes occur primarily when cash is substituted for a different asset category.

(Dollars in Thousands, Except as Noted)

Note 9. General Property, Plant and Equipment, Net

As of September 30, 2022

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	$ 186,123	$ —	$ 186,123	N/A
Construction in Progress	596,229	—	596,229	N/A
Buildings, Improvements and Renovations	12,823,264	(7,965,133)	4,858,131	2-50 years
Other Structures and Facilities	1,418,248	(911,535)	506,713	10-50 years
Aircraft	694,266	(287,256)	407,010	5-30 years
Boats	14,333	(6,587)	7,746	5-25 years
Vehicles	400,458	(267,320)	133,138	5-10 years
Equipment	1,258,453	(865,794)	392,659	5-12 years
Assets Under Capital Lease	250	(250)	—	2-30 years
Leasehold Improvements	1,937,661	(1,306,678)	630,983	2-20 years
Internal Use Software	2,678,694	(2,273,107)	405,587	2-10 years
Internal Use Software in Development	139,171	—	139,171	N/A
Other General Property, Plant and Equipment	2,589	(300)	2,289	10-20 years
Total	$ 22,149,739	$ (13,883,960)	$ 8,265,779	

As of September 30, 2021

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	$ 185,282	$ —	$ 185,282	N/A
Construction in Progress	749,481	—	749,481	N/A
Buildings, Improvements and Renovations	12,423,655	(7,595,459)	4,828,196	2-50 years
Other Structures and Facilities	1,416,843	(878,028)	538,815	10-50 years
Aircraft	685,898	(298,008)	387,890	5-30 years
Boats	16,056	(7,316)	8,740	5-25 years
Vehicles	439,204	(292,016)	147,188	5-10 years
Equipment	1,633,259	(1,089,112)	544,147	5-12 years
Assets Under Capital Lease	378	(376)	2	2-30 years
Leasehold Improvements	2,579,989	(1,742,994)	836,995	2-20 years
Internal Use Software	2,487,021	(2,199,738)	287,283	2-10 years
Internal Use Software in Development	253,232	—	253,232	N/A
Other General Property, Plant and Equipment	2,821	(368)	2,453	10-20 years
Total	$ 22,873,119	$ (14,103,415)	$ 8,769,704	

(Dollars in Thousands, Except as Noted)

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

As of September 30, 2022 and 2021

	2022	2021
Balance beginning of year	$ 8,769,704	$ 8,855,461
Capitalized acquisition	742,589	878,074
Dispositions	(18,284)	(32,558)
Transfers in/(out) without reimbursements	37	(144)
Revaluations	9,541	(6,399)
Depreciation expense	(826,724)	(924,730)
Other	(411,084)	—
Balance at end of year	$ 8,265,779	$ 8,769,704

The Other balance of $411,084 as of September 30, 2022, is primarily attributed to the policy change for capitalization thresholds (see note 27).

Note 10. Other Assets

As of September 30, 2022 and 2021

	2022	2021
Intragovernmental		
Other Assets Intragovernmental	$ 58,161	$ 48,148
Total Intragovernmental	$ 58,161	$ 48,148
Other than Intragovernmental		
Other Assets Other than Intragovernmental	$ 598	$ 591
Total Other Assets	$ 58,759	$ 48,739

(Dollars in Thousands, Except as Noted)

Note 11. Liabilities not Covered by Budgetary Resources

As of September 30, 2022 and 2021

	2022	2021
Intragovernmental		
Accounts Payable	$ —	$ —
Other Liabilities		
Accrued FECA Liabilities	277,285	275,621
Other Unfunded Employment Related Liabilities	2,685	976
Other	17,111	3,942
Total Intragovernmental	$ 297,081	$ 280,539
Other than Intragovernmental		
Federal Employee Benefits Payable	$ 2,640,087	$ 2,796,030
Environmental and Disposal Liabilities (Note 12)	83,390	79,614
Advances from Others and Deferred Revenue	817,714	736,897
Other Liabilities		
Contingent Liabilities (Note 16)	93,070	77,317
Radiation Exposure Compensation Act Liabilities (Note 26)	155,437	61,918
September 11th Victim Compensation Fund Liabilities (Note 26)	3,580,103	3,294,883
Other	391,438	398,978
Total Other than Intragovernmental	$ 7,761,239	$ 7,445,637
Total Liabilities Not Covered by Budgetary Resources	$ 8,058,320	$ 7,726,176
Total Liabilities Covered by Budgetary Resources	5,508,700	5,200,144
Total Liabilities Not Requiring Budgetary Resources	5,776,127	3,939,950
Total Liabilities	$ 19,343,147	$ 16,866,270

Federal Employee Benefits Payable primarily includes Unfunded Leave Liability and Actuarial FECA Liability. As of September 30, 2022 and 2021, the Department total Unfunded Leave Liability was $1,052,711 and $1,124,291, and the Actuarial FECA Liability was $1,586,835 and $1,678,736, respectively.

Generally, liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. The Department expects that liabilities not covered by budgetary resources will be funded from future budgetary resources when required. These amounts are detailed above. Liabilities covered by budgetary resources are liabilities that do not require appropriations and can be liquidated by the assets of the entities holding these liabilities. Liabilities not requiring budgetary resources are liabilities that have not in the past required and will not in the future require the use of budgetary resources, such as liabilities for clearing accounts, non-fiduciary deposit funds, custodial collections, and unearned revenue.

(Dollars in Thousands, Except as Noted)

Note 12. Environmental and Disposal Liabilities

As of September 30, 2022 and 2021

	2022	2021
Firing Ranges		
Beginning Balance, Brought Forward	$ 34,952	$ 34,610
Future Funded Expenses	(960)	—
Inflation Adjustment	346	342
Total Firing Range Liability	$ 34,338	$ 34,952
Asbestos		
Beginning Balance, Brought Forward	$ 44,662	$ 42,341
New Asbestos	483	—
Abatements	(63)	—
Inflation Adjustment	3,922	2,274
Future Funding Expenses	48	47
Total Asbestos Liability	$ 49,052	$ 44,662
Total Environmental and Disposal Liabilities	$ 83,390	$ 79,614

Per SFFAS No. 5, *Accounting for Liabilities of the Federal Government*; SFFAS No. 6, *Accounting for Property, Plant, and Equipment*; 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. In FY 2022, BOP Management increased their estimated clean up liability by the current U.S. inflation rate of 9.3 percent, as determined by Treasury. As of September 30, 2022 and 2021, BOP Management determined their estimated clean-up liability to be $32,035 and $32,649 respectively.

The FBI-owned ranges in Quantico, VA and El Toro, CA that contain possible contamination issues based on the Federal Financial Accounting and Auditing Technical Release No. 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, and EPA-902-B-01-001, *Best Management Practices for Lead at Outdoor Shooting Ranges*. The FBI completed a remedial investigation/ feasibility study (RI/FS) for the Quantico ranges in March 2015 which is used to estimate the cost of cleanup for the Quantico ranges. The FBI has not conducted a RI/FS for the El Toro ranges. Technical Release No. 2 then requires the agency to recognize the anticipated cost of conducting a future study, plus any other identifiable costs, as a future environmental and disposal liability. The FBI has estimated the cost of the RI/FS for El Toro based on the cost of the Quantico study, adjusted for range size. The estimated total firing range liability is based on the estimated costs for contamination remediation. As of September 30, 2022 and 2021, the FBI reported the estimated firing range cleanup liability of $2,303 and $2,303, respectively.

Note 12. Environmental and Disposal Liabilities (continued)

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 remaining in each of the institutions as of October 30, 2009. In FY 2022, BOP Management increased clean-up liability in the amount of $3,920 by the U.S. inflation rate of 9.3 percent as determined by Treasury. As of September 30, 2022 and 2021, BOP Management recorded a clean-up liability in the amount of $46,480 and $42,140, respectively.

The FBI has identified FBI-owned facilities in Quantico, VA that contain hazardous friable and non-friable asbestos. The facilities have a useful life of 70 years. The total estimated asbestos liability of is based on an environmental survey of the facilities that may be contaminated. The current estimated asbestos cleanup liability is the total estimated asbestos liability divided by the useful life and multiplied by the number of years in service, less any current year abatements, and adjusted for inflation. The estimated asbestos cleanup liability is adjusted each quarter by recording future funded expenses for the asbestos cleanup costs. As of September 30, 2022 and 2021, the FBI reported the estimated asbestos cleanup liability of $2,572 and $2,522, respectively.

Note 13. Leases

Operating Leases

The Department acquires functional use of various buildings/facilities, equipment, and other assets via operating lease instruments. Operating leases do not transfer the benefits and risks of ownership; rather, payments for operating leases are expensed over the life of the lease. Major non-cancelable operating leases consists primarily of office space rented from GSA, most with renewal options that range from 1 to 25 years with escalation clauses based on the CPI, and lease periods with a range of 1 to 30 years. Other leases are primarily commercial leases with the general public and include automobile leases.

The FBI has numerous Field Offices expiring within FY 2023 through FY 2027, which include the Albuquerque, Anchorage, Buffalo, Charlotte, Cleveland, Columbia, Indianapolis, Jackson, Jacksonville, Kansas City, Knoxville, Louisville, Memphis, Oklahoma City, Omaha, Pittsburgh, San Antonio, and Washington field offices. Of the 18 Field Offices identified: seven are relocating, three will potentially relocate, and eight are remaining in place. The FBI is currently preparing packages for the Buffalo, Knoxville, and Pittsburgh field offices.

When field offices relocate, often from space leased for 20 years or longer, the rental rates may increase. The field offices that relocate will accommodate the FBI’s growth in workforce, space needs, and increased security requirements.

(Dollars in Thousands, Except as Noted)

Note 13. Leases (continued)

The table below shows the Department's total future lease payments by fiscal year for all federal and non-federal operating leases that have initial or remaining non-cancellable terms in excess of one year as of September 30, 2022.

As of September 30, 2022

Intragovernmental

Future Noncancelable Operating Lease Payments Due

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2023	$ 424,429	$ —	$ 424,429
2024	441,560	—	441,560
2025	435,252	—	435,252
2026	424,656	—	424,656
2027	409,415	—	409,415
After 2027	3,696,699	—	3,696,699
Total Future Noncancelable Operating Lease Payments	$ 5,832,011	$ —	$ 5,832,011

Other than Intragovernmental

Future Noncancelable Operating Lease Payments Due

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2023	$ 5,020	$ 4,306	$ 9,326
2024	4,180	68	4,248
2025	2,254	20	2,274
2026	1,708	—	1,708
2027	1,257	—	1,257
After 2027	1,318	—	1,318
Total Future Noncancelable Operating Lease Payments	$ 15,737	$ 4,394	$ 20,131

(Dollars in Thousands, Except as Noted)

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, 2022 and 2021

	2022	2021
Investments, Net	$ 1,580,000	$ 1,580,000
Seized Cash Deposited	1,227,755	1,192,416
Seized Monetary Instruments	78,523	87,019
Cash in Transit to (AFF)/SADF	(9,045)	(9,457)
Total Seized Cash and Monetary Instruments	$ 2,877,233	$ 2,849,978

Note 15. Other Liabilities

As of September 30, 2022 and 2021

	2022	2021
Intragovernmental		
Benefit Program Contributions Payable	$ 542,575	$ 508,557
Employer Contributions and Payroll Taxes Payable	55,912	50,444
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	536	536
Liability for Clearing Accounts	(398)	(647)
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	4,591	7,406
Other Liabilities	4,253	4,268
Total Intragovernmental	$ 607,469	$ 570,564
Other than Intragovernmental		
Accrued Funded Payroll and Leave	$ 774,532	$ 689,739
Other Liabilities without Related Budgetary Obligations	429,220	423,241
Other Liabilities with Related Budgetary Obligations	1,542	7,641
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	149,101	173,679
Liability for Clearing Accounts	1,078	1,643
Custodial Liabilities	99,723	31,390
Contingent Liabilities	93,070	77,317
Other Liabilities	2,406	(31)
Total Other than Intragovernmental	$ 1,550,672	$ 1,404,619
Total Other Liabilities	$ 2,158,141	$ 1,975,183

The Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity consists of non-entity assets held in a General Fund Receipt Account or other Department of the Treasury account symbol for transfer to other Federal entities.

(Dollars in Thousands, Except as Noted)

Note 15. Other Liabilities (continued)

The majority of Intragovernmental Other Liabilities are composed of employer contributions payables, payroll taxes payables, other liabilities without related budgetary obligations, 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.

Most of the Other Liabilities other than intragovernmental are composed of Accrued Funded Payroll and Leave and future funded energy savings performance contracts and utilities. In addition, Other Liabilities other than intragovernmental 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. The majority of Total Other Liabilities are current, the only exception is Other Liabilities without related Budgetary Obligations associated with future funded energy saving performance contracts.

Note 16. Commitments and Contingencies

As of September 30, 2022	Accrued Liabilities	Estimated Range of Loss Lower	Estimated Range of Loss Upper
Legal Contingencies:			
Probable	$ 93,070	$ 93,070	$ 358,107
Reasonably Possible		$ 2,137,262	$ 2,366,657

As of September 30, 2021	Accrued Liabilities	Estimated Range of Loss Lower	Estimated Range of Loss Upper
Legal Contingencies:			
Probable	$ 77,317	$ 77,317	$ 108,247
Reasonably Possible		$ 2,395,483	$ 2,532,748

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections

Funds from Dedicated Collections 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 No. 27 for the required criteria for funds from dedicated collections.

As of September 30, 2022	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Balance Sheet										
ASSETS										
Intragovernmental										
Fund Balance with Treasury	$ 1,350,658	$ 166,477	$ 236,782	$ 111,504	$ 208,146	$ 82,935	$7,042,571	$ 4,639	$ —	$ 9,203,712
Investments, Net	946,048	—	—	—	162,283	168,629	—	—	—	1,276,960
Accounts Receivable	6,010	6,500	—	—	—	—	—	—	—	12,510
Advances and Prepayments	—	—	278	—	—	—	(7,139)	—	—	(6,861)
Other Intragovernmental Assets	—	—	—	—	10	—	—	—	—	10
Total Intragovernmental Assets	$ 2,302,716	$ 172,977	$ 237,060	$ 111,504	$ 370,439	$ 251,564	$7,035,432	$ 4,639	$ —	$ 10,486,331
Other than Intragovernmental										
Accounts Receivable, net	$ 42	$ 1,295	$ 65	$ 28	$ 58,095	$ —	$ 854	$ —	$ —	$ 60,379
Inventory and Related Property, net	95,062	23,952	—	—	—	—	—	—	—	119,014
General Property, Plant, and Equip.	1,099	2,814	18,948	166	5,202	—	—	—	—	28,229
Advances and Prepayments	1,000	234	—	—	—	—	42	—	—	1,276
Other Assets	2	—	—	—	—	—	—	—	—	2
Total Other than Intragovernmental	$ 97,205	$ 28,295	$ 19,013	$ 194	$ 63,297	$ —	$ 896	$ —	$ —	$ 208,900
Total Assets	$ 2,399,921	$ 201,272	$ 256,073	$ 111,698	$ 433,736	$ 251,564	$7,036,328	$ 4,639	$ —	$ 10,695,231
LIABILITIES										
Intragovernmental										
Accounts Payable	$ 104,297	$ 2,101	$ 6,172	$ 5,469	$ 10,934	$ —	$ 34,965	$ —	$ —	$ 163,938
Other Liabilities	929	3,565	5,301	1,700	2,562	12	—	—	—	14,069
Total Intragovernmental Liabilities	$ 105,226	$ 5,666	$ 11,473	$ 7,169	$ 13,496	$ 12	$ 34,965	$ —	$ —	$ 178,007
Other than Intragovernmental										
Accounts Payable	$ 630,705	$ 14,809	$ 8,898	$ 120	$ (659)	$ 868	$ 2,413	$ —	$ —	$ 657,154
Federal Employee Benefits Payable	4,541	7,036	22,748	—	11,676	42	—	—	—	46,043
Advances and deferred revenue	95,062	589	817,714	—	—	—	—	—	—	913,365
Other Liabilities	(6,105)	3,090	10,741	5,966	7,412	208,845	233,146	118	—	463,213
Total Other than Intragovernmental	$ 724,203	$ 25,524	$ 860,101	$ 6,086	$ 18,429	$ 209,755	$ 235,559	$ 118	$ —	$ 2,079,775
Total Liabilities	$ 829,429	$ 31,190	$ 871,574	$ 13,255	$ 31,925	$ 209,767	$ 270,524	$ 118	$ —	$ 2,257,782
Net Position										
Unexpended Appropriations	$ —	$ —	$ —	$ (1,444)	$ —	$ —	$ —	$ —	$ —	$ (1,444)
Cumulative Results of Operations	1,570,492	170,082	(615,501)	99,887	401,811	41,797	6,765,804	4,521	—	8,438,893
Total Net Position	$ 1,570,492	$ 170,082	$ (615,501)	$ 98,443	$ 401,811	$ 41,797	$6,765,804	$ 4,521	$ —	$ 8,437,449
Total Liabilities and Net Position	$ 2,399,921	$ 201,272	$ 256,073	$ 111,698	$ 433,736	$ 251,564	$7,036,328	$ 4,639	$ —	$ 10,695,231

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

For the fiscal year ended September 30, 2022

	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Statement of Net Cost										
Gross Program Costs	$ 1,399,275	$ 374,692	$ 531,738	$ 192,464	$ 262,890	$ 36,085	$2,510,090	$ 770	$ —	$ 5,308,004
Less: Earned Revenues	15,732	388,596	493,711	191,420	180,233	—	—	—	—	1,269,692
Net Cost of Operations	$ 1,383,543	$ (13,904)	$ 38,027	$ 1,044	$ 82,657	$ 36,085	$2,510,090	$ 770	$ —	$ 4,038,312

	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Statement of Changes in Net Position										
Unexpended Appropriations										
Beginning Balance	$ —	$ —	$ —	$ 2,877	$ —	$ —	$ —	$ —	$ —	$ 2,877
Appropriations Received	—	—	—	1,356	—	—	—	—	—	1,356
Appropriations Used	—	—	—	(5,677)	—	—	—	—	—	(5,677)
Total Unexpended Appropriations	$ —	$ —	$ —	$ (1,444)	$ —	$ —	$ —	$ —	$ —	$ (1,444)
Cumulative Results of Operations										
Beginning Balance	$ 1,290,935	$ 149,948	$ (591,098)	$ 95,316	$ 488,869	$ 40,157	$9,038,742	$ 3,738	$ —	$ 10,516,607
Changes in accounting principles	—	—	(2,607)	(62)	(5,831)	—	—	—	—	(8,500)
Beginning Balance, as adjusted	1,290,935	149,948	(593,705)	95,254	483,038	40,157	9,038,742	3,738	—	10,508,107
Appropriations Used	—	—	—	5,677	—	—	—	—	—	5,677
Other than Intragovernmental non-exchange revenue										
Misc. Receipts: Fines and Fees	—	—	—	—	—	—	822,152	1,553	—	823,705
Intragovernmental non-exchange revenue	40,254	—	—	—	963	1,496	—	—	—	42,713
Donations and forfeitures of cash and Property	1,749,488	—	—	—	—	36,229	—	—	—	1,785,717
Transfers in/out without reimbursement	(2,450)	—	—	—	(13,583)	—	(585,000)	—	—	(601,033)
Imputed Financing	2,808	6,230	16,231	—	14,058	—	—	—	—	39,327
Other	(127,000)	—	—	—	(8)	—	—	—	—	(127,008)
Net cost of operations	(1,383,543)	13,904	(38,027)	(1,044)	(82,657)	(36,085)	(2,510,090)	(770)	—	(4,038,312)
Net Change in Cumulative Results of Operations	279,557	20,134	(21,796)	4,633	(81,227)	1,640	(2,272,938)	783	—	(2,069,214)
Total Cumulative Results of Operations	$ 1,570,492	$ 170,082	$ (615,501)	$ 99,887	$ 401,811	$ 41,797	$6,765,804	$ 4,521	$ —	$ 8,438,893
Net Position End of Period	$ 1,570,492	$ 170,082	$ (615,501)	$ 98,443	$ 401,811	$ 41,797	$6,765,804	$ 4,521	$ —	$ 8,437,449

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

As of September 30, 2021	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Balance Sheet										
ASSETS										
Intragovernmental										
Fund Balance with Treasury	$ 928,529	$ 137,199	$ 168,094	$ 111,860	$ 198,145	$ 50,256	$9,386,578	$ 3,770	$ —	$ 10,984,431
Investments, Net	1,338,959	—	—	—	235,750	167,686	—	—	—	1,742,395
Accounts Receivable	7,621	9,654	—	—	42	—	—	—	—	17,317
Advances and Prepayments	—	—	195	—	—	—	15,506	—	—	15,701
Total Intragovernmental Assets	$ 2,275,109	$ 146,853	$ 168,289	$ 111,860	$ 433,937	$ 217,942	$9,402,084	$ 3,770	$ —	$ 12,759,844
Other than Intragovernmental										
Accounts Receivable, net	$ 42	$ 729	$ 146	$ 32	$ 69,733	$ —	$ 785	$ —	$ —	$ 71,467
Inventory and Related Property, net	82,601	19,911	—	—	—	—	—	—	—	102,512
General Property, Plant, and Equip.	1,224	3,348	17,675	62	18,418	—	—	—	—	40,727
Advances and Prepayments	—	20	—	—	—	—	2,122	—	—	2,142
Other Assets	1	—	—	—	—	—	—	—	—	1
Total Other than Intragovernmental	$ 83,868	$ 24,008	$ 17,821	$ 94	$ 88,151	$ —	$ 2,907	$ —	$ —	$ 216,849
Total Assets	$ 2,358,977	$ 170,861	$ 186,110	$ 111,954	$ 522,088	$ 217,942	$9,404,991	$ 3,770	$ —	$ 12,976,693
LIABILITIES										
Intragovernmental										
Accounts Payable	$ 101,850	$ 352	$ 2,188	$ 6,998	$ 10,647	$ 129	$ 42,432	$ —	$ —	$ 164,596
Other Liabilities	804	3,181	4,740	1,278	2,355	10	—	—	—	12,368
Total Intragovernmental Liabilities	$ 102,654	$ 3,533	$ 6,928	$ 8,276	$ 13,002	$ 139	$ 42,432	$ —	$ —	$ 176,964
Other than Intragovernmental										
Accounts Payable	$ 885,161	$ 7,124	$ 13,785	$ 842	$ 816	$ 160	$ 8,421	$ —	$ —	$ 916,309
Federal Employee Benefits Payable	4,522	7,118	9,515	—	12,374	44	—	—	—	33,573
Advances and deferred revenue	82,601	589	736,897	—	—	—	—	—	—	820,087
Other Liabilities	(6,896)	2,549	10,083	4,643	7,027	177,442	315,396	32	—	510,276
Total Other than Intragovernmental	$ 965,388	$ 17,380	$ 770,280	$ 5,485	$ 20,217	$ 177,646	$ 323,817	$ 32	$ —	$ 2,280,245
Total Liabilities	$ 1,068,042	$ 20,913	$ 777,208	$ 13,761	$ 33,219	$ 177,785	$ 366,249	$ 32	$ —	$ 2,457,209
Net Position										
Unexpended Appropriations	$ —	$ —	$ —	$ 2,877	$ —	$ —	$ —	$ —	$ —	$ 2,877
Cumulative Results of Operations	1,290,935	149,948	(591,098)	95,316	488,869	40,157	9,038,742	3,738	—	10,516,607
Total Net Position	$ 1,290,935	$ 149,948	$ (591,098)	$ 98,193	$ 488,869	$ 40,157	$9,038,742	$ 3,738	$ —	$ 10,519,484
Total Liabilities and Net Position	$ 2,358,977	$ 170,861	$ 186,110	$ 111,954	$ 522,088	$ 217,942	$9,404,991	$ 3,770	$ —	$ 12,976,693

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

For the fiscal year ended September 30, 2021

	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Statement of Net Cost										
Gross Cost of Operations	$ 1,598,734	$ 346,042	$ 531,814	$ 162,988	$ 249,764	$ 34,221	$2,700,443	$ 496	$ —	$ 5,624,502
Less: Earned Revenues	5,289	411,839	446,635	236,648	307,933	—	—	—	—	1,408,344
Net Cost of Operations	$ 1,593,445	$ (65,797)	$ 85,179	$ (73,660)	$ (58,169)	$ 34,221	$2,700,443	$ 496	$ —	$ 4,216,158
Statement of Changes in Net Position										
Unexpended Appropriations										
Beginning Balance	$ —	$ —	$ —	$ 2,877	$ —	$ —	$ —	$ —	$ —	$ 2,877
Total Unexpended Appropriations	$ —	$ —	$ —	$ 2,877	$ —	$ —	$ —	$ —	$ —	$ 2,877
Cumulative Results of Operations										
Beginning Balance	$ 1,458,470	$ 77,614	$ (520,681)	$ 21,656	$ 416,794	$ 31,273	$11,409,855	$ 2,926	$ —	$ 12,897,907
Other than Intragovernmental non-exchange revenue										
Misc. Receipts: Fines and Fees	—	—	—	—	389	—	774,330	1,308	—	776,027
Intragovernmental non-exchange revenue	5,811	—	—	—	—	65	—	—	—	5,876
Donations and forfeitures of cash and Property	1,420,815	—	—	—	—	43,040	—	—	—	1,463,855
Transfers in/out without reimbursement	(3,410)	131	—	—	—	—	(445,000)	—	—	(448,279)
Imputed Financing	2,694	6,406	14,762	—	13,513	—	—	—	—	37,375
Other	—	—	—	—	4	—	—	—	—	4
Net cost of operations	(1,593,445)	65,797	(85,179)	73,660	58,169	(34,221)	(2,700,443)	(496)	—	(4,216,158)
Net Change in Cumulative Results of Operations	(167,535)	72,334	(70,417)	73,660	72,075	8,884	(2,371,113)	812	—	(2,381,300)
Cumulative Results of Operations	$ 1,290,935	$ 149,948	$ (591,098)	$ 95,316	$ 488,869	$ 40,157	$9,038,742	$ 3,738	$ —	$ 10,516,607
Net Position End of Period	$ 1,290,935	$ 149,948	$ (591,098)	$ 98,193	$ 488,869	$ 40,157	$9,038,742	$ 3,738	$ —	$ 10,519,484

Note 17. Funds from Dedicated Collections (continued)

The Comprehensive Crime Control Act of 1984 (Public Law 98-473) 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, victim payments, equitable sharing 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).

The United States Trustees (UST) supervises 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 USVSST Act provides for the establishment and administration of the USVSSTF to provide compensation to certain U.S. persons who were injured in acts of international state sponsored terrorism. The USVSSTF may compensate eligible United States persons who (1) hold a final judgment issued by a United States district court awarding the applicant compensatory damages arising from acts of international terrorism for which a foreign state sponsor of terrorism was found not immune from the jurisdiction of the courts of the United States under the Foreign Sovereign Immunities Act; (2) were taken and held hostage from the United States Embassy in Tehran, Iran, during the period beginning November 4, 1979, and ending January 20, 1981, or are spouses and children of these hostages, if identified as a member of the proposed class in case number 1:00-CV-03110 (EGS) of the United States District Court for the District of Columbia; or (3) are the personal representative of a deceased individual in either of those two categories. Prior to FY 2019, the USVSSTF had multiple funding sources and the Department had the discretion to report the USVSSTF program as either Funds from Dedicated Collections or Funds from other than Dedicated Collections. In FYs 2022 and 2021, the program has been funded solely by revenue collected from Non-federal sources.

Therefore, in accordance with SFFAS No. 43, which states, “Funds that are financed by specifically identified revenues, provided to the government by non-federal sources, which remain available over time, are considered funds from dedicated collections”, the Department reported the USVSSTF activity as Funds from Dedicated Collections.

Note 17. Funds from Dedicated Collections (continued)

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, provide training for diverse professionals who work with victims, develop projects to enhance victims' rights and services, and undertake public education and awareness activities on behalf of crime victims.

The Domestic Trafficking Victims Fund is funded through an annual transfer of funds from the HHS and collections from assessments of $5 imposed on individuals or entities convicted of sexual abuse or exploitation, human smuggling, or human trafficking. The Fund will award grants to states and localities to combat trafficking, provide protection and assistance for victims, develop and implement child abuse prevention programs, and provide services to victims of child pornography.

The Diversion Control Fee Account is established in the Treasury General Fund 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.

Note 18. Suborganization Program Costs

For the fiscal year ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Major Program 1: Law Enforcement											
Gross Cost	$ 1,399,275	$ 1,579,803	$ —	$ 3,066,877	$ 12,018,304	$ —	$ 550,991	$ —	$ 2,194,114	$ (771,623)	$ 20,037,741
Less: Earned Revenues	15,732	50,142	—	515,899	1,034,941	—	884	—	56,694	(771,623)	902,669
Net Cost of Operations	$ 1,383,543	$ 1,529,661	$ —	$ 2,550,978	$ 10,983,363	$ —	$ 550,107	$ —	$ 2,137,420	$ —	$ 19,135,072
Major Program 2: Litigation and Compensation											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,573,989	$ —	$ —	$ (40,740)	$ 6,533,249
Less: Earned Revenues	—	—	—	—	—	—	413,302	—	—	(40,740)	372,562
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,160,687	$ —	$ —	$ —	$ 6,160,687
Major Program 3: Prison and Detention											
Gross Cost	$ —	$ —	$ 8,643,621	$ —	$ —	$ 685,770	$ 11,426	$ —	$ 2,218,984	$ (338,194)	$ 11,221,607
Less: Earned Revenues	—	—	338,889	—	—	656,613	—	—	380	(322,396)	673,486
Net Cost of Operations	$ —	$ —	$ 8,304,732	$ —	$ —	$ 29,157	$ 11,426	$ —	$ 2,218,604	$ (15,798)	$ 10,548,121
Major Program 4: Grants											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 686,812	$ 4,745,812	$ —	$ (13,794)	$ 5,418,830
Less: Earned Revenues	—	—	—	—	—	—	5,429	22,463	—	(13,794)	14,098
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 681,383	$ 4,723,349	$ —	$ —	$ 5,404,732
Major Program 5: Executive Oversight and Enterprise Technology											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,196,226	$ —	$ —	$ (27,887)	$ 2,168,339
Less: Earned Revenues	—	—	—	—	—	—	1,002,188	—	—	(27,887)	974,301
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,194,038	$ —	$ —	$ —	$ 1,194,038
Net Cost of Operations	$ 1,383,543	$ 1,529,661	$ 8,304,732	$ 2,550,978	$ 10,983,363	$ 29,157	$ 8,597,641	$ 4,723,349	$ 4,356,024	$ (15,798)	$ 42,442,650

Note 18. Suborganization Program Costs (continued)

For the fiscal year ended September 30, 2021

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Major Program 1: Law Enforcement											
Gross Cost	$ 1,598,734	$ 1,544,974	$ —	$ 3,043,003	$ 11,440,423	$ —	$ 529,211	$ —	$ 2,117,541	$ (828,684)	$ 19,445,202
Less: Earned Revenues	5,289	59,943	—	477,665	949,014	—	23	—	59,133	(828,684)	722,383
Net Cost of Operations	$ 1,593,445	$ 1,485,031	$ —	$ 2,565,338	$ 10,491,409	$ —	$ 529,188	$ —	$ 2,058,408	$ —	$ 18,722,819
Major Program 2: Litigation and Compensation											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,627,858	$ —	$ —	$ (40,973)	$ 6,586,885
Less: Earned Revenues	—	—	—	—	—	—	440,433	—	—	(40,973)	399,460
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,187,425	$ —	$ —	$ —	$ 6,187,425
Major Program 3: Prison and Detention											
Gross Cost	$ —	$ —	$ 8,521,928	$ —	$ —	$ 660,765	$ 11,101	$ —	$ 2,187,721	$ (333,743)	$ 11,047,772
Less: Earned Revenues	—	—	323,039	—	—	642,475	—	—	164	(317,189)	648,489
Net Cost of Operations	$ —	$ —	$ 8,198,889	$ —	$ —	$ 18,290	$ 11,101	$ —	$ 2,187,557	$ (16,554)	$ 10,399,283
Major Program 4: Grants											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 631,051	$ 4,686,021	$ —	$ (16,187)	$ 5,300,885
Less: Earned Revenue	—	—	—	—	—	—	(609)	37,075	—	(16,187)	20,279
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 631,660	$ 4,648,946	$ —	$ —	$ 5,280,606
Major Program 5: Executive Oversight and Enterprise Technology											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,131,262	$ —	$ —	$ (47,809)	$ 2,083,453
Less: Earned Revenues	—	—	—	—	—	—	1,211,308	—	—	(47,809)	1,163,499
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 919,954	$ —	$ —	$ —	$ 919,954
Net Cost of Operations	$ 1,593,445	$ 1,485,031	$ 8,198,889	$ 2,565,338	$ 10,491,409	$ 18,290	$ 8,279,328	$ 4,648,946	$ 4,245,965	$ (16,554)	$ 41,510,087

These notes are an integral part of the financial statements.

(Dollars in Thousands, Except as Noted)

Note 19. Imputed Financing

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. 4, *Managerial Cost Accounting Standards and Concepts*, FASAB Interpretation No. 6, *Accounting for Imputed Intra-Departmental Costs: An Interpretation of SFFAS No. 4* and SFFAS No. 55, *Amending Inter-Entity Cost Provisions*, the material imputed inter-departmental financing sources currently recognized by the Department include business-type activities, 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 unreimbursed payments made from the Treasury Judgment Fund on behalf of the Department.

Business-type activities are significantly self-sustaining activities that finance their accounting cycle of operations through collections of exchange revenues. 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 the 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. The cost factors are as follows:

	Category	Cost Factor (%)
Civil Service Retirement System (CSRS)	Regular Employees	46.2%
	Regular Employees Offset	34.4%
	Law Enforcement Officers	75.2%
	Law Enforcement Officers Offset	63.9%

Federal Employees Retirement System (FERS)	Regular Employees	19.7%
	Regular Employees - Revised Annuity Employees (RAE)	20.2%
	Regular Employees - Further Revised Annuity Employees (FRAE)	20.4%
	Law Enforcement Officers	40.8%
	Law Enforcement Officers - RAE	41.4%
	Law Enforcement Officers - FRAE	41.5%

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 recorded.

(Dollars in Thousands, Except as Noted)

Note 19. Imputed Financing (continued)

For the fiscal year ended September 30, 2022 and 2021

	2022	2021
Imputed Inter-Departmental Financing		
U.S. Treasury Judgement Fund	$ 245,552	$ 41,278
Health Insurance	883,103	854,355
Life Insurance	2,438	2,383
Pension	143,151	82,769
Total Imputed Inter-Departmental	$ 1,274,244	$ 980,785

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's imputed costs relates to OPM employee benefits and 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. For the fiscal years ended September 30, 2022 and 2021, the FPI imputed costs were $15,798 and $16,554, respectively.

Note 20. Information Related to the Statement of Budgetary Resources

Net Adjustments to Unobligated Balance, Brought Forward, October 1:
Net adjustments to the Unobligated Balance, Brought Forward, October 1 primarily includes activity relating to Downward Adjustments of Prior-Year Undelivered and Delivered Orders, Transfers of Prior-Year Balances, and other changes in obligated balances. There were no material corrections of errors relating to the Net Adjustments to Unobligated Balance, Brought Forward, October 1.

As of September 30, 2022 and 2021

	2022	2021
Unobligated balance brought forward from prior year	$ 10,439,918	$ 8,096,906
Adjustments to Budgetary Resources made during current year		
Downward Adjustments of prior year undelivered orders	1,279,190	1,017,904
Downward adjustments of prior year delivered orders	154,203	116,839
Other Adjustments	18,126	(18,896)
Total Adjustments	$ 1,451,519	$ 1,115,847
Unobligated balance brought forward from prior year budget authority, net (discretionary and mandatory)	$ 11,891,437	$ 9,212,753

(Dollars in Thousands, Except as Noted)

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

Status of Undelivered Orders:

Undelivered Orders (UDO) represents 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, 2022 and 2021

	2022	2021
Intragovernmental		
UDO Obligations Unpaid	$ 1,844,738	$ 1,772,016
UDO Obligations Prepaid/Advanced	285,605	258,395
Total Intragovernmental	2,130,343	2,030,411
Other than Intragovernmental		
UDO Obligations Unpaid	17,804,554	15,692,421
UDO Obligations Prepaid/Advanced	506,999	574,539
Total Other than Intragovernmental	18,311,553	16,266,960
Total UDO	$ 20,441,896	$ 18,297,371

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", Public Law 101-426), 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 DOJ 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, the RECA Amendments of 2000 ("the 2000 Amendments", Public Law 106-245) were passed. On November 2, 2002, the President signed the "21st Century Department of Justice Appropriation Authorization Act" (Public Law 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' RECA program beginning FY 2006. The RECA Extension Act of 2022, PL 117-139, extends the RECA Trust Fund and the filing deadline for new claims for two years from its date of enactment (June 7, 2022).

Note 20. Information Related to the Statement of Budgetary Resources (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 Trust Fund is a self-sustaining trust revolving fund account that is funded through sales of goods and services, rather than annual or no-year appropriations.

- The Public Safety Officers' Benefits Act of 1976 (the "PSOB Act", 42 United States Code §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 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 (Public Law 108-182), 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.

- 28 U.S.C. § 599 reauthorizes the Independent Counsel Reauthorization Act of 2016 for a five-year period. The Act also amends the time period in which individuals who held certain positions are subject to preliminary investigations by the DOJ from 1 year to 8 years after leaving office. The preliminary investigation is conducted to determine if the appointment of an independent counsel for further investigation and possible prosecution is necessary.

- On July 29, 2019, the President signed into law the "Never Forget the Heroes: James Zadroga, Ray Pfeifer, and Luis Alvarez Permanent Authorization of the September 11th Victim Compensation Fund Act ("VCF Permanent Authorization Act", Public Law 116-34). The VCF Permanent Authorization Act extends the VCF's claim filing deadline to October 1, 2090 and appropriates such funds as may be necessary to pay all approved claims in each fiscal year from fiscal year 2019 through fiscal year 2092.

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

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 or apportioned under Category C. The use of unobligated balances is restricted based on annual legislation requirements and other enabling authorities. Funds are appropriated on an annual, multi-year, no-year, and subsequent 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.

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

The reconciliation as of September 30, 2021 is presented below. The reconciliation as of September 30, 2022 is not presented because the submission of the Budget of the United States (Budget) for FY 2024, which presents the execution of the FY 2022 Budget, occurs after publication of these financial statements. The DOJ Budget Appendix can be found on the OMB website President's Budget | The White House and will be published at a later date in 2023.

For the Fiscal Year Ended September 30, 2021
(Dollars in Millions)

	Total Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Agency Outlays, Net
Statement of Budgetary Resources (SBR)	$ 55,331	$ 44,891	$ 1,039	$ 40,149
Funds not Reported in the Budget				
Expired Funds: ATF, BOP, DEA, FBI, OBDs, OJP, & USMS	(1,174)	(224)	—	—
USMS Court Security Funds	(641)	(580)	—	(543)
Distributed Offsetting Receipts	—	—	(9)	49
Redistribution of Clearing Accounts and Misc Receipts				
Special and Trust Fund Receipts	—	—	—	988
Other	(52)	(6)	(1)	1
Budget of the United States Government	$ 53,464	$ 44,081	$ 1,029	$ 40,644

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.

Note 21. Custodial Revenues

The Department collects for Federal debts, fines, penalties and restitution; fees and licenses, and other non-exchange miscellaneous collections. Accrual adjustments may be necessary to adjust cash collections and refund disbursements. For example, collections are refunded to the applicants who withdraw from the process or are rejected by the Licensing Center. If payments are not processed before the quarter end, an accrual is established. These activities are recognized as non-exchange custodial revenue and reported on the Statement of Custodial Activity (SCA). The Department is aware of settlements and judgements where the respective Court has not formally accepted the settlement, or the judgments are pending on appeal. The Department is also aware of formally accepted court settlements that do not meet the standards for collectability based on management's determination. The sources of custodial revenue as presented on the SCA are described below.

OBDs' Office of Debt Collection Management (DCM) is the primary source of collections for the Department, and civil litigated matters (e.g., student loan defaults, financial 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 may accept wire transfers or other payments on a criminal debt, in rare cases, if a Clerk of the U.S. Court is unable to do so. In addition, other custodial collections on behalf of the General Fund of the U.S. Government occur for interest, fines, and penalties.

DEA collects fees for the Diversion Control Program and civil monetary penalties related to violations of the Controlled Substances Act that are incidental to DEA's mission.

ATF collects fees from firearms and explosives industries, as well as import, permit and license fees as an agent of the federal government and as authorized by 26 U.S.C. § 6301, Special Occupational Taxes are collected from certain firearms businesses. Miscellaneous collections include project-generated proceeds.

FBI collects restitution payments, seized abandoned cash, and project-generated proceeds. These collections were incidental to the FBI's mission.

BOP collects fines and penalties, confiscated funds, found money on institution grounds, and inmate's funds whose whereabouts are unknown. These collections were incidental to the BOP's mission.

USMS custodial revenue comprises miscellaneous collections that have to be transferred to Treasury by regulation at fiscal year-end. The items that generally make up these miscellaneous collections are jury duty fees, insurance settlements, restitution payments and in some instances, collections linked to cancelled year appropriations.

(Dollars in Thousands, Except as Noted)

Note 21. Custodial Revenues (continued)

For the above-related activities, funds for which the Department has no authority to use are transmitted to the Treasury General Fund at the end of the fiscal year. As of September 30, 2022 and 2021, the Department reported total custodial revenue on the SCA in the amounts of $6,586,732 and $7,940,784, respectively. The custodial revenue represented $4,504,829 and $7,939,031 in custodial collections and $2,081,903 and $1,753 in accrual adjustments. The custodial collections that have yet to be disbursed are included in the assets and liabilities sections on the balance sheet. As of September 30, 2022 and 2021, the assets and liabilities related to custodial activities were $2,677,864 and $869,640, respectively. As of September 30, 2022 and 2021, the total funds returned to the Treasury General Fund were $(306,674) and $(2,737,626), respectively.

The table below shows collection activity by revenue type.

For the fiscal year ended September 30, 2022 and 2021

Custodial Non-Exchange Revenues	2022 Collections	2021 Collections
Excise Taxes	$ 106,040	$ 93,878
Fines, Penalties, Interest and Other Revenue	4,398,789	7,845,153
Less: Amount Collected for Non-Federal Agencies	277,574	256,130
Total Amount of Federal Revenue Collected	$ 4,227,255	$ 7,682,901
Refunds/Payments		
Excise Taxes	$ 6,463	$ 3,809
Total Amount of Refunds	$ 6,463	$ 3,809

Note 22. Reconciliation of Net Cost to Net Outlays

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurring of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting.

The reconciliation explains the relationship between the net cost of operations and net outlays by presenting (1) components of net cost that are not part of net outlays (e.g. depreciation and amortization expenses of assets previously capitalized, change in assets/liabilities); and (2) components of net outlays that are not part of net cost (e.g. acquisition of capital assets); and (3) other temporary timing difference (e.g. prior period adjustments due to correction of error). The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

Other components of net operating cost not part of the budgetary outlays includes primarily cost capitalization offset, advances and prepayments, contingent liabilities, and other liabilities with/without related budgetary obligations.

(Dollars in Thousands, Except as Noted)

Note 22. Reconciliation of Net Cost to Net Outlays (continued)

For the fiscal year ended September 30, 2022

	Intra-governmental	Other than Intra-governmental	Total
NET COST	$ 9,153,685	$ 33,288,965	$ 42,442,650
Components of Net Cost That Are Not Part of the Budgetary Outlays:			
Property, plant, and equipment depreciation	$ —	$ (826,724)	$ (826,724)
Property, plant, and equipment disposal and revaluation	—	(33,396)	(33,396)
Costs of goods sold	—	(213,615)	(213,615)
Inventory disposals and revaluation	—	—	—
Applied overhead /costs capitalization offset	—	15,316	15,316
Other	—	(32,294)	(32,294)
Increase/(decrease) in assets			
Accounts Receivable, net	66,112	5,268	71,380
Securities and investments	93	—	93
Other Assets	12,744	(86,610)	(73,866)
(Increase)/decrease in liabilities			
Accounts Payable	(130,781)	(11,167)	(141,948)
Environmental and disposal liabilities	—	(3,776)	(3,776)
Federal employees and benefits payable	—	144,591	144,591
Other Liabilities	(26,680)	(607,073)	(633,753)
Financing Sources			
Imputed Costs	(1,274,244)	—	(1,274,244)
Total Components of Net Costs That Are Not Part of the Budgetary Outlays:	$ (1,352,756)	$ (1,649,480)	$ (3,002,236)
Component of Budgetary Outlays That Are Not Part of Net Operating Costs:			
Acquisition of capital assets	$ 35,617	$ 638,223	$ 673,840
Acquisition of inventory	22	216,008	216,030
Acquisition of other assets	8	89,761	89,769
Financing Sources			
Donated Revenue	—	(275)	(275)
Transfers out (in) without reimbursements	(284,864)	—	(284,864)
Total Component of Budget Outlays That Are Not Part of Net Operating Costs	$ (249,217)	$ 943,717	$ 694,500
Misc Items			
Distributed Offsetting Receipts	$ (95,541)	$ 557,727	$ 462,186
Custodial/Non-exchange revenue	—	11,845	11,845
Non-Entity Activity	(1)	—	(1)
Other temporary timing differences	(196)	(575,044)	(575,240)
Total Other Reconciling items	$ (95,738)	$ (5,472)	$ (101,210)
Total Net Outlays	$ 7,455,974	$ 32,577,730	$ 40,033,704
Budgetary Agency Outlays, net (SBR 4210)			
Budgetary Agency Outlays, Net			$ 40,033,704

(Dollars in Thousands, Except as Noted)

Note 22. Reconciliation of Net Cost to Net Outlays (continued)

For the fiscal year ended September 30, 2021

	Intra-governmental	Other than Intra-governmental	Total
NET COST	$ 8,546,998	$ 32,963,089	$ 41,510,087
Components of Net Cost That Are Not Part of the Budgetary Outlays:			
Property, Plant, and equipment depreciation	$ —	$ (924,730)	$ (924,730)
Property, plant, and equipment disposal and revaluation	—	(44,741)	(44,741)
Cost of goods sold	—	(200,904)	(200,904)
Inventory disposals and revaluations	—	(3,640)	(3,640)
Applied overhead/costs capitalization offset	—	132,974	132,974
Other	—	(162,689)	(162,689)
Increase/(decrease) in assets			
Accounts Receivable, net	(152,162)	(56,807)	(208,969)
Securities and investments	(1,117)	—	(1,117)
Other Assets	48,237	(114,768)	(66,531)
(Increase)/decrease in liabilities			
Accounts Payable	107,540	980,354	1,087,894
Environmental and disposal liabilities	—	(2,663)	(2,663)
Federal employees and benefits payable	—	(32,280)	(32,280)
Other Liabilities	32,766	(591,471)	(558,705)
Financing sources			
Imputed Costs	(980,785)	—	(980,785)
Total Components of Net Costs That Are Not Part of the Budgetary Outlays:	$ (945,521)	$ (1,021,365)	$ (1,966,886)
Component of Budgetary Outlays That Are Not Part of Net Operating Cost:			
Acquisition of capital assets	$ 136,167	$ 658,783	$ 794,950
Acquisition of inventory	—	91,651	91,651
Acquisition of other assets	—	85,518	85,518
Financing sources			
Donated revenue	—	(5)	(5)
Transfers out (in) without reimbursements	(235,457)	—	(235,457)
Total Component of Budgetary Outlays That Are Not Part of Net Operating Cost	$ (99,290)	$ 835,947	$ 736,657
Misc Items			
Distributed offsetting receipts	$ (110,040)	$ 538,507	$ 428,467
Custodial/Non-exchange revenue	(30)	1,097	1,067
Other temporary timing differences	(1,140)	(559,253)	(560,393)
Total Other Reconciling items	$ (111,210)	$ (19,649)	$ (130,859)
Total Net Outlays	$ 7,390,977	$ 32,758,022	$ 40,148,999
Budgetary Agency Outlays, net (SBR 4210)			
Budgetary Agency Outlays, Net			$ 40,148,999

(Dollars in Thousands, Except as Noted)

Note 23. Public-Private Partnerships

In accordance with SFFAS No. 49, *Public-Private Partnerships: Disclosure Requirements*, the BOP maintains public-private partnerships with energy service companies through energy savings performance contracts (ESPC). An ESPC allows federal agencies to procure energy savings and facility improvements with no up-front capital costs or special appropriations from Congress. An ESPC is a partnership between an agency and an energy service company (ESCO), with authority provided by 42 U.S.C. § 8287(b)(1)(A); 10 C.F.R. § 436.30(a).

The average length of an ESPC is 17 years but may not exceed 25 years. Term length depends on the scope of work performed by the ESCO and the nature of energy upgrades required by the institution. Annual payments made to the ESCO are tied to the energy savings guaranteed for the project and validated by the ESCO through the annual measurement and verification activity plan. Unless otherwise stipulated in the payment schedules or amended by a procurement action, payments are applied to principal, interest expense, and operational expense. By contrast, Note 15, “Other Liabilities” includes only liabilities related to principal payments.

As with all property acquisitions, the BOP assumes the inherent risk of maintaining the asset through its expected useful life. There may be additional risks of costs associated with asset ownership or control should those assets require maintenance beyond traditional wear and tear and outside the contractual scope of work. Likewise, private partners may assume added risk given the length of the contracts and may incur substantial financing liabilities in the delivery of performance measures. In addition, the BOP may elect to terminate individual contracts with a lump sum payment predetermined within the contract and as approved by the ESCO.

The schedule of actual and estimated payments is presented in the following table.

As of September 30, 2022 and 2021

	FY 2022	
	Actual Amount Paid	Estimated Amount to be paid
ESPCs	$ 21,720	$ 657,745
Estimated Total	$ 21,720	$ 657,745

	FY 2021	
	Actual Amount Paid	Estimated Amount to be paid
ESPCs	$ 38,062	$ 682,735
Estimated Total	$ 38,062	$ 682,735

(Dollars in Thousands, Except as Noted)

Note 24. COVID-19 Activity

In FY 2021, the Department received $604 million in funding from the Consolidated Appropriations Act, 2021 and the Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020, to prevent, prepare for, or respond to COVID-19. Specifically, in FY 2021, the BOP received $300 million for personal protective equipment (PPE), cleaning supplies, paper products, outside medical expenses, box meals, Residential Reentry Center expenses (Home Confinement for at-risk inmates), cost of providing free phone calls to inmates during COVID-19 pandemic, overtime expenses for sites on modified operation, funeral arrangements (due to COVID) and hiring of additional Epidemiologist. The USMS' Federal Prisoner Detention received $125 million to prevent, prepare for, and respond to coronavirus, domestically or internationally, including for necessary expenses related to United States prisoners in the custody of the USMS. The FBI received $179 million to use in support of the necessary improvements to the National Instant Criminal Background Check System.

Summarized financial information about the Department's COVID-19 budgetary resources, obligations incurred, and the remaining fund balance is presented below:

As of September 30, 2022 and 2021

	2022	2021
Budgetary Activities		
Unobligated Balance Carried Forward	$ 140,099	$ 6,547
Adjustments to Budgetary Resources made during the year		
Downward Adjustments of prior year undelivered orders	16,199	1,087
Downward Adjustments of prior year delivered orders	4	38
Other Adjustments	4,409	(1,080)
Unobligated balance from Prior Year budget authority, net	$ 160,711	$ 6,592
Supplemental/Annual Appropriated Funds Received	—	604,000
Other COVID-19 Budgetary Resources	(8,652)	3,148
Total Budgetary Resources	(8,652)	607,148
Less: Obligations Incurred	142,869	473,641
Unobligated Balance - End of Year	$ 9,190	$ 140,099

Note 25. Reclassification of the Statement of Net Cost for FR Compilation Process

To prepare the Financial Report of the U.S. Government (FR), the Department of the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by USSGL account that appear in the financial statements. Treasury uses the trial balance information reported in the Government-Wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Statement of Net Cost for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR statements. This note shows the DOJ financial statements and the DOJ reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items.

(Dollars in Thousands, Except as Noted)

Note 25. Reclassification of the Statement of Net Cost for FR Compilation Process (continued)

As of September 30, 2022

FY 2022 Department of Justice Statement of Net Cost		**Line Items Used to Prepare FY 2022 Government-Wide Statement of Net Cost**			
Financial Statement Line	**Amounts**	**Dedicated Collections Consolidated**	**Other than Dedicated Collections (with Eliminations)**	**Total**	**Reclassified Financial Statement Line**
Gross Costs					***Non-Federal Costs***
	$ 34,909,055	$ 4,491,841	$ 30,417,214	$ 34,909,055	Non-federal Gross Costs
	$ 34,909,055	**$ 4,491,841**	**$ 30,417,214**	**$ 34,909,055**	***Total Non-federal Costs***
	10,470,711				***Intragovernmental Costs***
		172,682	4,435,287	4,607,969	Benefit Program Costs
		39,328	1,234,917	1,274,245	Imputed Costs
		586,217	3,081,900	3,668,117	Buy/Sell Costs
		22	35,624	35,646	Purchase of Assets
		17,936	902,444	920,380	Other Expenses (w/o Reciprocals)
		(22)	(35,624)	(35,646)	Purchase of Assets Offset
	$ 10,470,711	**$ 816,163**	**$ 9,654,548**	**$ 10,470,711**	***Total Intragovernmental Costs***
Total Gross Costs	45,379,766	5,308,004	40,071,762	45,379,766	*Total Reclassified Gross Costs*
Earned Revenue	1,620,090	1,177,760	442,330	1,620,090	Non-federal Earned Revenue
	1,317,026				***Intragovernmental Revenue***
		91,932	1,222,111	1,314,043	Buy/Sell
		—	2,983	2,983	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
	$ 1,317,026	**$ 91,932**	**$ 1,225,094**	**$ 1,317,026**	***Total Intragovernmental Earned Revenue***
Total Earned Revenue	**$ 2,937,116**	**$ 1,269,692**	**$ 1,667,424**	**$ 2,937,116**	***Total Reclassified Earned Revenue***
Net Cost	**$ 42,442,650**	**$ 4,038,312**	**$ 38,404,338**	**$ 42,442,650**	**Net Cost**
Exchange Statement of Custodial Activity					
Exchange Custodial Collections from SCA	15,000	—	15,000	15,000	Non-Federal Earned Revenue
Total Exchange Custodial Collections	15,000	—	15,000	15,000	*Total Reclassified Exchange Custodial Collections*
					Intragovernmental Earned Revenue
Disposition of Exchange Custodial Collections from SCA	(15,000)	—	(15,000)	(15,000)	Custodial Collections for Others Transferred to the General Fund
					Total Intragovernmental Earned Revenue
Total Disposition of Exchange Custodial Collections	(15,000)	—	(15,000)	(15,000)	*Total Reclassified Disposition of Custodial Collections*

(Dollars in Thousands, Except as Noted)

Note 25. Reclassification of the Statement of Net Cost for FR Compilation Process (continued)

As of September 30, 2021

FY 2021 Department of Justice Statement of Net Cost		**Line Items Used to Prepare FY 2021 Government-Wide Statement of Net Cost**			
Financial Statement Line	**Amounts**	**Dedicated Collections Consolidated**	**Other than Dedicated Collections (with Eliminations)**	**Total**	**Reclassified Financial Statement Line**
Gross Costs					***Non-Federal Costs***
	$ 34,777,418	$ 4,780,123	$ 29,997,295	$ 34,777,418	Non-federal Gross Costs
	$ 34,777,418	**$ 4,780,123**	**$ 29,997,295**	**$ 34,777,418**	***Total Non-federal Costs***
	9,686,779				***Intragovernmental Costs***
		168,895	4,418,438	4,587,333	Benefit Program Costs
		37,376	943,409	980,785	Imputed Costs
		624,099	2,822,283	3,446,382	Buy/Sell Costs
		—	136,167	136,167	Purchase of Assets
		—	7	7	Borrowing and Other Interest Expense
		14,010	658,262	672,272	Other Expenses (w/o Reciprocals)
		—	(136,167)	(136,167)	Purchase of Assets Offset
	$ 9,686,779	**$ 844,380**	**$ 8,842,399**	**$ 9,686,779**	***Total Intragovernmental Costs***
Total Gross Costs	44,464,197	5,624,503	38,839,694	44,464,197	*Total Reclassified Gross Costs*
Earned Revenue	1,814,329	1,296,393	517,936	1,814,329	Non-federal Earned Revenue
	1,139,781				***Intragovernmental Revenue***
		111,920	1,025,815	1,137,735	Buy/Sell
		30	2,016	2,046	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
	$ 1,139,781	**$ 111,950**	**$ 1,027,831**	**$ 1,139,781**	***Total Intragovernmental Earned Revenue***
Total Earned Revenue	**$ 2,954,110**	**$ 1,408,343**	**$ 1,545,767**	**$ 2,954,110**	***Total Reclassified Earned Revenue***
Net Cost	**$ 41,510,087**	**$ 4,216,160**	**$ 37,293,927**	**$ 41,510,087**	**Net Cost**
Exchange Statement of Custodial Activity					
Exchange Custodial Collections from SCA	15,002	—	15,002	15,002	Non-Federal Earned Revenue
Total Exchange Custodial Collections	15,002	—	15,002	15,002	*Total Reclassified Exchange Custodial Collections*
					Intragovernmental Earned Revenue
Disposition of Exchange Custodial Collections from SCA	(15,002)	—	(15,002)	(15,002)	Custodial Collections for Others Transferred to the General Fund
					Total Intragovernmental Earned Revenue
Total Disposition of Exchange Custodial Collections	(15,002)	—	(15,002)	(15,002)	*Total Reclassified Disposition of Custodial Collections*

Note 26. Compensation Funds

The Department's compensation funds are classified as Other Liabilities, however OMB Circular A-136 allows agencies to disaggregate a required line title into two or more entity-specific line titles. DOJ elected to present the below compensation funds as separate line items on the balance sheet. In doing so, compensation funds are not presented in Note 15 - Other Liabilities. To comply with SFFAS No. 1, *Accounting for Selected Assets and Liabilities,* DOJ considers compensation fund liabilities as current liabilities.

Radiation Exposure Compensation Act

On October 15, 1990, Congress passed the Radiation Exposure Compensation Act ("RECA" or "the Act", Public Law 101-426), 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 RECA Amendments of 2000 (Public Law 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 rule-makings in the Federal Register to implement the legislation.

Subsequent action by Congress required modification to those rule-makings. 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 onsite 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 for 2005, contains language that made funding for the RECA Trust Fund mandatory and indefinite beginning in FY 2006.

The OBDs recognized liabilities of $155,437 and $61,918 for estimated future benefits payable by the Department as of September 30, 2022 and 2021 respectively. The estimated liability is based on activity between FYs 2007-2011 and FYs 2015-2022. Key factors in determining future liability include trends in the number of claims filed, trends in the percentage of claims adjudicated, and trends in the percentage of claims approved.

Note 26. Compensation Funds (continued)

The RECA Extension Act of 2022, PL 117-139, extends the RECA Trust Fund and the filing deadline for new claims for two years from its date of enactment (June 7, 2022). Because the deadline for new claims falls on a Saturday, the Civil Division is working to revise its notice of procedures for filing at the deadline so that new claims bearing a postmark of Monday, June 10, 2024, are deemed timely filed. Currently, there is pending legislation in Congress - H.R. 5338: *Radiation Exposure Compensation Act Amendments of 2021*, to expand and extend the program for another 19 years to 2040.

September 11th Victim Compensation Fund

On December 18, 2015, the James Zadroga 9/11 Health and Compensation Act of 2010 was reauthorized (Reauthorized Zadroga Act, Public Law 114-113), extending the September 11th Victim Compensation Fund (VCF) for 5 years. The Reauthorized Zadroga Act made changes to the method in which the fund calculates awards for claimants receiving award determination letters dated on or after December 17, 2015. This included limiting the amount of non-economic loss that could be awarded, eliminating claims for future out-of-pocket medical expenses, and capping the gross annual income level that can be used when calculating future economic loss.

On July 29, 2019, the President signed into law The Never Forget the Heroes: James Zadroga, Ray Pfeifer, and Luis Alvarez Permanent Authorization of the September 11th Victim Compensation Fund. The VCF Permanent Authorization Act extends the VCF's claim filing deadline from December 18, 2020, to October 1, 2090, and appropriates such funds as may be necessary to pay all approved claims.

The VCF meets the criteria of a government-acknowledged event as defined by FASAB SFFAS No.5, *Accounting for Liabilities of the Federal Government*. The OBDs recognized liabilities of $3.580 billion and $3.295 billion for estimated future benefits payable by the Department as of September 30, 2022 and 2021 respectively. In accordance with SFFAS No. 5, the September 30, 2022 liability for non-exchange transactions is based on unreported amounts due or estimated amount of claimants that will meet the eligibility criteria submitted by September 30, 2022. The VCF records an obligation and disburses the claim, only when both the claimant and the special master have final agreement of the claim settlement amount.

The Department recognizes there are uncertainties that will influence future claims submitted beyond those submitted by September 30, 2022 including:

- Determining the ultimate number of individuals impacted by the events of September 11, 2001, and the number that will seek treatment and file a claim seeking compensation for injury or death.
- Determining the number of individuals who will die as a result of a September 11th related illness.
- Determining the future cancer incidence rates in the affected population.
- Future conditions approved by The World Trade Center (WTC) Health program: the WTC Health Program conducts ongoing research into conditions that may be presumptively tied to an individual's exposure. Should new conditions be added to the WTC Health Program's list of conditions, these same conditions will be added to the VCF's list of conditions eligible for compensation. The WTC Health Program is currently conducting research in several areas, including autoimmune disorders and cardiac disease. The addition of one or more new conditions could open the VCF to claims from an

(Dollars in Thousands, Except as Noted)

Note 26. Compensation Funds (continued)

- entirely new population of individuals or amendments from current claimants suffering from a new condition or a loss tied to a new condition.

- Ability to amend a claim at any point until October 1, 2090: the VCF allows a claimant to amend a claim at any time if the individual is certified for a new condition, suffers a new loss (such as a new disability), or dies of an eligible condition after previously being compensated on a personal injury claim.

United States Victims of State Sponsored Terrorism Fund

The USVSST Act established the USVSSTF to provide compensation to individuals harmed as a result of an international act of terrorism by a state sponsor of terrorism. The USVSSTF awards compensation to victims who have final judgments issued under the Foreign Sovereign Immunities Act by U.S. district courts against a state sponsor of terrorism, as well as to hostages held at the U.S. Embassy in Tehran, Iran from November 4, 1979 through January 20, 1981, and their spouses and children.

The Act mandates that certain forfeiture proceeds, penalties, and fines be deposited into the USVSSTF if forfeited or paid to the United States after the date of the Act's enactment, December 18, 2015. The forfeiture proceeds, penalties, and fines qualify for deposit in the USVSSTF if they result from criminal and civil cases and administrative actions involving prohibited transactions with state sponsors of terrorism or related conspiracies or federal offenses.

As of September 30, 2022 and 2021, the USVSSTF recognized liabilities for future claims amounted to $208.8 million and $177.4 million, respectively.

Note 27. Changes in Accounting Principles

DOJ Policy Statement 1400.06 establishes Department policy to account for General Property, Plant and Equipment, and Internal Use Software. DOJ amended the policy statement for accounting periods after September 30, 2021, and required components to apply revised increases to capitalization thresholds for General PP&E. The application of this policy increases efficiency and cost effectiveness of DOJ's property management efforts while maintaining a system of internal controls.

For financial statement purposes, the Department recognized adjustments relating to the change in capitalization thresholds as changes to the General PP&E's Net Book Value primarily for real property; including leasehold improvements; and personal property. The Department reported the offsetting change as "Changes in Accounting Principles" in the Statement of Changes in Net Position. As of September 30, 2022, the Department has determined the adjustment reduced the beginning balance for Cumulative Results of Operations in the amount of $411,096. With the exception of BOP, all DOJ components affected by the policy revision have implemented the capitalization threshold change and performed adjusting entries. BOP has received a policy waiver until FY 2024 due to upgrade implementations to their financial and property systems.

Property Type	ATF	DEA	FBI	OBDs	OJP	USMS	Total
Real Property	$ (14,815)	$ (44,379)	$ (84,538)	$ —	$ —	$ (117,320)	$ (261,052)
Personal Property	(7,764)	—	(113,657)	(21,027)	(162)	(7,434)	(150,044)
Total	$ (22,579)	$ (44,379)	$ (198,195)	$ (21,027)	$ (162)	$ (124,754)	$ (411,096)

Required Supplementary Information
(Unaudited)

See Independent Auditors' Report

U.S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Budgetary Resources										
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	$ 1,157,312	$ 214,415	$ 1,821,357	$ 404,946	$ 2,747,365	$ 226,189	$ 2,719,265	$ 2,340,472	$ 260,116	$ 11,891,437
Appropriations (discretionary and mandatory)	1,587,082	1,531,367	8,044,000	3,017,645	11,005,926	—	8,426,634	4,998,548	4,401,162	43,012,364
Spending Authority from Offsetting Collections (discretionary and mandatory)	14,720	43,829	417,995	16,458	1,168,540	618,374	2,324,465	325,149	102,728	5,032,258
Total Budgetary Resources	**$ 2,759,114**	**$ 1,789,611**	**$ 10,283,352**	**$ 3,439,049**	**$ 14,921,831**	**$ 844,563**	**$ 13,470,364**	**$ 7,664,169**	**$ 4,764,006**	**$ 59,936,059**
Status of Budgetary Resources										
New Obligations and Upward Adjustments (Total)	$ 1,446,401	$ 1,613,308	$ 8,352,023	$ 3,180,627	$ 11,991,232	$ 681,598	$ 11,710,085	$ 6,623,091	$ 4,547,338	$ 50,145,703
Unobligated Balance, End of Year:										
Apportioned, Unexpired Accounts	1,131,045	150,624	1,212,221	221,177	2,618,151	—	1,444,421	1,018,391	141,009	7,937,039
Exempt from Apportionment, Unexpired Accounts	—	—	142,185	—	—	162,965	—	—	—	305,150
Unapportioned, Unexpired Accounts	181,668	6,642	10,463	1,151	8,821	—	89,758	22,687	1,979	323,169
Unexpired, Unobligated Balance, End of Year	1,312,713	157,266	1,364,869	222,328	2,626,972	162,965	1,534,179	1,041,078	142,988	8,565,358
Expired Unobligated Balance, End of Year	—	19,037	566,460	36,094	303,627	—	226,100	—	73,680	1,224,998
Unobligated Balance - End of Year (Total)	1,312,713	176,303	1,931,329	258,422	2,930,599	162,965	1,760,279	1,041,078	216,668	9,790,356
Total Status of Budgetary Resources	**$ 2,759,114**	**$ 1,789,611**	**$ 10,283,352**	**$ 3,439,049**	**$ 14,921,831**	**$ 844,563**	**$ 13,470,364**	**$ 7,664,169**	**$ 4,764,006**	**$ 59,936,059**
Outlays, Net										
Outlays, Net (Total) (discretionary and mandatory)	$ 1,594,790	$ 1,479,368	$ 7,530,966	$ 2,977,829	$ 10,275,897	$ 7,163	$ 8,025,373	$ 4,703,362	$ 4,322,388	$ 40,917,136
Less: Distributed Offsetting Receipts	21,162	283	361	575,044	175	—	282,110	—	4,297	883,432
Agency Outlays, Net (discretionary and mandatory)	**$ 1,573,628**	**$ 1,479,085**	**$ 7,530,605**	**$ 2,402,785**	**$ 10,275,722**	**$ 7,163**	**$ 7,743,263**	**$ 4,703,362**	**$ 4,318,091**	**$ 40,033,704**

U.S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2021

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Budgetary Resources										
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	$ 1,262,487	$ 199,337	$ 1,499,000	$ 429,886	$ 2,298,345	$ 91,011	$ 2,656,890	$ 524,907	$ 250,890	$ 9,212,753
Appropriations (discretionary and mandatory)	1,444,103	1,484,203	8,135,375	2,955,320	10,420,329	—	8,097,677	3,962,642	4,258,317	40,757,966
Spending Authority from Offsetting Collections (discretionary and mandatory)	19,582	66,375	430,316	14,857	1,093,578	708,360	2,628,284	286,637	112,309	5,360,298
Total Budgetary Resources	**$ 2,726,172**	**$ 1,749,915**	**$ 10,064,691**	**$ 3,400,063**	**$ 13,812,252**	**$ 799,371**	**$ 13,382,851**	**$ 4,774,186**	**$ 4,621,516**	**$ 55,331,017**
Status of Budgetary Resources										
New Obligations and Upward Adjustments (Total)	$ 1,643,202	$ 1,569,716	$ 8,368,395	$ 3,082,703	$ 11,346,580	$ 573,182	$ 11,173,539	$ 2,702,715	$ 4,431,067	$ 44,891,099
Unobligated Balance, End of Year:										
Apportioned, Unexpired Accounts	1,000,221	150,427	1,095,482	259,715	2,246,313	—	1,685,741	2,055,588	124,981	8,618,468
Exempt from Apportionment, Unexpired Accounts	—	—	127,473	—	—	226,189	—	—	—	353,662
Unapportioned, Unexpired Accounts	82,749	7,908	69,585	1,858	300	—	294,188	15,883	9,201	481,672
Unexpired, Unobligated Balance, End of Year	1,082,970	158,335	1,292,540	261,573	2,246,613	226,189	1,979,929	2,071,471	134,182	9,453,802
Expired Unobligated Balance, End of Year	—	21,864	403,756	55,787	219,059	—	229,383	—	56,267	986,116
Unobligated Balance - End of Year (Total)	1,082,970	180,199	1,696,296	317,360	2,465,672	226,189	2,209,312	2,071,471	190,449	10,439,918
Total Status of Budgetary Resources	**$ 2,726,172**	**$ 1,749,915**	**$ 10,064,691**	**$ 3,400,063**	**$ 13,812,252**	**$ 799,371**	**$ 13,382,851**	**$ 4,774,186**	**$ 4,621,516**	**$ 55,331,017**
Outlays, Net										
Outlays, Net (Total) (discretionary and mandatory)	$ 2,644,850	$ 1,432,921	$ 7,677,588	$ 2,939,084	$ 10,132,447	$ (7,252)	$ 7,788,793	$ 4,353,517	$ 4,225,822	$ 41,187,770
Less: Distributed Offsetting Receipts	40,445	281	(5,408)	549,139	(777)	—	454,739	—	352	1,038,771
Agency Outlays, Net (discretionary and mandatory)	**$ 2,604,405**	**$ 1,432,640**	**$ 7,682,996**	**$ 2,389,945**	**$ 10,133,224**	**$ (7,252)**	**$ 7,334,054**	**$ 4,353,517**	**$ 4,225,470**	**$ 40,148,999**

Estimated Land Acreage

Pursuant to SFFAS No. 59, *Accounting and Reporting of Government Land,* federal reporting entities are required to report estimated land acres to increase transparency, comparability, consistency, and reliability of land information. As such, components of the DOJ own and maintain land for operational purposes in accordance with their individual missions. As of September 30, 2022, estimated land acres by component is presented in the following table.

As of September 30, 2022	ATF	BOP	DEA	FBI	Total Estimated Land Acres
Beginning Estimated Acres	35	46,204	12	1,902	48,153
Ending Estimated Acres	35	46,204	12	1,976	48,227
Total Acres	35	46,204	12	1,976	48,227

Per DOJ Policy Statement 1400.06, *Accounting for General Property, Plant, and Equipment and Internal Use Software,* land is recognized at historical cost, categorized as real property, always capitalized, and never depreciated.

The ATF owns and operates the National Laboratory Center located in Ammendale, Maryland. It is the main hub of the ATF's scientific research that includes the Fire Research Laboratory (FRL), National Firearms Examiner Academy (NFEA), and one of three forensic science laboratories. Throughout its history and pursuant to its mission, the BOP has acquired 122 correctional facilities across the United States and the land those facilities reside upon. The DEA owns land for its Aviation Division in Ft. Worth, Texas. The FBI owns land for the purpose of constructing buildings, ranges, and other structures.

All DOJ reported land acres is considered operational by predominate use, as it is used for mission related activities. DOJ does not have any land considered as commercial by predominate use.

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Other Information
(Unaudited)

See Independent Auditors' Report

U.S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Assets (Note 2)											
Intragovernmental											
Fund Balance with Treasury	$ 1,350,658	$ 526,883	$ 3,525,824	$ 1,094,802	$ 5,992,049	$ 19,579	$ 6,508,538	$ 14,005,379	$ 1,210,727	$ —	$ 34,234,439
Investments	2,526,048	—	—	—	—	279,599	330,912	—	—	—	3,136,559
Accounts Receivable	6,010	13,259	4,293	3,800	398,082	38,095	477,850	11,569	6,934	(287,923)	671,969
Advances and Prepayments	—	2	6,038	40,207	7,318	—	—	108,235	—	(2,980)	158,820
Other Assets (Note 10)	—	367	—	—	—	57,797	(3)	—	—	—	58,161
Total Intragovernmental	$ 3,882,716	$ 540,511	$ 3,536,155	$ 1,138,809	$ 6,397,449	$ 395,070	$ 7,317,297	$ 14,125,183	$ 1,217,661	$ (290,903)	$ 38,259,948
Other than Intragovernmental											
Cash and Other Monetary Assets	$ 1,245,248	$ 12,487	$ 470	$ 19,259	$ 134,795	$ —	$ 51	$ —	$ —	$ —	$ 1,412,310
Accounts Receivable, Net	42	133	24,098	3,540	43,653	4,899	2,147,222	2,062	144	—	2,225,793
Inventory and Related Property, Net											
Forfeited Property, Net (Note 8)	95,062	—	—	—	—	—	—	—	—	—	95,062
Other Inventory and Related Property, Net (Note 7)	—	—	23,952	12,715	—	78,456	—	—	5,238	—	120,361
General Property, Plant and Equipment, Net (Note 9)	1,099	166,075	4,081,826	275,160	2,945,310	77,078	189,781	55,590	473,860	—	8,265,779
Advances and Prepayments	1,000	1,154	16,115	248	141,979	1,302	5,857	334,638	—	—	502,293
Other Assets (Note 10)	2	—	—	—	1	411	—	—	184	—	598
Total Other than Intragovernmental	$ 1,342,453	$ 179,849	$ 4,146,461	$ 310,922	$ 3,265,738	$ 162,146	$ 2,342,911	$ 392,290	$ 479,426	$ —	$ 12,622,196
Total Assets	**$ 5,225,169**	**$ 720,360**	**$ 7,682,616**	**$ 1,449,731**	**$ 9,663,187**	**$ 557,216**	**$ 9,660,208**	**$ 14,517,473**	**$ 1,697,087**	**$ (290,903)**	**$ 50,882,144**
Liabilities (Note 11)											
Intragovernmental											
Accounts Payable	$ 104,297	$ 26,832	$ 110,395	$ 79,860	$ 122,021	$ 5,021	$ 164,884	$ 35,322	$ 63,416	$ (287,923)	$ 424,125
Advances from Others and Deferred Revenue	—	—	—	13	67,156	106,047	25,965	5,873	—	(2,980)	202,074
Other Liabilities											
Custodial Liabilities (Note 21)	—	—	414	3,341	3,401	—	2,570,987	—	—	—	2,578,143
Other (Note 15)	929	36,073	268,610	48,716	142,494	4,084	67,319	1,673	37,571	—	607,469
Total Intragovernmental	$ 105,226	$ 62,905	$ 379,419	$ 131,930	$ 335,072	$ 115,152	$ 2,829,155	$ 42,868	$ 100,987	$ (290,903)	$ 3,811,811
Other than Intragovernmental											
Accounts Payable	$ 630,705	$ 26,196	$ 509,919	$ 75,022	$ 412,816	$ 46,922	$ 442,352	$ 95,514	$ 419,231	$ —	$ 2,658,677
Federal Employee Benefits Payable	4,541	178,020	1,190,375	244,595	582,665	13,110	280,531	9,501	170,049	—	2,673,387
Environmental and Disposal Liabilities (Note 12)	—	—	78,515	—	4,875	—	—	—	—	—	83,390
Advances from Others and Deferred Revenue	95,062	—	1,060	818,840	7,433	—	—	—	—	—	922,395
Other											
Accrued Grant Liabilities	—	—	—	—	—	—	214,389	606,850	—	—	821,239
Seized Cash and Monetary Instruments (Note 14)	2,816,203	4,138	—	705	56,187	—	—	—	—	—	2,877,233
Radiation Exposure Compensation Act Liabilities (Note 26)	—	—	—	—	—	—	155,437	—	—	—	155,437
September 11th Victim Compensation Fund Liabilities (Note 26)	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,580,103	$ —	$ —	$ —	$ 3,580,103
United States Victims of State Sponsored Terrorism Act Liabilities (Note 26)	—	—	—	—	—	—	208,803	—	—	—	208,803
Other Liabilities (Note 15)	2,940	39,915	725,940	101,080	330,854	12,061	273,591	7,644	56,647	—	1,550,672
Total Other than Intragovernmental	$ 3,549,451	$ 248,269	$ 2,505,809	$ 1,240,242	$ 1,394,830	$ 72,093	$ 5,155,206	$ 719,509	$ 645,927	$ —	$ 15,531,336
Total Liabilities	**$ 3,654,677**	**$ 311,174**	**$ 2,885,228**	**$ 1,372,172**	**$ 1,729,902**	**$ 187,245**	**$ 7,984,361**	**$ 762,377**	**$ 746,914**	**$ (290,903)**	**$ 19,343,147**
Commitments and Contingencies (Note 16)											
NET POSITION											
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	$ —	$ —	$ —	$ —	$ —	$ —	$ (1,444)	$ —	$ —	$ —	$ (1,444)
Unexpended Appropriations - Funds from other than Dedicated Collections	—	313,325	2,373,249	575,032	4,840,987	—	4,293,022	6,934,118	595,188	—	19,924,921
Total Unexpended Appropriations	**$ —**	**$ 313,325**	**$ 2,373,249**	**$ 575,032**	**$ 4,840,987**	**$ —**	**$ 4,291,578**	**$ 6,934,118**	**$ 595,188**	**$ —**	**$ 19,923,477**
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	1,570,492		170,082	(615,501)	—	—	543,495	6,770,325	—	—	8,438,893
Cumulative Results of Operations - Funds other than those from Dedicated Collections	—	95,861	2,254,057	118,028	3,092,298	369,971	(3,159,226)	50,653	354,985	—	3,176,627
Total Cumulative Results of Operations	**$ 1,570,492**	**$ 95,861**	**$ 2,424,139**	**$ (497,473)**	**$ 3,092,298**	**$ 369,971**	**$ (2,615,731)**	**$ 6,820,978**	**$ 354,985**	**$ —**	**$ 11,615,520**
Total Net Position	**$ 1,570,492**	**$ 409,186**	**$ 4,797,388**	**$ 77,559**	**$ 7,933,285**	**$ 369,971**	**$ 1,675,847**	**$ 13,755,096**	**$ 950,173**	**$ —**	**$ 31,538,997**
Total Liabilities and Net Position	**$ 5,225,169**	**$ 720,360**	**$ 7,682,616**	**$ 1,449,731**	**$ 9,663,187**	**$ 557,216**	**$ 9,660,208**	**$ 14,517,473**	**$ 1,697,087**	**$ (290,903)**	**$ 50,882,144**

U.S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2021

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Assets (Note 2)											
Intragovernmental											
Fund Balance with Treasury	$ 928,529	$ 478,832	$ 3,134,841	$ 1,053,296	$ 5,267,524	$ 29,644	$ 6,507,581	$ 15,399,322	$ 1,123,149	$ —	$ 33,922,718
Investments	2,918,959	—	—	—	—	276,503	403,436	—	—	—	3,598,898
Accounts Receivable	7,621	29,454	3,826	3,913	391,311	32,425	397,664	13,422	12,589	(293,258)	598,967
Advances and Prepayments	—	—	6,167	43,912	14,046	—	—	111,989	—	(4,327)	171,787
Other Assets (Note 10)	—	101	—	—	—	48,050	(3)	—	—	—	48,148
Total Intragovernmental	$ 3,855,109	$ 508,387	$ 3,144,834	$ 1,101,121	$ 5,672,881	$ 386,622	$ 7,308,678	$ 15,524,733	$ 1,135,738	$ (297,585)	$ 38,340,518
Other than Intragovernmental											
Cash and Other Monetary Assets	$ 1,211,275	$ 12,845	$ 446	$ 21,023	$ 131,693	$ —	$ 51	$ —	$ —	$ —	$ 1,377,333
Accounts Receivable, Net	42	173	7,770	4,127	40,817	2,633	73,418	1,577	76	—	130,633
Inventory and Related Property, Net											
Forfeited Property, Net (Note 8)	82,601	—	—	—	—	—	—	—	—	—	82,601
Other Inventory and Related Property, Net (Note 7)	—	—	19,911	12,350	—	80,737	—	—	5,146	—	118,144
General Property, Plant and Equipment, Net (Note 9)	1,224	179,623	4,334,576	283,492	3,095,259	81,164	222,519	40,990	530,857	—	8,769,704
Advances and Prepayments	—	927	2,721	268	143,321	2,323	4,728	416,582	—	—	570,870
Other Assets	1	—	—	—	—	406	—	—	184	—	591
Total Other than Intragovernmental	$ 1,295,143	$ 193,568	$ 4,365,424	$ 321,260	$ 3,411,090	$ 167,263	$ 300,716	$ 459,149	$ 536,263	$ —	$ 11,049,876
Total Assets	**$ 5,150,252**	**$ 701,955**	**$ 7,510,258**	**$ 1,422,381**	**$ 9,083,971**	**$ 553,885**	**$ 7,609,394**	**$ 15,983,882**	**$ 1,672,001**	**$ (297,585)**	**$ 49,390,394**
Liabilities (Note 11)											
Intragovernmental											
Accounts Payable	$ 101,850	$ 28,909	$ 52,729	$ 56,765	$ 117,879	$ 2,469	$ 123,493	$ 53,480	$ 43,665	$ (293,258)	$ 287,981
Advances from Others and Deferred Revenue	—	—	—	38	69,877	98,412	28,898	5,180	—	(4,327)	198,078
Other											
Custodial Liabilities (Note 21)	—	—	27	3,851	4,367	—	830,005	—	—	—	838,250
Other Liabilities (Note 15)	804	34,070	263,220	46,033	128,542	3,675	56,956	1,403	35,861	—	570,564
Total Intragovernmental	$ 102,654	$ 62,979	$ 315,976	$ 106,687	$ 320,665	$ 104,556	$ 1,039,352	$ 60,063	$ 79,526	$ (297,585)	$ 1,894,873
Other than Intragovernmental											
Accounts Payable	$ 885,161	$ 38,140	$ 317,742	$ 75,451	$ 379,228	$ 44,220	$ 418,537	$ 84,925	$ 400,981	$ —	$ 2,644,385
Federal Employee Benefits Payable	4,522	187,961	1,249,648	261,379	624,088	17,450	304,486	9,668	174,257	—	2,833,459
Environmental and Disposal Liabilities (Note 12)	—	—	74,789	—	4,825	—	—	—	—	—	79,614
Advances from Others and Deferred Revenue	82,601	—	(282)	739,235	6,953	—	—	—	—	—	828,507
Other											
Accrued Grant Liabilities	—	—	—	—	—	—	137,939	658,691	—	—	796,630
Seized Cash and Monetary Instruments (Note 14)	2,781,818	4,440	—	716	63,004	—	—	—	—	—	2,849,978
Radiation Exposure Compensation Act Liabilities (Note 27)	—	—	—	—	—	—	61,918	—	—	—	61,918
September 11th Victim Compensation Fund Liabilities (Note 27)	—	—	—	—	—	—	3,294,883	—	—	—	3,294,883
United States Victims of State Sponsored Terrorism Act Liabilities (Note 27)	—	—	—	—	—	—	177,404	—	—	—	177,404
Other Liabilities (Note 15)	$ 2,561	$ 35,345	$ 736,915	$ 103,162	$ 276,661	$ 11,459	$ 186,209	$ 6,783	$ 45,524	$ —	$ 1,404,619
Total Other than Intragovernmental	$ 3,756,663	$ 265,886	$ 2,378,812	$ 1,179,943	$ 1,354,759	$ 73,129	$ 4,581,376	$ 760,067	$ 620,762	$ —	$ 14,971,397
Total Liabilities	**$ 3,859,317**	**$ 328,865**	**$ 2,694,788**	**$ 1,286,630**	**$ 1,675,424**	**$ 177,685**	**$ 5,620,728**	**$ 820,130**	**$ 700,288**	**$ (297,585)**	**$ 16,866,270**
Commitments and Contingencies (Note 16)											
NET POSITION											
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,877	$ —	$ —	$ —	$ 2,877
Unexpended Appropriations - Funds from other than Dedicated Collections	—	266,498	2,235,383	611,325	4,235,884	—	3,892,948	6,085,939	561,736	—	17,889,713
Total Unexpended Appropriations	**$ —**	**$ 266,498**	**$ 2,235,383**	**$ 611,325**	**$ 4,235,884**	**$ —**	**$ 3,895,825**	**$ 6,085,939**	**$ 561,736**	**$ —**	**$ 17,892,590**
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	$ 1,290,935	$ —	$ 149,948	$ (591,098)	$ —	$ —	$ 624,342	$ 9,042,480	$ —	$ —	$ 10,516,607
Cumulative Results of Operations - Funds other than those from Dedicated Collections	—	106,592	2,430,139	115,524	3,172,663	376,200	(2,531,501)	35,333	409,977	—	4,114,927
Total Cumulative Results of Operations	**$ 1,290,935**	**$ 106,592**	**$ 2,580,087**	**$ (475,574)**	**$ 3,172,663**	**$ 376,200**	**$ (1,907,159)**	**$ 9,077,813**	**$ 409,977**	**$ —**	**$ 14,631,534**
Total Net Position	**$ 1,290,935**	**$ 373,090**	**$ 4,815,470**	**$ 135,751**	**$ 7,408,547**	**$ 376,200**	**$ 1,988,666**	**$ 15,163,752**	**$ 971,713**	**$ —**	**$ 32,524,124**
Total Liabilities and Net Position	**$ 5,150,252**	**$ 701,955**	**$ 7,510,258**	**$ 1,422,381**	**$ 9,083,971**	**$ 553,885**	**$ 7,609,394**	**$ 15,983,882**	**$ 1,672,001**	**$ (297,585)**	**$ 49,390,394**

U.S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Major Program 1: Law Enforcement											
Gross Cost - Intragovernmental	$ 181,455	$ 546,547	$ —	$ 1,271,907	$ 3,755,221	$ —	$ 191,699	$ —	$ 813,872	$ (771,623)	$ 5,989,078
Gross Cost - Other than Intragovernmental	1,217,820	1,033,256	—	1,794,970	8,263,083	—	359,292	—	1,380,242	—	14,048,663
Subtotal Gross Costs	1,399,275	1,579,803	—	3,066,877	12,018,304	—	550,991	—	2,194,114	(771,623)	20,037,741
Earned Revenues - Intragovernmental	15,732	48,851	—	12,095	794,873	—	884	—	52,738	(771,623)	153,550
Earned Revenues - Other than Intragovernmental	—	1,291	—	503,804	240,068	—	—	—	3,956	—	749,119
Subtotal Earned Revenue	15,732	50,142	—	515,899	1,034,941	—	884	—	56,694	(771,623)	902,669
Subtotal Net Cost of Operation	$ 1,383,543	$ 1,529,661	$ —	$ 2,550,978	$ 10,983,363	$ —	$ 550,107	$ —	$ 2,137,420	$ —	$ 19,135,072
Major Program 2: Litigation and Compensation											
Gross Cost - Intragovernmental	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,702,123	$ —	$ —	$ (40,740)	$ 1,661,383
Gross Cost - Other than Intragovernmental	—	—	—	—	—	—	4,871,866	—	—		4,871,866
Subtotal Gross Costs	—	—	—	—	—	—	6,573,989	—	—	(40,740)	6,533,249
Earned Revenues - Intragovernmental	—	—	—	—	—	—	217,881	—	—	(40,740)	177,141
Earned Revenues - Other than Intragovernmental	—	—	—	—	—	—	195,421	—	—	—	195,421
Subtotal Earned Revenue	—	—	—	—	—	—	413,302	—	—	(40,740)	372,562
Subtotal Net Cost of Operation	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,160,687	$ —	$ —	$ —	$ 6,160,687
Major Program 3: Prison and Detention											
Gross Cost - Intragovernmental	$ —	$ —	$ 2,304,725	$ —	$ —	$ 100,314	$ 5,580	$ —	$ 60,446	$ (338,194)	$ 2,132,871
Gross Cost - Other than Intragovernmental	—	—	6,338,896	—	—	585,456	5,846	—	2,158,538		9,088,736
Subtotal Gross Costs	—	—	8,643,621	—	—	685,770	11,426	—	2,218,984	(338,194)	11,221,607
Earned Revenues - Intragovernmental	—	—	12,151	—	—	598,815	—	—	102	(322,396)	288,672
Earned Revenues - Other than Intragovernmental	—	—	326,738	—	—	57,798	—	—	278		384,814
Subtotal Earned Revenue	—	—	338,889	—	—	656,613	—	—	380	(322,396)	673,486
Subtotal Net Cost of Operation	$ —	$ —	$ 8,304,732	$ —	$ —	$ 29,157	$ 11,426	$ —	$ 2,218,604	$ (15,798)	$ 10,548,121
Major Program 4: Grants											
Gross Cost - Intragovernmental	$ —	$ —	$ —	$ —	$ —	$ —	$ 27,733	$ 210,542	$ —	$ (13,794)	$ 224,481
Gross Cost - Other than Intragovernmental	—	—	—	—	—	—	659,079	4,535,270	—	—	5,194,349
Subtotal Gross Costs	—	—	—	—	—	—	686,812	4,745,812	—	(13,794)	5,418,830
Earned Revenues - Intragovernmental	—	—	—	—	—	—	5,429	22,463	—	(13,794)	14,098
Earned Revenues - Other than Intragovernmental	—	—	—	—	—	—	—	—	—	—	—
Subtotal Earned Revenue	—	—	—	—	—	—	5,429	22,463	—	(13,794)	14,098
Subtotal Net Cost of Operation	$ —	$ —	$ —	$ —	$ —	$ —	$ 681,383	$ 4,723,349	$ —	$ —	$ 5,404,732
Major Program 5: Executive Oversight and Enterprise Technology											
Gross Cost - Intragovernmental	$ —	$ —	$ —	$ —	$ —	$ —	$ 490,785	$ —	$ —	$ (27,887)	$ 462,898
Gross Cost - Other than Intragovernmental	—	—	—	—	—	—	1,705,441	—	—	—	1,705,441
Subtotal Gross Cost	—	—	—	—	—	—	2,196,226	—	—	(27,887)	2,168,339
Earned Revenue - Intragovernmental	—	—	—	—	—	—	711,452	—	—	(27,887)	683,565
Earned Revenues - Other than Intragovernmental	—	—	—	—	—	—	290,736	—	—	—	290,736
Subtotal Earned Revenue	—	—	—	—	—	—	1,002,188	—	—	(27,887)	974,301
Subtotal Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,194,038	$ —	$ —	$ —	$ 1,194,038
Total Net Cost of Operations	**$ 1,383,543**	**$ 1,529,661**	**$ 8,304,732**	**$ 2,550,978**	**$ 10,983,363**	**$ 29,157**	**$ 8,597,641**	**$ 4,723,349**	**$ 4,356,024**	**$ (15,798)**	**$ 42,442,650**

U.S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2021

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Major Program 1: Law Enforcement											
Gross Cost - Intragovernmental	$ 165,318	$ 524,674	$ —	$ 1,182,256	$ 3,420,940	$ —	$ 170,098	$ —	$ 805,845	$ (828,684)	$ 5,440,447
Gross Cost - Other than Intragovernmental	1,433,416	1,020,300	—	1,860,747	8,019,483	—	359,113	—	1,311,696	—	14,004,755
Subtotal Gross Costs	1,598,734	1,544,974	—	3,043,003	11,440,423	—	529,211	—	2,117,541	(828,684)	19,445,202
Earned Revenues - Intragovernmental	5,289	58,946	—	21,807	736,379	—	23	—	55,227	(828,684)	48,987
Earned Revenues - Other than Intragovernmental	—	997	—	455,858	212,635	—	—	—	3,906	—	673,396
Subtotal Earned Revenue	5,289	59,943	—	477,665	949,014	—	23	—	59,133	(828,684)	722,383
Subtotal Net Cost of Operation	$ 1,593,445	$ 1,485,031	$ —	$ 2,565,338	$ 10,491,409	$ —	$ 529,188	$ —	$ 2,058,408	$ —	$ 18,722,819
Major Program 2: Litigation and Compensation											
Gross Cost - Intragovernmental	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,621,568	$ —	$ —	$ (40,973)	$ 1,580,595
Gross Cost - Other than Intragovernmental	—	—	—	—	—	—	5,006,290	—	—		5,006,290
Subtotal Gross Costs	—	—	—	—	—	—	6,627,858	—	—	(40,973)	6,586,885
Earned Revenues - Intragovernmental	—	—	—	—	—	—	200,883	—	—	(40,973)	159,910
Earned Revenues - Other than Intragovernmental	—	—	—	—	—	—	239,550	—	—		239,550
Subtotal Earned Revenue	—	—	—	—	—	—	440,433	—	—	(40,973)	399,460
Subtotal Net Cost of Operation	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,187,425	$ —	$ —	$ —	$ 6,187,425
Major Program 3: Prison and Detention											
Gross Cost - Intragovernmental	$ —	$ —	$ 2,187,090	$ —	$ —	$ 109,087	$ 5,322	$ —	$ 53,203	$ (333,743)	$ 2,020,959
Gross Cost - Other than Intragovernmental	—	—	6,334,838	—	—	551,678	5,779	—	2,134,518	—	9,026,813
Subtotal Gross Costs	—	—	8,521,928	—	—	660,765	11,101	—	2,187,721	(333,743)	11,047,772
Earned Revenues - Intragovernmental	—	—	3,028	—	—	587,881	—	—	—	(317,189)	273,720
Earned Revenues - Other than Intragovernmental	—	—	320,011	—	—	54,594	—	—	164	—	374,769
Subtotal Earned Revenue	—	—	323,039	—	—	642,475	—	—	164	(317,189)	648,489
Subtotal Net Cost of Operation	$ —	$ —	$ 8,198,889	$ —	$ —	$ 18,290	$ 11,101	$ —	$ 2,187,557	$ (16,554)	$ 10,399,283
Major Program 4: Grants											
Gross Cost - Intragovernmental	$ —	$ —	$ —	$ —	$ —	$ —	$ 24,401	$ 240,389	$ —	$ (16,187)	$ 248,603
Gross Cost - Other than Intragovernmental	—	—	—	—	—	—	606,650	4,445,632	—	—	5,052,282
Subtotal Gross Costs	—	—	—	—	—	—	631,051	4,686,021	—	(16,187)	5,300,885
Earned Revenues - Intragovernmental	—	—	—	—	—	—	(612)	37,075	—	(16,187)	20,276
Earned Revenues - Other than Intragovernmental	—	—	—	—	—	—	3	—	—	—	3
Subtotal Earned Revenue	—	—	—	—	—	—	(609)	37,075	—	(16,187)	20,279
Subtotal Net Cost of Operation	$ —	$ —	$ —	$ —	$ —	$ —	$ 631,660	$ 4,648,946	$ —	$ —	$ 5,280,606
Major Program 5: Executive Oversight and Enterprise Technology											
Gross Cost - Intragovernmental	$ —	$ —	$ —	$ —	$ —	$ —	$ 443,983	$ —	$ —	$ (47,809)	$ 396,174
Gross Cost - Other than Intragovernmental	—	—	—	—	—	—	1,687,279	—	—	—	1,687,279
Subtotal Gross Costs	—	—	—	—	—	—	2,131,262	—	—	(47,809)	2,083,453
Earned Revenues - Intragovernmental	—	—	—	—	—	—	684,697	—	—	(47,809)	636,888
Earned Revenues - Other than Intragovernmental	—	—	—	—	—	—	526,611	—	—	—	526,611
Subtotal Earned Revenue	—	—	—	—	—	—	1,211,308	—	—	(47,809)	1,163,499
Subtotal Net Cost of Operation	$ —	$ —	$ —	$ —	$ —	$ —	$ 919,954	$ —	$ —	$ —	$ 919,954
Total Net Cost of Operations	**$ 1,593,445**	**$ 1,485,031**	**$ 8,198,889**	**$ 2,565,338**	**$ 10,491,409**	**$ 18,290**	**$ 8,279,328**	**$ 4,648,946**	**$ 4,245,965**	**$ (16,554)**	**$ 41,510,087**

U.S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
Funds from Dedicated Collections	**—**	**—**	**—**	**—**	**—**	**—**	**2,877**	**—**	**—**	**—**	**2,877**
Funds from other than Dedicated Collections	**—**	**266,498**	**2,235,383**	**611,325**	**4,235,884**	**—**	**3,892,948**	**6,085,939**	**561,736**	**—**	**17,889,713**
Appropriations Received											
Funds from Dedicated Collections	—	—	—	—	—	—	1,356	—	—	—	1,356
Funds from other than Dedicated Collections	—	1,531,071	8,100,000	2,421,522	10,961,895	—	8,186,720	3,142,000	3,728,315	—	38,071,523
Appropriations Transferred-In/Out											
Funds from other than Dedicated Collections	—	(353)	(146,621)	15,318	2,630	—	512,141	34,800	674,198	—	1,092,113
Other Adjustments											
Funds from other than Dedicated Collections	—	—	(94)	(82)	(273)	—	(664,978)	(106,086)	(12)	—	(771,525)
Appropriations Used											
Funds from Dedicated Collections	—	—	—	—	—	—	(5,677)	—	—	—	(5,677)
Funds from other than Dedicated Collections	—	(1,483,891)	(7,815,419)	(2,473,051)	(10,359,149)	—	(7,633,809)	(2,222,535)	(4,369,049)	—	(36,356,903)
Net Change in Unexpended Appropriations											
Funds from Dedicated Collections	**—**	**—**	**—**	**—**	**—**	**—**	**(4,321)**	**—**	**—**	**—**	**(4,321)**
Funds from other than Dedicated Collections	**—**	**46,827**	**137,866**	**(36,293)**	**605,103**	**—**	**400,074**	**848,179**	**33,452**	**—**	**2,035,208**
Total Unexpended Appropriations: Ending											
Funds from Dedicated Collections	—	—	—	—	—	—	(1,444)	—	—	—	(1,444)
Funds from other than Dedicated Collections	—	313,325	2,373,249	575,032	4,840,987	—	4,293,022	6,934,118	595,188	—	19,924,921
Total All Funds	**—**	**313,325**	**2,373,249**	**575,032**	**4,840,987**	**—**	**4,291,578**	**6,934,118**	**595,188**	**—**	**19,923,477**

U.S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2022 - (continued)

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Funds from Dedicated Collections	**1,290,935**	**—**	**149,948**	**(591,098)**	**—**	**—**	**624,342**	**9,042,480**	**—**	**—**	**10,516,607**
Funds from other than Dedicated Collections	**—**	**106,592**	**2,430,139**	**115,524**	**3,172,663**	**376,200**	**(2,531,501)**	**35,333**	**409,977**	**—**	**4,114,927**
Adjustments:											
Changes in Accounting Principles											
Funds from Dedicated Collections	—	—	—	(2,607)	—	—	(5,893)	—	—	—	(8,500)
Funds from other than Dedicated Collections	—	(22,579)	—	(41,772)	(198,195)	—	(15,134)	(162)	(124,754)	—	(402,596)
Beginning Balances, as Adjusted											
Funds from Dedicated Collections	**1,290,935**	**—**	**149,948**	**(593,705)**	**—**	**—**	**618,449**	**9,042,480**	**—**	**—**	**10,508,107**
Funds from other than Dedicated Collections	**—**	**84,013**	**2,430,139**	**73,752**	**2,974,468**	**376,200**	**(2,546,635)**	**35,171**	**285,223**	**—**	**3,712,331**
Other Adjustments											
Funds from Dedicated Collections	(127,000)	—	—	—	—	—	—	—	—	—	(127,000)
Funds from other than Dedicated Collections	—	—	—	—	—	—	(234,839)	—	—	—	(234,839)
Appropriations Used											
Funds from Dedicated Collections	—	—	—	—	—	—	5,677	—	—	—	5,677
Funds from other than Dedicated Collections	—	1,483,891	7,815,419	2,473,051	10,359,149	—	7,633,809	2,222,535	4,369,049	—	36,356,903
Nonexchange Revenues											
Funds from Dedicated Collections	40,254	—	—	—	—	—	2,459	823,705	—	—	866,418
Funds from other than Dedicated Collections	—	—	420	—	—	—	82	119	—	—	621
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections	1,328,670	—	—	—	—	—	36,229	—	—	—	1,364,899
Funds from other than Dedicated Collections	—	—	—	—	—	—	275	—	—	—	275
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(2,450)	—	—	—	—	—	(13,583)	(585,000)	—	—	(601,033)
Funds from other than Dedicated Collections	—	8,722	—	12,719	201,125	—	296,040	—	4,187	—	522,793
Donations and Forfeitures of Property											
Funds from Dedicated Collections	420,818	—	—	—	—	—	—	—	—	—	420,818
Imputed Financing (Note 19)											
Funds from Dedicated Collections	2,808	—	6,230	16,231	—	—	14,058	—	—	—	39,327
Funds from other than Dedicated Collections	—	48,896	326,765	71,457	552,821	22,928	169,981	5,317	52,550	(15,798)	1,234,917
Other											
Funds from Dedicated Collections	—	—	—	—	—	—	(8)	—	—	—	(8)
Funds from other than Dedicated Collections	—	—	(50)	—	(11,902)	—	(84)	—	—	—	(12,036)
Net Cost of Operations											
Funds from Dedicated Collections	**(1,383,543)**	**—**	**13,904**	**(38,027)**	**—**	**—**	**(119,786)**	**(2,510,860)**	**—**	**—**	**(4,038,312)**
Funds from other than Dedicated Collections	**—**	**(1,529,661)**	**(8,318,636)**	**(2,512,951)**	**(10,983,363)**	**(29,157)**	**(8,477,855)**	**(2,212,489)**	**(4,356,024)**	**15,798**	**(38,404,338)**
Net Change in Cumulative Results of Operations											
Funds from Dedicated Collections	**279,557**	**—**	**20,134**	**(21,796)**	**—**	**—**	**(74,954)**	**(2,272,155)**	**—**	**—**	**(2,069,214)**
Funds from other than Dedicated Collections	**—**	**11,848**	**(176,082)**	**44,276**	**117,830**	**(6,229)**	**(612,591)**	**15,482**	**69,762**	**—**	**(535,704)**
Cumulative Results of Operations: Ending											
Funds from Dedicated Collections	1,570,492	—	170,082	(615,501)	—	—	543,495	6,770,325	—	—	8,438,893
Funds from other than Dedicated Collections	—	95,861	2,254,057	118,028	3,092,298	369,971	(3,159,226)	50,653	354,985	—	3,176,627
Total All Funds	**1,570,492**	**95,861**	**2,424,139**	**(497,473)**	**3,092,298**	**369,971**	**(2,615,731)**	**6,820,978**	**354,985**		**11,615,520**
Net Position											
Funds from Dedicated Collections	**1,570,492**	**—**	**170,082**	**(615,501)**	**—**	**—**	**542,051**	**6,770,325**	**—**	**—**	**8,437,449**
Funds from other than Dedicated Collections	**—**	**409,186**	**4,627,306**	**693,060**	**7,933,285**	**369,971**	**1,133,796**	**6,984,771**	**950,173**	**—**	**23,101,548**
Net Position - Total	**1,570,492**	**409,186**	**4,797,388**	**77,559**	**7,933,285**	**369,971**	**1,675,847**	**13,755,096**	**950,173**	**—**	**31,538,997**

U.S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2021

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
Funds from Dedicated Collections	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 2,877**	**$ —**	**$ —**	**$ —**	**$ 2,877**
Funds from other than Dedicated Collections	**$ —**	**$ 219,087**	**$ 1,837,208**	**$ 555,331**	**$ 3,948,889**	**$ —**	**$ 3,848,899**	**$ 5,644,260**	**$ 565,372**	**$ —**	**$ 16,619,046**
Appropriations Received											
Funds from other than Dedicated Collections	$ —	$ 1,483,887	$ 8,135,375	$ 2,386,263	$ 10,493,786	$ —	$ 7,378,655	$ 2,486,900	$ 3,682,609	$ —	$ 36,047,475
Appropriations Transferred-In/Out											
Funds from other than Dedicated Collections	$ —	$ (1,721)	$ (33,755)	$ 15,642	$ 1,786	$ —	$ 370,532	$ 46,356	$ 567,639	$ —	$ 966,479
Other Adjustments											
Funds from other than Dedicated Collections	$ —	$ —	$ (100)	$ (121)	$ (80,150)	$ —	$ (34,598)	$ (133,146)	$ (100)	$ —	$ (248,215)
Appropriations Used											
Funds from other than Dedicated Collections	$ —	$ (1,434,755)	$ (7,703,345)	$ (2,345,790)	$ (10,128,427)	$ —	$ (7,670,540)	$ (1,958,431)	$ (4,253,784)	$ —	$ (35,495,072)
Net Change in Unexpended Appropriations											
Funds from other than Dedicated Collections	**$ —**	**$ 47,411**	**$ 398,175**	**$ 55,994**	**$ 286,995**	**$ —**	**$ 44,049**	**$ 441,679**	**$ (3,636)**	**$ —**	**$ 1,270,667**
Total Unexpended Appropriations: Ending											
Funds from Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,877	$ —	$ —	$ —	$ 2,877
Funds from other than Dedicated Collections	$ —	$ 266,498	$ 2,235,383	$ 611,325	$ 4,235,884	$ —	$ 3,892,948	$ 6,085,939	$ 561,736	$ —	$ 17,889,713
Total All Funds	**$ —**	**$ 266,498**	**$ 2,235,383**	**$ 611,325**	**$ 4,235,884**	**$ —**	**$ 3,895,825**	**$ 6,085,939**	**$ 561,736**	**$ —**	**$ 17,892,590**

U.S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2021 - (continued)

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Funds from Dedicated Collections	**1,458,470**	**—**	**77,614**	**(520,681)**	**—**	**—**	**469,723**	**11,412,781**	**—**	**—**	**12,897,907**
Funds from other than Dedicated Collections	**—**	**111,515**	**2,692,665**	**167,208**	**3,128,710**	**371,661**	**(2,055,479)**	**20,064**	**355,076**	**—**	**4,791,420**
Other Adjustments											
Funds from other than Dedicated Collections	—	—	—	—	(1)	—	—	—	(5)	—	(6)
Appropriations Used											
Funds from other than Dedicated Collections	—	1,434,755	7,703,345	2,345,790	10,128,427	—	7,670,540	1,958,431	4,253,784	—	35,495,072
Nonexchange Revenues											
Funds from Dedicated Collections	5,811	—	—	—	—	—	454	775,638	—	—	781,903
Funds from other than Dedicated Collections	—	—	—	—	—	—	23	96	—	—	119
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections	1,027,671	—	—	—	—	—	43,040	—	—	—	1,070,711
Funds from other than Dedicated Collections	—	—	—	—	—	—	(2)	—	—	—	(2)
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(3,410)	—	131	—	—	—	—	(445,000)	—	—	(448,279)
Funds from other than Dedicated Collections	—	1,254	(131)	17,030	110,747	—	61,627	(278)	65	—	190,314
Donations and Forfeitures of Property											
Funds from Dedicated Collections	393,144	—	—	—	—	—	—	—	—	—	393,144
Imputed Financing (Note 19)											
Funds from Dedicated Collections	2,694	—	6,406	14,762	—	—	13,513	—	—	—	37,375
Funds from other than Dedicated Collections	—	44,099	298,946	65,655	307,636	22,829	168,750	5,027	47,022	(16,554)	943,410
Other											
Funds from Dedicated Collections	—	—	—	—	—	—	4	—	—	—	4
Funds from other than Dedicated Collections	—	—	—	—	(11,447)	—	(24)	—	—	—	(11,471)
Net Cost of Operations											
Funds from Dedicated Collections	**(1,593,445)**	**—**	**65,797**	**(85,179)**	**—**	**—**	**97,608**	**(2,700,939)**	**—**	**—**	**(4,216,158)**
Funds from other than Dedicated Collections	**—**	**(1,485,031)**	**(8,264,686)**	**(2,480,159)**	**(10,491,409)**	**(18,290)**	**(8,376,936)**	**(1,948,007)**	**(4,245,965)**	**16,554**	**(37,293,929)**
Net Change in Cumulative Results of Operations											
Funds from Dedicated Collections	**(167,535)**	**—**	**72,334**	**(70,417)**	**—**	**—**	**154,619**	**(2,370,301)**	**—**	**—**	**(2,381,300)**
Funds from other than Dedicated Collections	**—**	**(4,923)**	**(262,526)**	**(51,684)**	**43,953**	**4,539**	**(476,022)**	**15,269**	**54,901**	**—**	**(676,493)**
Cumulative Results of Operations: Ending											
Funds from Dedicated Collections	1,290,935	—	149,948	(591,098)	—	—	624,342	9,042,480	—	—	10,516,607
Funds from other than Dedicated Collections	—	106,592	2,430,139	115,524	3,172,663	376,200	(2,531,501)	35,333	409,977	—	4,114,927
Total All Funds	**1,290,935**	**106,592**	**2,580,087**	**(475,574)**	**3,172,663**	**376,200**	**(1,907,159)**	**9,077,813**	**409,977**	**—**	**14,631,534**
Net Position											
Funds from Dedicated Collections	**1,290,935**	**—**	**149,948**	**(591,098)**	**—**	**—**	**627,219**	**9,042,480**	**—**	**—**	**10,519,484**
Funds from other than Dedicated Collections	**—**	**373,090**	**4,665,522**	**726,849**	**7,408,547**	**376,200**	**1,361,447**	**6,121,272**	**971,713**	**—**	**22,004,640**
Net Position - Total	**1,290,935**	**373,090**	**4,815,470**	**135,751**	**7,408,547**	**376,200**	**1,988,666**	**15,163,752**	**971,713**	**—**	**32,524,124**

U.S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Total Custodial Revenue										
Sources of Cash Collections										
Federal Debts, Fines, Penalties and Restitution	$ —	$ 94	$ —	$ 19,825	$ 3,082	$ —	$ 4,355,794	$ —	$ —	$ 4,378,795
Fees and Licenses	—	106,040	—	15,000	—	—	—	—	—	121,040
Miscellaneous	—	283	414	—	—	—	—	—	4,297	4,994
Total Cash Collections	**$ —**	**$ 106,417**	**$ 414**	**$ 34,825**	**$ 3,082**	**$ —**	**$ 4,355,794**	**$ —**	**$ 4,297**	**$ 4,504,829**
Accrual Adjustments	—	(266)	—	(510)	(966)	—	2,083,645		—	2,081,903
Total Custodial Revenue	**$ —**	**$ 106,151**	**$ 414**	**$ 34,315**	**$ 2,116**	**$ —**	**$ 6,439,439**	**$ —**	**$ 4,297**	**$ 6,586,732**
Disposition of Collections										
Transferred to Federal Agencies										
Government Printing Office	—	—	—	—	—	—	(7)	—	—	(7)
The Judiciary	—	—	—	—	—	—	(109,186)	—	—	(109,186)
U.S. Department of Agriculture	—	—	—	—	—	—	(45,948)	—	—	(45,948)
U.S. Department of Commerce	—	—	—	—	—	—	(10,720)	—	—	(10,720)
U.S. Department of the Interior	—	—	—	—	—	—	(585,035)	—	—	(585,035)
U.S. Department of Justice	—	—	—	—	—	—	(554,680)	—	—	(554,680)
U.S. Department of Labor	—	—	—	—	—	—	(31,242)	—	—	(31,242)
Pension Benefit Guaranty Corporation	—	—	—	—	—	—	(106)	—	—	(106)
U.S. Postal Service	—	—	—	—	—	—	(13,327)	—	—	(13,327)
U.S. Department of State	—	—	—	—	—	—	(2,802)	—	—	(2,802)
U.S. Department of the Treasury	—	—	—	—	—	—	(563,964)	—	—	(563,964)
Office of Personnel Management	—	—	—	—	—	—	(35,568)	—	—	(35,568)
Federal Communications Commission	—	—	—	—	—	—	(420)	—	—	(420)
Social Security Administration	—	—	—	—	—	—	(567)	—	—	(567)
Federal Trade Commission	—	—	—	—	—	—	(162,373)	—	—	(162,373)
Smithsonian Institution	—	—	—	—	—	—	(2)	—	—	(2)
U.S. Department of Veterans Affairs	—	—	—	—	—	—	(25,435)	—	—	(25,435)
General Services Administration	—	—	—	—	—	—	(1,435)	—	—	(1,435)
National Science Foundation	—	—	—	—	—	—	(1,755)	—	—	(1,755)
Federal Deposit Insurance Corporation	—	—	—	—	—	—	(128)	—	—	(128)
National Endowment For the Humanities	—	—	—	—	—	—	(14)	—	—	(14)
Railroad Retirement Board	—	—	—	—	—	—	(452)	—	—	(452)
Environmental Protection Agency	—	—	—	—	—	—	(314,173)	—	—	(314,173)
U.S. Department of Transportation	—	—	—	—	—	—	(4,496)	—	—	(4,496)
U.S. Department of Homeland Security	—	—	—	—	—	—	(244,157)	—	—	(244,157)
Agency for International Development	—	—	—	—	—	—	(312)	—	—	(312)
Small Business Administration	—	—	—	—	—	—	(8,270)	—	—	(8,270)
U.S. Department of Health and Human Services	—	—	—	—	—	—	(1,202,178)	—	—	(1,202,178)
United States Intl Development Finance Corporation	—	—	—	—	—	—	(33)	—	—	(33)
National Aeronautics and Space Administration	—	—	—	—	—	—	(4,070)	—	—	(4,070)
Export-Import Bank of the United States	—	—	—	—	—	—	(1,411)	—	—	(1,411)
U.S. Department of Housing and Urban Development	—	—	—	—	—	—	(26,952)	—	—	(26,952)
U.S. Department of Energy	—	—	—	—	—	—	(7,109)	—	—	(7,109)
U.S. Department of Education	—	—	—	—	—	—	(21,526)	—	—	(21,526)
Commodities Futures Trading Commission	—	—	—	—	—	—	(88)	—	—	(88)
Corporation of National & Community Services	—	—	—	—	—	—	(2,205)	—	—	(2,205)
Federal Reserve Board	—	—	—	—	—	—	(6)	—	—	(6)
Treasury General Fund	—	(99,688)	—	(34,825)	(3,082)	—	(164,782)	—	(4,297)	(306,674)
U.S. Department of Defense	—	—	—	—	—	—	(94,339)	—	—	(94,339)
Transferred to the Public	—	—	—	—	—	—	(277,574)	—	—	(277,574)
(Increase)/Decrease in Amounts Yet to be Transferred	—	—	(414)	510	966	—	(1,809,334)	—	—	(1,808,272)
Increase/(Decrease) in Refunds Payable and Other Liabilities	—	(6,463)	—	—	—	—	—	—	—	(6,463)
Retained by the Reporting Entity	—	—	—	—	—	—	(111,258)	—	—	(111,258)
Total Disposition Of Collections	**—**	**(106,151)**	**(414)**	**(34,315)**	**(2,116)**	**—**	**(6,439,439)**	**—**	**(4,297)**	**(6,586,732)**
Net Custodial Activity	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

U.S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2021

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Total Custodial Revenue										
Sources of Cash Collections										
Federal Debts, Fines, Penalties and Restitution	$ —	$ 121	$ —	$ 10,867	$ 1,391	$ —	$ 7,817,114	$ —	$ —	$ 7,829,493
Fees and Licenses	—	93,878	—	15,000	—	—	—	—	—	108,878
Miscellaneous	—	281	27	—	—	—	—	—	352	660
Total Cash Collections	**$ —**	**$ 94,280**	**$ 27**	**$ 25,867**	**$ 1,391**	**$ —**	**$ 7,817,114**	**$ —**	**$ 352**	**$ 7,939,031**
Accrual Adjustments	—	(26)	—	(76)	1,855	—	—	—	—	1,753
Total Custodial Revenue	**$ —**	**$ 94,254**	**$ 27**	**$ 25,791**	**$ 3,246**	**$ —**	**$ 7,817,114**	**$ —**	**$ 352**	**$ 7,940,784**
Disposition of Collections										
Transferred to Federal Agencies										
The Judiciary	—	—	—	—	—	—	(89,232)	—	—	(89,232)
U.S. Department of Agriculture	—	—	—	—	—	—	(87,945)	—	—	(87,945)
U.S. Department of Commerce	—	—	—	—	—	—	(9,230)	—	—	(9,230)
U.S. Department of the Interior	—	—	—	—	—	—	(568,102)	—	—	(568,102)
U.S. Department of Justice	—	—	—	—	—	—	(203,482)	—	—	(203,482)
U.S. Department of Labor	—	—	—	—	—	—	(655)	—	—	(655)
U.S. Postal Service	—	—	—	—	—	—	(32,115)	—	—	(32,115)
U.S. Department of State	—	—	—	—	—	—	(138)	—	—	(138)
U.S. Department of the Treasury	—	—	—	—	—	—	(649,229)	—	—	(649,229)
Office of Personnel Management	—	—	—	—	—	—	(15,542)	—	—	(15,542)
Federal Communications Commission	—	—	—	—	—	—	(3,908)	—	—	(3,908)
Social Security Administration	—	—	—	—	—	—	(484)	—	—	(484)
Federal Trade Commission	—	—	—	—	—	—	(150,506)	—	—	(150,506)
U.S. Department of Veterans Affairs	—	—	—	—	—	—	(169,423)	—	—	(169,423)
Equal Employment Opportunity Commission	—	—	—	—	—	—	(4,839)	—	—	(4,839)
General Services Administration	—	—	—	—	—	—	(14,892)	—	—	(14,892)
National Science Foundation	—	—	—	—	—	—	(334)	—	—	(334)
Federal Deposit Insurance Corporation	—	—	—	—	—	—	(4)	—	—	(4)
National Endowment For the Humanities	—	—	—	—	—	—	(1)	—	—	(1)
Railroad Retirement Board	—	—	—	—	—	—	(206)	—	—	(206)
Environmental Protection Agency	—	—	—	—	—	—	(1,073,923)	—	—	(1,073,923)
U.S. Department of Transportation	—	—	—	—	—	—	(6,310)	—	—	(6,310)
U.S. Department of Homeland Security	—	—	—	—	—	—	(151,990)	—	—	(151,990)
Agency for International Development	—	—	—	—	—	—	(6,951)	—	—	(6,951)
Small Business Administration	—	—	—	—	—	—	(11,361)	—	—	(11,361)
U.S. Department of Health and Human Services	—	—	—	—	—	—	(1,234,546)	—	—	(1,234,546)
United States Intl Development Finance Corporation	—	—	—	—	—	—	(130)	—	—	(130)
National Aeronautics and Space Administration	—	—	—	—	—	—	(1,732)	—	—	(1,732)
Export-Import Bank of the United States	—	—	—	—	—	—	(1,142)	—	—	(1,142)
U.S. Department of Housing and Urban Development	—	—	—	—	—	—	(117,398)	—	—	(117,398)
U.S. Department of Energy	—	—	—	—	—	—	(202,757)	—	—	(202,757)
U.S. Department of Education	—	—	—	—	—	—	(10,729)	—	—	(10,729)
Commodities Futures Trading Commission	—	—	—	—	—	—	(288)	—	—	(288)
Corporation of National & Community Services	—	—	—	—	—	—	(42)	—	—	(42)
Federal Reserve Board	—	—	—	—	—	—	(4)	—	—	(4)
Treasury General Fund	—	(90,445)	—	(25,867)	(1,391)	—	(2,619,571)	—	(352)	(2,737,626)
U.S. Department of Defense	—	—	—	—	—	—	(136,523)	—	—	(136,523)
Transferred to the Public	—	—	—	—	—	—	(256,130)	—	—	(256,130)
(Increase)/Decrease in Amounts Yet to be Transferred	—	—	(27)	76	(1,855)	—	233,428	—	—	231,622
Increase/(Decrease) in Refunds Payable and Other Liabilities	—	(3,809)	—	—	—	—	—	—	—	(3,809)
Retained by the Reporting Entity	—	—	—	—	—	—	(218,748)	—	—	(218,748)
Total Disposition Of Collections	**—**	**(94,254)**	**(27)**	**(25,791)**	**(3,246)**	**—**	**(7,817,114)**	**—**	**(352)**	**(7,940,784)**
Net Custodial Activity	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

SECTION III
Other Information

Section III

Other Information
(Unaudited)

Summary of Financial Statement Audit and Management Assurances

Summary of Financial Statement Audit and Management Assurances

The table below summarizes the results of the financial statement audit. The table on the following page summarizes the management assurances regarding the effectiveness of internal control over operations and financial reporting (FMFIA § 2) and compliance with financial management system requirements (FMFIA § 4) and the FFMIA.

Table 1. Summary of Financial Statement Audit

Financial Statement Audit Opinion and Material Weaknesses					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
Improvements are Needed in Financial Management and Reporting Controls, and Risk Assessment Process	1	1	0	1	1
Total Material Weaknesses	**1**	**1**	**0**	**1**	**1**

Table 2. Summary of Management Assurances

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
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**

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Modified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Improvements are Needed in Financial Management and Reporting Controls, and Risk Assessment Process	1	1	0	1	0	1
Total Material Weaknesses	**1**	**1**	**0**	**1**	**0**	**1**

Compliance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Federal Systems Comply					
Non-Compliances	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Total Non-Compliances	**0**	**0**	**0**	**0**	**0**	**0**

Compliance with Section 803(a) of Federal Financial Management Improvement Act (FFMIA)		
Compliance with Specific Requirements		
Specific Requirements	**Agency**	**Auditor**
Federal Financial Management System Requirements	No Lack of Compliance Noted	No Lack of Compliance Noted
Applicable Federal Accounting Standards	No Lack of Compliance Noted	No Lack of Compliance Noted
USSGL at Transaction Level	No Lack of Compliance Noted	No Lack of Compliance Noted

The following pages provide a summary of material weaknesses in financial reporting (FMFIA § 2), along with details regarding the corrective actions.

Improvements are Needed in Financial Management and Reporting Controls, and Risk Assessment Process

The preparation of the Department's consolidated financial statements is a complex process and dependent on Department components entering complete and accurate information in the Department's financial management systems on a timely basis and providing other data to the JMD Finance Staff. As reported in Table 3 above, the Department earned an unmodified, i.e., "clean," audit opinion on its FY 2022 consolidated financial statements. This continued what the Department considers a proud tradition for a nineteenth straight year.

The auditors noted in their report on internal control over financial reporting that, during FY 2022, the Department and its components adopted a financial management strategy to undertake improvements and address changes in the financial reporting environment that included a continuation of the implementation of UFMS throughout the Department.

The auditors' report identified a material weakness at the consolidated level because of weaknesses found in a DOJ component's financial reporting. The material weakness included conditions at the Bureau of Prisons (BOP) related to risk assessment, financial management, and reporting controls, and at the Department related to its risk assessment process. As a result, transactional deficiencies existed in the areas of obligations, accounts payable, accruals, property, and operating expenses during the compilation of the BOP year-end financial statements. Nonetheless, the Department has additional work to do. To address this material weakness, the Department will strengthen risk assessment, financial management, and reporting controls, which will increase timely internal control reviews and monitoring to prevent, detect, and correct errors in financial reporting.

FMFIA

Corrective Action Plan

FMFIA § 2 – FINANCIAL REPORTING MATERIAL WEAKNESS

U.S. DEPARTMENT OF JUSTICE **Corrective Action Plan** **Issue and Milestone Schedule**	**Report Date** September 30, 2022	
Issue Title Improvements are Needed in Management's Financial Statement Preparation and Review and Risk Assessment Process	**Issue ID** 01DOJ001	**Component Name** Department

Issue Category

FMFIA § 2 Operations ☐ **Significant Deficiency** ☐ **Material Weakness**

FMFIA § 2 Financial Reporting ☐ **Significant Deficiency** ☒ **Material Weakness**

FMFIA § 4 ☐ **Financial Management Systems Do Not Comply with Financial System Requirements**

Issue Category – SAT Concurrence or Recategorization

Concur

Issue Description

The preparation of the Department's consolidated financial statements is a complex process and dependent on Department components entering complete and accurate information in the Department's financial management systems on a timely basis and providing other data to the JMD Finance Staff. The Department earned an unmodified, i.e., "clean," audit opinion on its FY 2022 consolidated financial statements. This continued what the Department considers a proud tradition for a nineteenth straight year.

During FY 2022, the Department and its components sustained a financial management strategy to undertake improvements and address changes in the financial reporting environment that included a continuation of the implementation of UFMS throughout the Department. The Department has made substantial progress in centralizing accounting operations and its use of technology platforms to support those initiatives including its core accounting system, Unified Financial Management System (UFMS).

The auditors' report identified a material weakness at the consolidated level because of weaknesses found in a DOJ component's financial reporting. The material weakness included conditions at the Bureau of Prisons (BOP) related to risk assessment, financial management, and reporting controls, and at the Department related to its risk assessment process. As a result, transactional deficiencies existed in the areas of obligations, accounts payable, accruals, property, and operating expenses during the compilation of the BOP year-end financial statements. The auditors' report noted that DOJ component management addressed the errors in the year-end financial statements. Nonetheless, the Department has additional work to do. To address this material weakness, the Department will strengthen risk assessment, financial management, and reporting controls, which will increase timely internal control reviews and monitoring to prevent, detect, and correct errors in financial reporting.

Please refer to the Description of Remediation and Milestones on the following page.

Business Process Area (Applicable for FMFIA § 2 Financial Reporting Only)
Financial Reporting

Date First Identified	Original Target Completion Date	Current Target Completion Date	Actual Completion Date
This condition was identified in DOJ OIG Audit of FY 2022 Consolidated Financial Statements.	9/30/2023		

Issue Identified By	Source Document Title
KPMG and DOJ OIG	DOJ OIG Audit of FY 2022 Consolidated Financial Statements

Description of Remediation
The Department will provide additional guidance and training to Department components; and enhance timely internal control reviews, monitoring and risk assessments to prevent, detect, and correct errors in financial reporting and timely and accurate financial statements without significant unplanned manual adjustments.

Milestones	Original Target Date	Current Target Date	Actual Completion Date
1. Ensure Department components maintain and update business process narratives for all significant processes relating to financial statement preparation and reporting.	April 30, 2023		
2. Ensure quarterly Department Financial Statement Working Group and internal control teams identify controls and new accounting standards, if applicable.	Quarterly during FY 2023		
3. Ensure Department components incorporate controls and new accounting standards, if applicable, into the preparation of quarterly financial statements.	Quarterly during FY 2023		
4. Enhance the Department's internal control reviews over quarter-end component financial reporting to identify and resolve significant concerns and variances.	Quarterly during FY 2023		
5. Develop and update a recruitment and training plan for individuals with financial management and accounting skills.	Quarterly during FY 2023		

Reason for Not Meeting Original Target Completion Date
Not Applicable
Status of Funding Available to Achieve Corrective Action
Funding Available
Planned Measures to Prevent Recurrence
Ensure internal control review, monitoring and risk assessment activities are designed to detect issues early, so actions can be taken promptly to prevent recurrence of the deficiencies in the FY 2023 consolidated financial statements.
Validation Indicator
Results are measured by the number and dollar amount of errors identified during testing of interim and year-end financial transactions and the review of interim and annual financial statements.
Organizations Responsible for Corrective Action
JMD and BOP

Office of Inspector General's Report on Top Management and Performance Challenges

Each year, the Department's OIG identifies existing and potential management challenges, weaknesses, and areas in need of improvement. 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.

Presented on the following pages are the OIG-identified Top Management and Performance Challenges in the Department, and Department management's response to those challenges.

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

Top Management and Performance Challenges Facing the Department of Justice–2022

DEPARTMENT OF JUSTICE | OFFICE OF THE INSPECTOR GENERAL

October 14, 2022

MEMORANDUM FOR THE ATTORNEY GENERAL

THROUGH: THE DEPUTY ATTORNEY GENERAL

FROM: MICHAEL E. HOROWITZ
INSPECTOR GENERAL

SUBJECT: **Top Management and Performance Challenges Report**

PURPOSE: **For Information Only**

EXECUTIVE SUMMARY: Attached to this memorandum is the Office of the Inspector General's 2022 report on the top management and performance challenges facing the Department of Justice (the Department), which we have identified based on our oversight work, research, and judgment. We have prepared similar reports since 1998. By statute, this report is required to be included in the Department's Agency Financial Report.

In this year's report, we cover nine top challenges for the Department, two of which—Enhancing Cybersecurity and Countering Cybercrime and Enhancing the Department's Response to the Opioid Crisis—we present in the overview section.

We address the remaining seven challenges separately in the following sections:

(1) Improving Management of the Federal Prison System;
(2) Strengthening Public Trust in the U.S. Department of Justice;
(3) Safeguarding and Promoting National Security;
(4) Managing the Post-Pandemic Impact on U.S. Department of Justice Operations;
(5) Strengthening Police-Community Partnerships and the Response to Violent Crime;
(6) Effective Management of U.S. Department of Justice Contracts and Grants; and
(7) Managing Human Capital.

We hope this report will assist the Department in its efforts to improve program performance and enhance its operations. We look forward to continuing to analyze these important issues in the year ahead.

Please contact me or Erin Aslan, Senior Counsel to the Inspector General, at (202) 514-3435 if you have any questions.

Attachment:
2022 Top Management and Performance Challenges Report

cc: Christopher Alvarez
Finance Staff, Director
Justice Management Division

Hilary Anderson
Finance Staff, Assistant Director
Justice Management Division

Maureen Lyons
DAAG-Office of the Controller, Special Assistant
Justice Management Division

Top Management and Performance Challenges Overview

The U.S. Department of Justice (the Department or DOJ) faces many pressing challenges in carrying out its wide range of responsibilities. As outlined in its Fiscal Years (FY) 2022-2026 Strategic Plan, the Department has organized its broad responsibilities into five overarching strategic goals, which are upholding the rule of law, keeping our country safe, protecting civil rights, ensuring economic opportunity and fairness for all, and administering just court and correctional systems. To assist the Department with achieving these important strategic goals, this report captures the 2022 top management and performance challenges facing the Department as identified by the DOJ Office of the Inspector General (OIG) through our oversight work, research, and judgment. By statute, this report is required to be included in the Department's Agency Financial Report, and we have prepared similar reports since 1998.

In this year's report, we cover nine top challenges for the Department, two of which—Enhancing Cybersecurity and Countering Cybercrime and Enhancing the Department's Response to the Opioid Crisis—we present in this overview section. We address the remaining seven challenges separately in the following sections: (1) Improving Management of the Federal Prison System; (2) Strengthening Public Trust in the U.S. Department of Justice; (3) Safeguarding and Promoting National Security; (4) Managing the Post-Pandemic Impact on U.S. Department of Justice Operations; (5) Strengthening Police-Community Partnership and the Response to Violent Crime; (6) Effective Management of U.S. Department of Justice Contracts and Grants; and (7) Managing Human Capital. These are not new challenges, and events of the last year, such as the violent attacks in Buffalo, New York; Uvalde, Texas; and Highland Park, Illinois, require the Department's increased attention and action. There are some novel aspects to the challenges highlighted in this year's report, such as an increase in the identification of pandemic-related fraud.

U.S. Department of Justice Building (Robert F. Kennedy Building)

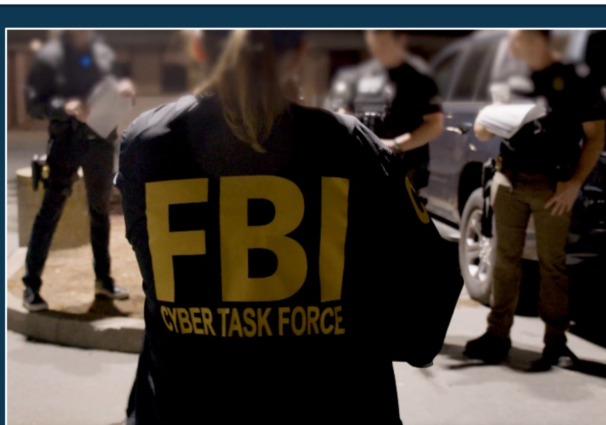
Source: DOJ OIG

In his address at the National Association of Attorneys General in December 2021, Attorney General Merrick Garland stated that the Department's work to defend the nation from "complex and sophisticated cyber threats" and "the criminal networks that are fueling the overdose epidemic" remain significant. We have highlighted those challenges in past years' reports and continue to provide oversight of the Department's efforts to address cyber threats and drug-related issues. This year, we have included cyber security and the opioid crisis in this overview section to highlight their complex and persistent nature, and to recognize the Department's commitment to addressing the difficult issues associated with them.

Enhancing Cybersecurity and Countering Cybercrime

The Department faces the challenge of leveraging law enforcement, legal, information technology, intelligence resources, public-private partnerships, and international partnerships when managing cyber-related threats and emerging technologies. Like technology itself, these areas are continuously evolving.

Additionally, the number and scale of major cyber incidents—some of which can involve tens of thousands of victims—are growing and challenging DOJ's ability to respond. For example, in a statement before the House Judiciary Committee, the Assistant Director of the Federal Bureau of Investigation's (FBI) Cyber Division reported that ransomware complaints to the FBI increased by 82 percent from 2019-2021, with a 449 percent rise in ransom payments over the same period. To assist DOJ in meeting this enormous challenge, in July 2022, the OIG initiated an audit of the Department's strategy to combat and respond to ransomware threats and attacks in July 2022. This audit's objectives are to assess the Department's (1) strategy to combat ransomware threats, and (2) response to and coordination on ransomware attacks against public and private entities.



A member of an FBI Cyber Task Force

Source: FBI

Enhancing DOJ's cybersecurity posture remains a top priority for the Department. In recognition of the breadth of the issue and the pivotal role the Department plays, DOJ requested approximately $149 million in additional funding for FY 2023 to enhance cybersecurity and combat cybercrime. New for 2022, the Deputy Attorney General announced that the Department is creating a Cyber Operations International Liaison position to work with U.S. prosecutors and European partners to address cybercrime. The Department can also draw on its expertise in civil fraud enforcement, government procurement and cybersecurity to promote the critical mission of combating new and emerging cyber-threats.

Cyber Supply Chain Threats

Many organizations, including DOJ and other federal agencies, use an array of suppliers to support their organizational needs due to globalization, outsourcing, and digitization. According to a 2021 National Institute of Standards and Technology report, "suppliers have their own suppliers who, in turn, have their own suppliers, creating extended supply chains and entire supply ecosystems." As a result, an organization's ability to ensure information technology security depends on its ability to maintain needed resources through the supply chain. In July 2022, the OIG released an audit report that focuses on cyber supply chain risk management. The audit found that the Justice Management Division lacked the personnel resources needed for an effective cyber supply chain risk management (C-SCRM) program, as well as widespread noncompliance with C-SCRM requirements, outdated C-SCRM guidance, inadequate threat assessments, and insufficient mitigation and monitoring actions. The OIG also found that FBI procurement officials often improperly bypassed its C-SCRM program due in part to a misunderstanding or unawareness of the C-SCRM requirements and the FBI needed to enhance both its risk mitigation and continuous monitoring efforts, and better integrate C-SCRM across the organization. Additionally, the OIG determined that the Drug Enforcement Administration's (DEA) Office of National Security Intelligence—which is a member of the U.S. Intelligence Community and subject to additional criteria to protect the supply chain—had not established a supply chain risk management program as required by an Intelligence Community directive. The report contains 17 recommendations, specifically to the Justice Management Division, the FBI, and the DEA, to assist the Department in improving its organizational approach to C-SCRM. The importance of implementing the OIG's recommendation regarding enhanced training is underscored by the June 2022 enactment of the Supply Chain Security Training Act of 2021, which requires the federal government to develop a training program for officials with supply chain risk management responsibilities.

Cryptocurrency

Although cryptocurrency, a type of virtual currency that can be traded and used for investment purposes or to pay for goods and services, is not recognized as legal tender by the U.S. government or in most countries, its unique attributes, including its virtual nature and ability to confer a high degree of anonymity, have made it increasingly attractive to criminals. Many of the challenges associated with the use of cryptocurrency transcend the cyber-realm, as criminals increasingly use cryptocurrency to purchase deadly weapons, support terrorism, sell and purchase drugs, and engage in human trafficking activity, all of which have severe ramifications of their own. Tracing and understanding cryptocurrency transactions, as well as seizing cryptocurrency used in illegal activity, are components of the Department's efforts to combat cybercrime and crimes facilitated by it.

The Department has statutory authority to seize assets used in or obtained through illicit activity. It has employed this tool in cases involving cryptocurrency. For example, the hack of a virtual currency exchange in 2016 resulted in the Department seizing $3.6 billion in cryptocurrency linked to the hack. The U.S. Marshals Service (USMS) serves as the primary custodian for DOJ's seized assets and, as of June 2021, managed nearly 200 DOJ cryptocurrency seizures. In June 2022, the OIG issued an audit report that assessed the USMS's handling of about $466 million in seized cryptocurrency from FYs 2017-2021. The audit found that although the USMS implemented adequate safeguards for the storage of and access to seized cryptocurrency, the USMS faces challenges with managing and tracking its seized cryptocurrency in DOJ's official seized asset tracking system. The audit also found that USMS polices related to storage, quantification, valuation, and disposal are inadequate, absent, and in some instances provide conflicting guidance. The OIG made seven recommendations to improve the USMS's management and tracking of seized cryptocurrency. When implemented, the recommendations will strengthen the Department's program to seize and dispose of cryptocurrency used in connection with illegal activity.

Due to increasing use of cryptocurrency for criminal transactions, Deputy Attorney General Lisa Monaco announced the launch of the National Cryptocurrency Enforcement Team in October of 2021. In February 2022, DOJ announced that the FBI is developing a specialized unit dedicated to cryptocurrency called the Virtual Asset Exploitation Unit, which will work in conjunction with the National Cryptocurrency Enforcement Team. At the same time, the Department announced the launch of an International Virtual Currency Initiative to combat the misuse of and illegal activity associated with virtual currency. Although the Department is making strides in the investigation and prosecution of cybercrime, it still faces challenges with ever evolving technologies that can impede law enforcement's capabilities to detect illegal behavior. These challenges were highlighted in a U.S. Government Accountability Office report released in February 2022. The U.S. Government Accountability Office found that drug traffickers are increasing their use of cryptocurrencies to help obscure their illicit activity and that the analytical tools available to law enforcement agencies have limited effectiveness. This report—and the Department's Joint Criminal Opioid and Darknet Enforcement team's work on Operation Dark HunTor, a coordinated international effort to disrupt opioid trafficking on the Darknet—illustrate the interconnectedness of cyber threats and other significant challenges, such as opioids, and that continuing progress is necessary to effectively investigate and prosecute offenses involving cryptocurrency.

Enhancing the Department's Response to the Opioids Crisis

The Centers for Disease Control and Prevention has identified opioids overdose as an epidemic, and opioid-related deaths continue to increase. In May 2022, the Centers for Disease Control and Prevention reported that overdose deaths increased by 15 percent in 2021 to over 107,000 people, and that opioids were responsible for over 80,000 of those deaths. As the nation's leading law enforcement agency as well as supporter of local law enforcement efforts, DOJ has a major role in coordinating a national response to opioids abuse. The Department's role is also crucially important given that one of its law enforcement agencies, the DEA, acts as the lead drug regulator in the country. Because of the many varied problems arising from opioids use, this is an extraordinarily complex and difficult challenge for the Department. Nonetheless, it remains one of the most important challenges for the Department to address.

A mix of legitimate and counterfeit pills

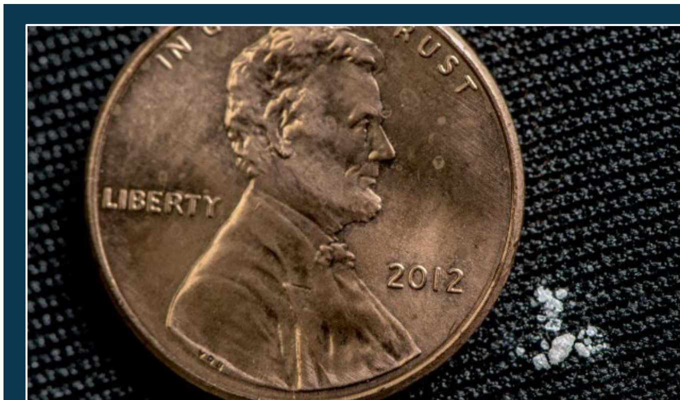
Source: DEA

As part of its FYs 2022-2026 Strategic Plan, DOJ recognizes the importance of combating drug trafficking and preventing overdose deaths. The strategies outlined in this plan include disrupting and dismantling drug trafficking organizations while focusing on the highest priority targets, reducing deaths and addiction by focusing on the diversion of pharmaceutical controlled substances to illegitimate consumers, and expanding access to evidence-based prevention treatment. In addition to the high level of overdose deaths, the opioid crisis has had ramifications relating to discrimination in employment, healthcare, and participation in state and local government services and programs. For example, a Colorado-based program that assists individuals experiencing homelessness reached a settlement resolving allegations of discrimination against an individual who takes medication for opioid use disorder (OUD). In another instance, the Department filed a lawsuit against a state's unified judicial system alleging it prohibits or limits participants in its court supervision program from using medication to treat OUD. In response to this type of discrimination, the Department issued guidance in April 2022 on protections under the Americans with Disabilities Act for those suffering from OUD.

Another important part of DOJ's ongoing efforts to address this challenge is its use of civil enforcement actions against opioid manufacturers to hold these parties accountable when there is a legal basis to do so. In FY 2021, the Department's largest False Claims Act settlements resulted from significant resolutions with prescription opioids manufacturers Indivior Inc. and Indivior plc, and Purdue Pharma (Purdue). As part of a global resolution of criminal and civil liability, Indivior Solutions pleaded guilty to a felony and, together with its parent companies Indivior Inc. and Indivior plc, agreed to pay $600 million to resolve criminal and civil liability associated with false statements made in connection with the marketing of the opioid addiction treatment drug Suboxone. To resolve criminal and civil liability, Purdue pleaded guilty to three felonies, which resulted in a criminal fine of $3.544 billion and an additional $2 billion in criminal forfeiture, and agreed to pay $2.8 billion to resolve civil claims under the False Claims Act. Because Purdue was in federal bankruptcy proceedings at the time of this settlement, the Department and Purdue agreed that the $2.8 billion from the resolution of civil liability would be paid as ordered by the court in connection with the bankruptcy proceedings. Separately, certain individual members of the Sackler family who were shareholders and board members of Purdue agreed to pay $225 million to resolve civil False Claims Act allegations that they approved a new marketing program that intensified marketing of OxyContin to extreme, high-volume prescribers, causing opioid prescriptions for uses that were unsafe, ineffective, and medically unnecessary, and often led to abuse and diversion.

Many of the claims that formed the basis for these settlements arose from legitimate prescription opioids that were diverted from their lawful purpose to an illicit purpose. In 2019, the OIG conducted a review of the DEA's regulatory and enforcement efforts to control the diversion of opioids. Among other things, the OIG recommended that the DEA develop a "national prescription opioid enforcement strategy that encompasses the work of all DEA field divisions tasked with combating the diversion of controlled substances and establish performance metrics to measure the strategy's progress." In October 2022, the DEA provided the OIG with a copy of their strategy, which the OIG is evaluating. As diversion of prescription opioids continues to be a significant part of the crisis, the DEA's successful implementation of a strategy will be key to enhancing the Department's strategic response to this challenge.

The DEA has also employed community engagement strategies as part of its approach to the opioids problem. One such community effort is Operation Engage, launched in 2021. This program utilizes an approach to collaboration with local community stakeholders such as schools, faith-based organizations, social service organizations, local, state, federal DEA partners, and others. As the OIG noted in a 2020 audit of the DEA's community-based efforts to combat the opioids crisis, it is important that the DEA has an outcome-oriented performance measurement strategy to assess the effectiveness of its community outreach efforts.



Fentanyl is a potent synthetic opioid

Source: DEA

The OIG also noted in the 2020 audit report the importance of DEA's collaboration with DOJ's grant making components. The need for this collaboration was underscored in the OIG's May 2022 audit of the Office of Community Oriented Policing Services' (COPS Office) Anti-Heroin Task Force Program. Since FY 2015, Congress has appropriated funds for the COPS Office to award competitive Anti-Heroin Task Force Program grants to state law enforcement agencies with high rates of primary treatment admissions for heroin and other opioids to investigate, through statewide collaboration, the unlawful distribution of heroin, fentanyl, carfentanyl, and prescription opioids. From 2015 through 2021, the COPS Office awarded $135 million in grants through this program. The OIG found a need for the COPS Office to better collaborate and coordinate with other DOJ components to identify jurisdictions most in need of resources and to synchronize a coordinated agency-wide response to the opioid crisis. The OIG also found that the COPS Office did not have a written standard operating procedure to guide how its separate divisions need to work together to administer and oversee these grants. Additionally, prior to FY 2020, the performance measures that the COPS Office implemented for the program did not align with the program's authorizing legislation or goals. The OIG also has an ongoing audit of the Bureau of Justice Assistance's Comprehensive Opioid, Stimulant, and Substance Abuse Program

(COSSAP), another Department anti-opioids grant program. The objectives of this audit are to determine whether the Bureau of Justice Assistance (1) implemented adequate oversight and management of COSSAP, (2) effectively coordinated and collaborated with COSSAP partners and stakeholders, and (3) accomplished COSSAP objectives. The OIG's work and recommendations in these projects could assist the Department's opioids reduction plan.

Given the tragically high and continually increasing number of Americans dying each year of opioid-related overdoses, working to address this epidemic remains one of the Department's most important challenges.

* * *

The remaining challenge areas are addressed in the following sections of the report. We hope this report will assist the Department in its efforts to improve program performance and enhance its operations. We look forward to continuing to analyze these important issues in the year ahead.

Improving Management of the Federal Prison System

As the U.S. Department of Justice (the Department or DOJ) recognized in its Fiscal Years (FY) 2022-2026 Strategic Plan, the federal prison system, which is managed by the Department's Federal Bureau of Prisons (BOP), is a critical part of its criminal justice mission. The BOP continues to be the largest DOJ employer, with almost 35,000 employees in October 2022, and has the second largest appropriation among DOJ components at over $7.865 billion for FY 2022. For at least the past decade, the Office of the Inspector General (OIG) reports have found weaknesses and failures in the management of BOP operations and have made dozens of recommendations to address them. We also have consistently identified managing the federal prison system as one of the most significant and important management challenges facing the Department. Separately, the U.S. Government Accountability Office has now added as an emerging issue to its high-risk list of federal programs the management of the federal prison system. Indeed, the OIG has observed and reported on how, over the past few years, even as the inmate population has declined from approximately 219,000 in 2013 to about 159,000 in October 2022, the many longstanding challenges facing the BOP, including physical safety, insufficient staffing, and healthcare costs, have resulted in serious organization failures and resulted in crises at far too many institutions. For example, the BOP has been forced to temporarily close its Metropolitan Correctional Center New York due to unresolved maintenance issues, and to dramatically limit operations at U.S. Penitentiary (USP) Atlanta due to contraband smuggling concerns. In addition, the recent allegations of sexual assault and civil rights violations against numerous BOP staff at the Federal Correctional Institution (FCI) Dublin and USP Tomson facilities demonstrate the continued safety and security challenges facing the BOP. As the new BOP Director Colette Peters begins her tenure, she will have the opportunity to lead the BOP in addressing these pervasive concerns through necessary improvements in strategic planning, management, and policy implementation.

Strategic Planning and Management

The BOP's awareness of the major challenges it faces are evident in its FY 2023 budget request, in which the BOP requested funding to upgrade its security camera system, increase staffing, and implement and continue First Step Act (FSA) initiatives. However, the OIG has observed that a continuing challenge for the BOP are the recurring deficiencies in the BOP's strategies to identify, communicate, and mitigate operational issues at its institutions. In response to this observation, the OIG initiated a limited-scope review to assess how the BOP considers operational issues identified through internal and external oversight processes and products, how identified issues are communicated to BOP Executive Staff, and how the BOP takes action to remedy those issues. The OIG will also assess in that review the BOP's internal processes for identifying system-wide operational and security issues, as well as the processes for identifying critical risks that developed at specific institutions. In addition to this limited-scope review, the OIG is conducting an audit examining the BOP's management and strategic planning relating to expansion of existing institutions, as well as its acquisition and construction of new institutions, and maintenance of existing institutions, including how the BOP identifies and implements modernization and repair projects. Together, the results of these two OIG projects should assist the BOP in meeting these challenges and being more proactive and purposeful in its resource allocation, budget planning, and response to system-wide operational needs.

Physical Safety and Security

A central part of the BOP's mission is to provide safe, humane, cost-efficient, and appropriately secure environments for inmates in its custody. The BOP continues to face challenges in the institutional infrastructure, physical safety, and security of its facilities. In particular, the BOP faces challenges in the areas of contraband, security cameras, staff misconduct, and aging infrastructure.

Promoting Accountability and Integrity, and Addressing Sexual Abuse of Inmates

Increased incidents of staff misconduct, weaknesses in the BOP's disciplinary process, and a lack of data on deaths in custody are among the most serious problems confronting the BOP. The OIG has observed a significant increase in the number of OIG investigations of BOP staff for allegedly sexually abusing inmates. In the last year and a half, and at one institution alone, FCI Dublin, OIG investigations have led to five prosecutions of BOP employees for sexual abuse of an inmate. In an interview with a media outlet, Deputy Attorney General Lisa Monaco noted that DOJ had convened senior officials to look at what more could be done about the issue of sexual abuse in the prison system, and that this focus came from the conduct seen at the FCI Dublin facility. An OIG investigation also led to a former Correctional Officer being sentenced to 48 months in federal prison following his conviction of one count of sexual abuse of an inmate while on duty at FCI Tallahassee. Such misconduct by BOP employees undermines the safety, security, and integrity of federal prisons and, therefore, presents a significant challenge to be addressed. In response to a request from DOJ leadership, contingent on funding, the OIG is planning to enhance in the number of Special Agents conducting investigations of such allegations, and providing additional services to victims of sexual assault allegations. The OIG, through its FY 2023 budget request, has sought additional funding to expand the resources it can allocate to this serious and growing problem.

To better address this issue, it is critically important that the BOP examine and revise its disciplinary processes to ensure that employees are held accountable. For example, in a recent Management Advisory Memorandum (MAM), the OIG found that the BOP is reluctant to rely on inmate testimony in administrative misconduct investigations, has a general practice of avoiding calling inmates as witnesses in U.S. Merit Systems Protection Board and arbitration proceedings, and, at least in matters involving staff-on-inmate sexual assault, is effectively requiring significantly more proof than necessary under the applicable preponderance of the evidence standard to sustain misconduct and take disciplinary action against BOP employees. The OIG concluded that this manner of handling misconduct by BOP employees is contrary to federal regulations and BOP policy and creates significant risks for the BOP, including enhancing the likelihood that employees will avoid accountability for misconduct. For instance, the MAM noted that, based on this manner of handling misconduct investigations, the BOP issued only a 10-day suspension against a BOP employee whom the OIG found, based on the testimony of several inmates and other evidence, had sexually abused two inmates and failed to provide truthful information to the OIG. To address these challenges, the OIG recommended that the BOP create a policy regarding the proper handling of inmate statements in administrative matters and provide training to BOP employees on the preponderance of the evidence standard and the proper treatment of inmate statements.

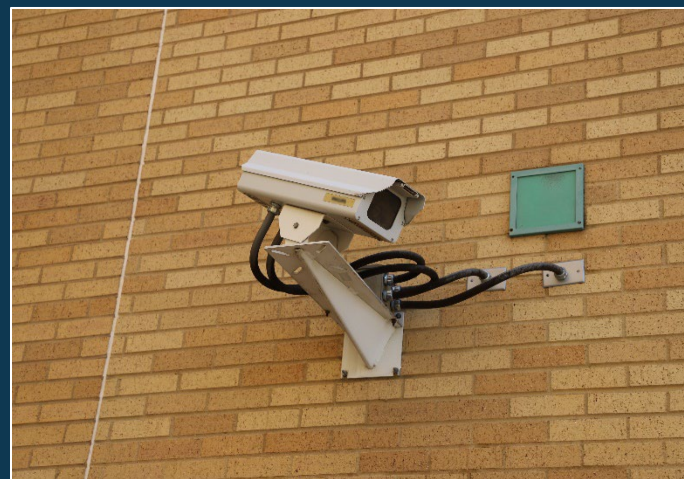
Contraband

The introduction of contraband into correctional facilities, whether weapons, drugs, mobile phones, or otherwise, creates a safety risk to BOP staff, inmates, visitors, and the public, and it remains one of the BOP's biggest challenges. Over the past decade, the OIG has on several occasions examined the pervasive problem of contraband. In a 2016 report, the OIG found significant issues with the BOP's contraband interdiction efforts, including deficiencies in the BOP's staff search policies and the need for an upgraded security camera system. Some OIG recommendations from that review remain outstanding as contraband-related problems continue to plague BOP facilities. Specifically, for example, in August 2021, following an

OIG investigation involving the introduction of contraband at a BOP facility, the OIG issued a MAM to the BOP identifying urgent security concerns involving staff entering BOP facilities without being searched. Additionally, over 700 cell phones, numerous hard contraband items, and illegal drugs were found inside USP Atlanta in July 2021.

Security Cameras

As noted above, the long-standing weaknesses in the BOP's security camera system represent a significant and ongoing risk to BOP staff and inmates. In an October 2021 MAM, the OIG found that despite the BOP's progress in implementing selected camera upgrades, the BOP still must transition to a modern, fully digital system. We noted that the BOP continued to face many of the same challenges observed by the OIG in our 2016 contraband interdiction report, including an insufficient number of cameras to capture alleged misconduct, poor-quality video, inoperable cameras, and inadequate video storage.



Security camera at federal prison

Source: DOJ OIG

While the BOP requested $15.6 million in its FY 2023 budget request for camera system upgrades, to begin implementing its strategic plan, it is imperative that the BOP prioritize the expeditious expansion and modernization of its security camera system to mitigate security risks. In addition to being essential to the BOP's ability to accomplish all aspects of its mission, congressional stakeholders concur that this must be a significant priority for the BOP, as indicated by the introduction of a bipartisan bill, the Prison Camera Reform Act of 2021, that if enacted, would require the BOP Director to make necessary upgrades to security camera and radio systems. The Act specifically references the OIG's 2016 finding that deficiencies in security camera systems affected the OIG's ability to secure prosecutions in contraband cases, as well as adversely impacted the availability of evidence to support administrative or disciplinary action against staff and inmates.

Institutional Infrastructure

Aging facilities is another challenge that that has previously identified and that looms larger for the BOP with the passage of time. Currently, about 30 percent of the BOP's 122 institutions are over 50 years old, and 50 percent are over 30 years old. Further, most BOP institutions have not undergone major renovations from the time they were constructed, or acquired and converted to prison use. Among the serious consequences of BOP's failure to adequately address infrastructure issues, as the OIG found in a 2015 report, is the significant impact it has on aging inmates.

The BOP has represented that its current backlog of major modernization and repair projects has dramatically increased in recent years. Specifically, in July 2022, former BOP Director Michael Carvajal testified that the backlog of major modernization and repair projects was approximately $2 billion, a significant increase from the BOP's FY 2017 estimate of $542 million. Strong management, and strategic planning and budgeting, will be critical in addressing this backlog. As noted above, the OIG has an ongoing audit to evaluate the acquisition and construction of new BOP institutions, as well as evaluate the expansion and maintenance of existing BOP institutions. Upon completion of this audit, the OIG expects to provide recommendations to the BOP help it contend in a strategic manner with the issues presented by its aging facilities and infrastructure.

Staffing Shortages

Since 2015, the OIG has repeatedly identified staffing shortages as one of the most significant challenges facing the BOP. For example, the OIG has previously found that insufficient health services staff increased the BOP's reliance on outside health providers and that a shortage of medical staff was one of the BOP's biggest obstacles in mitigating Coronavirus Disease 2019 transmission in its facilities. Insufficient staffing remains a substantial challenge at a number of institutions despite the BOP's recent efforts to address staffing shortages. The BOP has hosted hiring events across the country and has offered recruitment incentives for many positions and locations. By June 2021, the BOP reported that it had filled over 94 percent of its "Line" Correctional Officer positions, the highest in recent years, and that by October 2021, 92 percent of these positions remained filled. However, in July 2022, in a hiring announcement, the BOP noted that while the BOP had made staffing gains, staffing levels were again trending downward. To address these concerns, the BOP has awarded a contract to a consulting firm to assess staffing levels, a step that should guide the BOP's strategic planning related to staffing. The BOP has also started paying psychiatrists', physicians', and dentists' salaries that are competitive with other federal agencies, and, in some locations, the private sector.

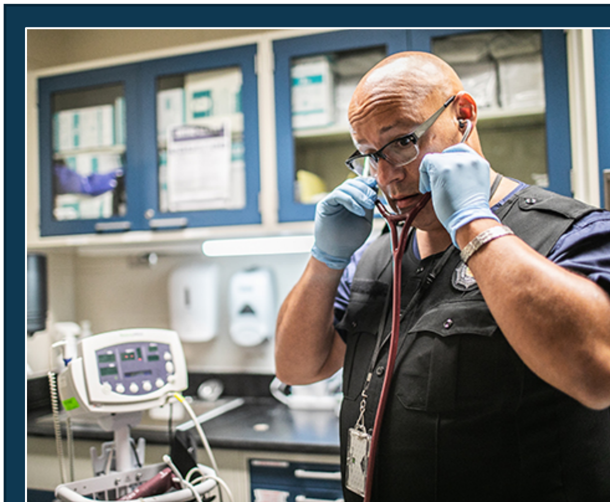
Addressing its staffing challenges are central to the BOP's ability to safely and securely manage its institutions, and to protect the health, safety, and welfare of its staff and inmates. The BOP must redouble its efforts to address this critical challenge.

Management of Healthcare Services: Quality of Care, Planning, and Billing

Providing quality, cost-effective healthcare to inmates remains a significant challenge for the BOP. In FY 2021, the BOP spent $1.3 billion on inmate medical care, and between 2010 and 2019, the BOP paid approximately $1.2 billion to nine medical service contractors to supplement the BOP's in-house medical services, as we reported in a February 2022 MAM concerning potential BOP overpayment for inmate health care services. The cost of these contracts highlights the importance of adequate oversight and management of healthcare services. The OIG identified that the BOP has not effectively managed these resources or adequately assessed whether inmates are receiving quality of care at an appropriate price. In September 2022, the OIG issued a separate MAM that highlighted concerns identified through several audits or reviews conducted since 2012 that related to the BOP's strategy for comprehensive medical service contracts (Medical Services MAM). As described further below, in this MAM we highlighted several recurring issues, including weaknesses in the BOP's acquisition planning and contract administration, as well as the absence of a performance monitoring framework.

Quality of Care

The BOP is challenged with providing medically necessary care, which requires constant review of evidence-based prevention and treatment practices, and delivery of services that balance efficacy of care and quality of life, both during incarceration and in preparing for release into the community. Given the BOP's significant spending on medical contracts, it is critical that the BOP monitor performance to ensure that quality healthcare services are provided to inmates. However, the Medical Services MAM highlights that the BOP often did not adequately monitor the performance of medical contracts. The OIG's March 2022 audit report, which focused on over $304 million the BOP awarded to a university medical school for comprehensive medical services also noted that the BOP did not monitor the quality of healthcare services. This audit report found that the BOP did not have a consistent process in place to evaluate timeliness or quality of these services. Additionally, the OIG observed in our September 2022 audit report relating to the BOP's procurements awarded to a medical services contractor that the BOP did not adequately monitor and assess the services received by the contractor, increasing the risk that inmates are not receiving quality healthcare. The OIG recently awarded a contract to a vendor that will assist the OIG in its efforts to evaluate the quality of care delivered to inmates at prison and detention centers operated by or under contract to the BOP.



A registered nurse at a BOP facility

Source: BOP

It is imperative that the BOP take steps to address this challenge by implementing OIG recommendations and ensuring that healthcare providers are delivering the medical services for which the BOP has contracted, and that the services provided meet inmate care needs.

Planning for Medical Costs

In the Medical Services MAM, the OIG found that the BOP has significant weaknesses in acquisition planning and attributed many of these weaknesses to inadequate communication and collaboration between the BOP's acquisition office and its institutions. The OIG noted this problem in its February 2022 MAM related to the BOP's acquisition and administration of procurements awarded to a medical services contractor and addressed in the September 2022 audit report referenced above. Specifically, the OIG found that the BOP grossly underestimated the costs of its awards to the contractor. The OIG's audit detailed several examples of this underestimation of costs. For instance, the audit noted that while the BOP initially issued a 3-year purchase agreement to the contractor with a $3.75 million ceiling for FYs 2017 to 2019, the total cost over this period was nearly $50 million. Additionally, between FYs 2017 and 2022, the BOP's total spending on contractor's contracts was approximately $121 million, despite the BOP initially awarding the contractor approximately $92 million. In evaluating these costs, the OIG determined the structure of the BOP's contracts to the contractor provided little incentive to reduce or control medical costs. The OIG recommended that, in order to better control costs, the BOP should implement a strategy that considers multiple cost-saving opportunities such as incentivizing contractors to reduce medical claims. Additionally, the OIG recommended that, to better plan for medical costs, the BOP should enhance its policies and procedures to ensure that adequate acquisition planning and market research is conducted for medical service awards. Addressing this challenge of adequately planning for healthcare costs is one of the most basic steps that the BOP can take to ensure that it can meet the healthcare needs of its inmates.

Medical Billing

Additionally, in the Medical Services MAM, the OIG identified the BOP's inadequate contract administration to be a significant challenge, particularly as it relates to oversight of medical billing. The OIG noted this issue in our March 2022 audit referenced above, which found that the BOP did not have a consistent process to review billings, and, in some instances, did not verify charges at all. Similarly, the OIG's September 2022 audit referenced above found that the BOP did not review providers' medical claims, instead relying on the contractor to conduct these reviews. The BOP's failure to review these claims is particularly concerning in light of the contractor's 2021 settlement with DOJ related to its submission of medical claims falsely representing medical services provided to inmates.

In addition to these audits, the BOP's inadequate oversight of medical billing was also evident in the OIG's February 2022 MAM related to the BOP's potential overpayment for inmate health care services. The OIG concluded that the BOP potentially paid higher amounts for similar medical services due to inconsistent practices related to the submission of reimbursement codes.

One of the fundamental responsibilities of any government agency is to ensure that it is efficiently and effectively managing taxpayer funds. The concerns identified by the OIG in these reports regarding the BOP's management of its medical billings reflect the importance of the BOP addressing this ongoing challenge.

Policy Implementation

To accomplish its mission of confining offenders in safe, humane, cost-efficient, and appropriately secure facilities, the BOP needs to periodically issue program statements, or policies, governing the actions, conduct, and conditions of employment for its workforce. The BOP, however, has faced significant challenges in implementing policies required by legislation, specifically the FSA, as well as amending policies more generally. In November 2021, as part of the OIG's then-ongoing evaluation of the BOP's policy development process, the OIG issued a MAM to address a 20-month period during which formal policy negotiations did not occur between the BOP and its national union. The OIG found that the lack of formal negotiations disrupted the BOP's implementation of the FSA and further delayed other policy changes needed to address OIG recommendations. In response to the MAM, the BOP resumed formal negotiations with its national union in December 2021. These negotiations ultimately facilitated the BOP's publication and implementation of the FSA Time Credits rule, published on January 19, 2022, which codified the BOP's procedures regarding the earning and application of time credits as authorized by the FSA. By April 2022, more than 6,100 eligible inmates had been transferred to supervised release or prerelease custody following the BOP's application of the FSA Time Credits rule.

Additionally, in September 2022, the OIG released its evaluation of the BOP's policy development process. The evaluation noted that over the past 2 decades, the OIG has observed recurring challenges in the BOP's ability to timely update its national policies governing the actions, conduct, and conditions of employment for its nearly 35,000 staff. The report stated that as of May 2022, the BOP had 94 program statements that had not been updated in at least 20 years, and 24 OIG recommendations as of August 2022 that have remained open for an average of more than 3 years due to policy development challenges. The OIG found that the BOP's policy development process was hindered by a policy negotiation process that did not sufficiently address the need for new and revised policies, and that the BOP did not develop effective policy negotiation practices. We also found that the BOP does not collect and track sufficient data necessary to evaluate its policy development and negotiation performance and determine whether it is applying best practices. The OIG made five recommendations to assist the BOP in improving its policy development process. The development of comprehensive, timely, and updated policies is critically important to addressing the many challenges facing the BOP.

Strengthening Public Trust in the U.S. Department of Justice

At its core, public service is a public trust. The U.S. Department of Justice (the Department or DOJ) earns public trust through transparency and its impartial administration of justice. Eroded public trust represents a significant and concerning challenge that weakens the Department's ability to fulfill its mission to uphold the rule of law, to keep our country safe, and to protect civil rights. Ensuring that decision making adheres to established Department policies and practices, is free from inappropriate influences, and complies with conflicts of interest rules are key elements to meeting this challenge. In addition, DOJ should be attentive to addressing perceived disparities in law enforcement responses to significant events, consistency and objectivity in the use of sensitive law enforcement authorities, and demonstrating honesty and integrity in the performance of duties.

Ensuring that Decision Making is Free from Inappropriate Influences and Considerations

The quintessential statement of the Department's independence and objectivity is "Justice is blind." In the polarized environment of the day, DOJ leadership and all of its employees must be vigilant to give credibility to this guiding principle, which is critical to maintaining the public's trust.

Lady Justice

Source: Sebra/stock.adobe.com

Independence from Political Influence and the Appearance of Political Influence

The Department is often involved in high-profile, politically sensitive investigations and prosecutions. Recent examples include cases arising from the events at the U.S. Capitol on January 6, 2021, and the prosecution of Roger Stone for obstruction and related offenses. In these and other matters, it is critical that the judgments of DOJ personnel are impartial and insulated from political influence and partisan consideration. For that reason, among others, the Department has long maintained policies, and Attorneys General have consistently issued guidance, to establish standards for DOJ operations and for personnel to follow. Actual or perceived deviation from longstanding practices and norms undermines public trust in the Department, and therefore faithful compliance to them is central to meeting this challenge.

In the 2021 Top Management and Performance Challenges report, we emphasized the importance of adhering to these established policies and practices in our discussion of the Office of the Inspector General's (OIG) reviews of certain actions taken by the Department and the Federal Bureau of Investigation (FBI) in connection with the "Midyear" and "Crossfire Hurricane" investigations. The resulting reports highlighted the potential harm—to the Department and its representatives and to the public's confidence in the underlying investigations—that may result when the actions of agents or prosecutors suggest that political biases or other improper considerations may have impacted investigative decisions.

More recent OIG investigations also have underscored how actions by DOJ officials have the potential to undermine confidence in the Department's independence from partisan influence. For example, in February 2022, the OIG issued an investigative summary regarding its finding that a then U.S. Attorney exercised poor judgment and sought to undermine the professional reputation of a subordinate. The OIG found that, contrary to advice from a Department official, the former U.S. Attorney made public remarks inappropriately suggesting that a career Assistant U.S. Attorney was motivated by partisan political considerations in joining with numerous district election officers in sending a letter to then Attorney General William Barr that was critical of the Attorney General's revisions to DOJ's policies regarding election fraud. The U.S. Attorney's statement, which wrongly implied that the Assistant U.S. Attorney acted unethically by signing the letter and improperly suggested partisan motivation by a career prosecutor, served to harm the public's perception of the Department.

Alleged politicized hiring of Immigration Judges within the Executive Office of Immigration Review led members of Congress to ask the OIG to investigate whether Immigration Judge and Board of Immigration Appeals positions were withdrawn, delayed, or favored for political or ideological reasons. The OIG did not find evidence of systemic politicized hiring; however, in March 2022, we issued a Management Advisory Memorandum (MAM) recommending that the Executive Office for Immigration Review update its hiring process to clarify that candidates are evaluated and selected without regard to perceived political affiliation or ideology. Such steps will help to ensure transparency and accountability in these processes.

Compliance with Conflicts of Interest Rules

Principles of fairness and impartiality also demand that Department employees comply with rules and regulations requiring them to avoid or mitigate actual or perceived conflicts between their professional obligations and their personal interests. Recent OIG investigations have revealed that some Department employees have not scrupulously adhered to these requirements. For example, this past year, the OIG released an investigative summary finding that a senior FBI official engaged in misconduct by participating in the vetting and hiring process of the FBI official's former spouse.

Separately, in the course of our investigative work, we noted that the FBI did not have guidance to ensure the impartiality of agents conducting internal investigations of other FBI personnel. In February 2022, the OIG issued a MAM recommending that the FBI adopt policies or practices to prevent actual and perceived conflicts of interest in such circumstances. The FBI immediately adopted the OIG's recommendation and implemented a new standard operating procedure that requires FBI personnel assigned to internal investigations to formally attest that they do not have any actual or potential conflicts of interest and prevents the assignment of investigators to matters in which the subject is in the investigator's chain of command or is someone with whom the investigator has a personal or professional relationship. These examples highlight how adherence to and enforcement of rules and regulations regarding conflicts of interest both promote the impartiality and integrity of decision making by Department personnel and help enhance public trust in the institution.

Consistency in the Treatment of Attorney Professional Misconduct Allegations

Another means of strengthening confidence in the Department is ensuring that attorney professional misconduct matters are handled no differently than misconduct allegations made against law enforcement agents or other DOJ employees. While the OIG has jurisdiction to review alleged misconduct by non-lawyers in the Department, it does not have jurisdiction over alleged misconduct committed by Department attorneys when they act in their capacity as lawyers—namely, when they are litigating, investigating, or providing legal advice. In those instances, the Inspector General Act grants exclusive investigative authority to the Department's Office of Professional Responsibility. As a result, these types of misconduct allegations against Department lawyers, including any that may be made against the most senior Department lawyers (including those in departmental leadership positions), are handled differently than those made against agents or other Department employees. The OIG has long questioned this distinction between the treatment of misconduct by attorneys acting in their legal capacity and misconduct by others, a distinction not made in other federal agencies and a limitation not imposed on any other OIG. This duality presents a challenge to the Department as well as to the OIG because of the effect it has on stakeholders' and the public's confidence in the Department's ability to treat its personnel evenhandedly.

Consistency and Objectivity in the Use of Sensitive Law Enforcement Authorities

Federal investigators and prosecutors wield tremendous power and discretion, particularly when securing evidence using certain sensitive law enforcement tools and techniques. In this context, adherence to applicable procedural and substantive legal requirements and policy considerations is critical to assuring the public that the Department is exercising this authority in a consistent and objective manner.

One particularly sensitive law enforcement tool is the issuance of a subpoena or other legal process to obtain communication records of members of the news media. The prospect of using such legal process may arise in the context of an investigation of unauthorized disclosures by a DOJ or other government employee of highly sensitive or classified national security information. First Amendment considerations require caution and deliberation about the propriety and necessity of using this tool. In recognition of these sensitivities, in July 2021, Attorney General Merrick Garland issued a memorandum modifying DOJ policy by prohibiting, with limited exceptions, federal prosecutors from using "compulsory legal process for the purpose of obtaining information from or records of members of the news media acting within the scope of newsgathering activities." Before issuance of this memorandum, the OIG initiated a review of DOJ's use of subpoenas and other legal authorities to obtain communications records of members of the news media and members of Congress, for whom there are also constitutional considerations, in connection with recent investigations of alleged unauthorized disclosures of information to the news media by government officials. The need for the OIG's review arose from concerns about the circumstances in which these authorities were used and to enhance accountability and transparency about such past use. The scope of this ongoing review includes the Department's compliance with then applicable DOJ policies and procedures, and whether any such uses, or the underlying investigations, were based upon improper considerations.

Related concerns arise from the collection of foreign intelligence information, which largely is shielded from the public's awareness because of its classified nature, thus requiring that federal investigators collect this information in a manner that appropriately balances national security interests with constitutional protections and other legal requirements. To that end, the OIG's 2019 Crossfire Hurricane review triggered additional oversight efforts, including an OIG advisory memorandum and audit of the FBI's compliance with procedures designed to ensure the accuracy of Foreign Intelligence Surveillance Act applications. The resulting memorandum and audit report, issued in March 2020 and September 2021, respectively, identified some of the same types of accuracy deficiencies noted in the 2019 review and included a combined 12 recommendations for the National Security Division and the FBI. At the request of former Attorney General Barr, the OIG conducted an audit of the FBI's Office of the General Counsel's roles and responsibilities in national security matters. The OIG's audit revealed a relationship between the FBI's Office of the General Counsel and the National Security Division that historically has been strained and hindered by overlapping or undefined responsibilities and miscommunication in national security matters, thereby affecting coordination needed to ensure the effectiveness of the FBI's national security program. DOJ as a whole has an essential responsibility to carry out its critical investigative and national security duties in an effective manner and to do so with efficient coordination while maintaining focus on adhering to the rule of law and upholding the public's confidence.

Perceived Disparities in Law Enforcement Responses to Significant Events

Objectivity is equally important in the Department's exercise of its law enforcement authorities. The law enforcement responses to protests in the spring and summer of 2020 at Lafayette Square in Washington, D.C.; Portland, Oregon; and elsewhere following the deaths of Breonna Taylor, George Floyd, and others, have been contrasted with the treatment of rioters at the U.S. Capitol on January 6, 2021. The Department faces a significant challenge in ensuring that its law enforcement authority is wielded responsibly and without improper consideration or bias. Public accountability and transparency about its actions is necessary to address perceived disparities in law enforcement responses to these events.

To that end, the OIG has an ongoing investigation into use of force allegations involving DOJ law enforcement personnel in Portland, Oregon, in July 2020; and an ongoing review to examine DOJ's and its law enforcement components' roles and responsibilities in responding to protest activity and civil unrest in Washington, D.C., in June and July 2020. In April 2022, the Department's Civil Division settled four civil cases arising from the law enforcement response by non-DOJ agencies to demonstrations in Lafayette Square on June 1, 2020. Pursuant to the settlement agreement, the U.S. Park Police, a U.S. Department of Interior (DOI) agency, and the U.S. Secret Service, a U.S. Department of Homeland Security (DHS) agency, will update, clarify, and implement policies governing demonstrations to require visible identification for officers; limitations on the use of non-lethal force, including the utilization of de-escalation procedures and clear protocols for safe dispersal of demonstrators; and on-site coordination among responding law enforcement agencies.[1]

U.S. Capitol

Source: Tupungato/stock.adobe.com

DOJ is actively investigating the events surrounding the U.S. Capitol breach to hold accountable those who committed crimes. According to the U.S. Attorney's Office for the District of Columbia, as of October 2022, the government has charged more than 880 people with offenses relating to their participation in the U.S. Capitol breach, and approximately 280 people have been convicted and sentenced. To provide

[1] Prior to this settlement, the DOI's OIG issued a report that found the U.S. Park Police did not provide effective dispersal warnings to the protestors, and that deficiencies in communication between the U.S. Park Police and the U.S. Secret Service contributed to on-site confusion and the use of tactics that were inconsistent with the operational plan. The DOI OIG recommended that the U.S. Park Police develop a detailed policy for responding to protests and other similar events.

additional transparency, the OIG is conducting an ongoing review that will examine the roles and activities of DOJ and its components in preparing for and responding to the events at the U.S. Capitol on January 6, 2021.[2]

Demonstrating Honesty and Integrity in the Performance of Duties

As a basic obligation of public service, federal personnel must put forth honest efforts in the performance of their duties. While the overwhelming majoring of Department personnel meet their obligations, each year OIG agents determine that many do not, resulting in criminal indictments and findings of administrative misconduct. For example, in the OIG's most recent semi-annual report to Congress, the OIG reported that OIG investigations had resulted in 49 arrests, 47 indictments and informations, 34 convictions and pleas, and 73 administrative actions during the 6-month reporting period.

The OIG has numerous ongoing investigations involving the Federal Bureau of Prisons (BOP) that are examining whether Department personnel have performed with honesty and integrity their essential obligation to ensure the health and safety of inmates in federal custody. For example, in addition to the matters described in the challenge below regarding the BOP, the OIG is evaluating whether personal or procedural failures contributed to the non-natural deaths of inmates, including Jeffrey Epstein, while in the custody of the BOP.[3] In part because these cases raise significant concerns about the BOP's capabilities and impair the public's trust in the Department, the OIG is also conducting a more comprehensive review of non-natural inmate deaths at BOP institutions during Fiscal Years 2014-2021.

As detailed in the 2021 Top Management and Performance Challenges report, the FBI's handling of allegations of sexual abuse by former USA Gymnastics physician Lawrence Nassar caused the public to question the FBI's commitment to pursuing investigations with honesty and integrity. The OIG's 2021 report exposed gross deficiencies in the FBI's investigation and detailed numerous failures by FBI officials, which were exacerbated by false statements made by two now former FBI Special Agents.

The Department can strengthen public trust and help address this challenge by ensuring that its personnel have the training, experience, and supervision necessary to faithfully perform their duties and by providing greater transparency and accountability when they fail to do so. The OIG has found that these instances of wrongdoing are not representative of the diligent commitment of the overwhelming majority of DOJ employees. Nevertheless, the actions of the few affect the many and undermine the public's trust in the Department.

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[2] Other federal agencies have assessed their respective roles and responsibilities. In March 2022, the DHS OIG found that DHS had identified specific threat information as early as December 21, 2021, but did not issue intelligence products about these threats in a timely manner. The U.S. Capitol Police OIG issued 8 reports concluding that the U.S. Capitol Police was not appropriately vigilant on January 6, 2021, and making over 100 recommendations to improve future preparedness. The Government Accountability Office issued four reports, including one that found that U.S. Capitol Police officers lacked of sufficient guidance before and during the attack and another concluding that several agencies, including the FBI, were aware of potential violence planned for that day.

[3] Epstein was found dead as a result of suicide inside his cell on August 10, 2019, at Metropolitan Correctional Center in New York.

Safeguarding and Promoting National Security

Countering increasingly volatile and sophisticated domestic and foreign threat actors who pose a significant risk to the national security interests of the United States remains one of the most important challenges for the U.S. Department of Justice (the Department or DOJ). The Department's Fiscal Year (FY) 2023 budget request reflects emerging challenges it is facing to keep pace with rising and evolving terrorism threats. For example, the budget request includes enhancements to the Department's technical capabilities to identify, assess, and respond to terrorist threats. The budget request also includes enhancements to the Department's ability to process crucial and necessary classified information remotely during times of mandated social distancing, natural disasters, and events preventing employees from accessing sites in-person. These enhancements are a part of an additional $35.3 million requested to its already $558.9 million budget for ensuring public safety against threats foreign and domestic.

Countering Acts of Terrorism

Domestic Terrorism

According to the June 7, 2022 U.S. Department of Homeland Security (DHS) National Terrorism Advisory System Bulletin, the U.S. remains in a heightened threat environment. As DOJ explained in its budget request, the Federal Bureau of Investigation (FBI) estimates that more domestic terrorism investigative activity occurred in the United States in 2020 than in any of the previous 25 years. Several recent violent attacks by individuals against houses of worship, minority communities, mass transit, and other public areas have demonstrated the dynamic and complex nature of the domestic terrorism threat environment within the United States and the challenges facing the Department. The Interim National Security Strategic Guidance, which was issued by President Joseph R. Biden in March 2021, concluded that domestic violent extremism (DVE) challenges core principles of democracy and demands innovative policies that strike a balance between protecting public safety, promoting democratic values, and upholding the rule of law.[4] Further, part of the National Strategy for Countering Domestic Terrorism (National Strategy), which was issued by the President in June 2021, is to prevent recruitment and mobilizations to violence and confront long-term contributors to domestic terrorism. As has long been the case in this arena, the significant hurdle to this strategy is preserving individuals' First Amendment right to free speech or activity while protecting against the threat to national security.

An FBI agent on the Joint Terrorism Task Force

Source: FBI

[4] According to DOJ officials, domestic violent extremists are defined as individuals who seek to commit violent criminal acts in furtherance of social or political goals stemming from domestic influences, such as racial or ethnic bias, anti-government, or anti-authority sentiments.

As specified in the National Strategy, the federal government continues to augment and improve its analyses and understanding of the domestic terrorism threat. The Office of the Inspector General's (OIG) review examining the role and activities of DOJ and its components in preparing for and responding to the events at the U.S. Capitol on January 6, 2021, which remains ongoing, will address important issues emphasized in the National Strategy. This review includes an evaluation of what information concerning the January 6 events was available to DOJ in advance of January 6; the extent to which DOJ shared such information with the U.S. Capitol Police and other federal, state, and local agencies; and the role of DOJ personnel in responding to this event. The OIG's review is also assessing whether there are any weaknesses in DOJ protocols, policies, or procedures that adversely affected DOJ's ability to effectively prepare for and respond to the events at the U.S. Capitol.

Domestic Violent Extremism and Hate Crimes

In February 2021, the Office of the Director of National Intelligence designated DVE as one of the most significant terrorism-related threats to the United States. Given the importance of the Department's efforts in countering threats posed by DVE and the importance of the challenge that is facing the Department, the OIG is conducting an audit of DOJ's strategy to address the DVE threat. This audit is evaluating the Department's efforts to develop a comprehensive strategy to address the DVE threat in the United States to determine if the Department is effectively coordinating among Department stakeholders on the implementation of the strategy.

Hate crimes continue to be on the rise in all categories, including bias-related incidents and violent attacks against minority communities. The FBI's Crime Data Explorer site shows a 12 percent increase in reported hate crimes between 2019 and 2020. Additionally, the Coronavirus Disease 2019 pandemic triggered a historic surge in the number of anti-Asian hate crimes and prompted the May 2021 passage of the COVID-19 Hate Crimes Act. Since then, the Department has taken steps to implement the Act's provisions, including improving incident reporting, increasing law enforcement training and coordination, and prioritizing community outreach. The Department also released $10 million to fund state and local reporting and data collection efforts and to support community-based approaches to prevent and address hate crimes and bias-related incidents. In addressing this challenge, it is important that the Department continue its efforts to keep communities safe from bias-motivated acts of violence by committing the necessary resources to confront and prevent unlawful acts of hate and to hold perpetrators of such violence accountable.

International Terrorism

Alongside the DVE threat, countering international terrorism threats remains among the highest priorities for the Department and one of its biggest challenges. Adversaries designated as foreign terrorist organizations or nations, operating both in and outside the United States, look to inspire and incite violence and criminal acts in our country. Successful identification and disruption of such threats without compromising investigative integrity or infringing on civil rights requires the Department to rigorously execute and oversee its operations and programs.

FBI Director Christopher Wray at the October 7, 2020, press conference announcing charges against ISIS militants

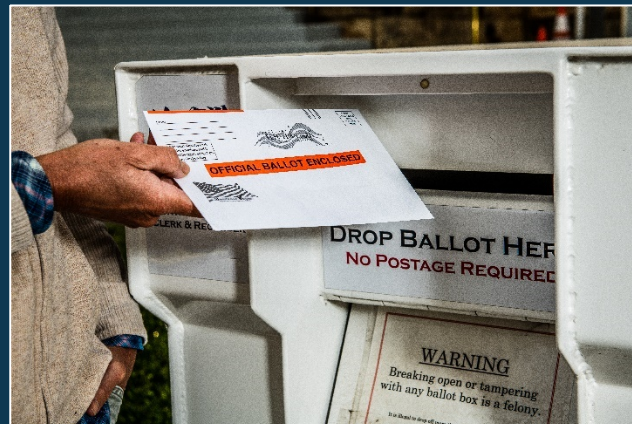
Source: FBI

The OIG's ongoing oversight work provides accountability, identifies challenges, describes weaknesses, and recommends enhancements for the Department's programs and operations countering international terrorism. During FY 2021, the OIG continued its work related to national security. In September 2022, the OIG issued an audit report addressing the roles and responsibilities of the FBI's Office of General Counsel (OGC) in overseeing compliance with applicable laws, policies and procedures relating to the FBI's national security activities. This audit identified several instances of ineffective coordination between the FBI OGC and the National Security Division (NSD) and uncertainty in the delineation of their roles that negatively impact important workflows between them—including varying interpretations by the FBI OGC and the NSD of key legal principles. The audit made five recommendations to the FBI and DOJ to improve oversight of the FBI's national security activities that without action by DOJ, will allow these issues to persist and affect the efficiency and effectiveness of the FBI's national security program. Additionally, the OIG has an ongoing audit of the FBI's National Security Undercover Operations, which is evaluating the FBI's oversight of national security-related undercover operations as well as the FBI's efforts to recruit and train agents for these undercover operations.

Additionally, the OIG has provided the Department with information from our reviews to assist in preventing the potential radicalization of inmates within the federal prison system. For example, the OIG's 2020 audit report regarding the Federal Bureau of Prisons' (BOP) monitoring of inmate communications to prevent radicalization found that the BOP had not identified all terrorist inmates in its custody and thus did not adequately monitor their communications. Several important recommendations to improve the Department's efforts in this area remain open, such as establishing controls that mitigate the risk of inmates communicating with unknown and un-vetted parties and working with the BOP to ensure all terrorists entering its custody are properly identified. The Department is actively working to close these recommendations. The OIG has also continued working with the BOP to address the five recommendations included in the 2021 audit report regarding the BOP's management and oversight of its chaplaincy program. The mission of the BOP's chaplaincy program is to accommodate the free exercise of religion for inmates by providing pastoral care and facilitating the opportunity for inmates to pursue their individual religious beliefs and practices in accordance with the law, federal regulations, and BOP policy. One major finding from this audit was that the BOP allowed inmates with known ties to terrorism to lead religious services, a practice that could enhance the threat of radicalization through misuse of such services. The OIG's recommendations to the BOP aim to improve the delivery of religious services to the inmate population and to help diversify and alleviate shortages in its chaplain staff. The BOP continues to work toward fully responding to these recommendations.

U.S. Election Security & Countering Foreign Influence of U.S. Elections

The U.S. electoral process is the foundation of our democratic system of government and one of the challenges facing the Department is ensuring election security and countering illegal foreign efforts to influence our elections. Over the last several years there has been a rise in threats against election workers, administrators, officials, and others associated with the electoral process. The Department, along with state election officials, faces the challenge of accomplishing their critical role in protecting the integrity of the electoral process while operating objectively and lawfully in order to maintain public trust. To this end, in July 2021, the Department launched the Election Threats Task Force to address the rise in threats against election workers, administrators, officials, and others associated with the electoral process. Organized and led by the Deputy Attorney General, the task force includes the Criminal Division, Civil Rights Division, NSD, and the FBI, in addition to other interagency partners. The task force receives and assesses allegations and reports of threats against election workers and the electoral process, and supports U.S. Attorneys' Offices and FBI field offices throughout the country to investigate and prosecute these offenses where appropriate. In the past year, DOJ has investigated and charged individuals making threats to election workers in Colorado, Texas, Nevada, and Arizona. Additionally, the Department has updated guidance to grant recipients that permits certain funding to be used to deter, detect, and protect against threats of violence against election workers, administrators, officials, and others associated with the electoral process.



Ballot box

Source: Alcorn Imagery/stock.adobe.com

As the Department continues to prioritize safeguarding elections, it also has a role in the interagency challenge of addressing the complex and evolving problem of countering foreign attempts to influence elections. This hybrid intelligence and law enforcement threat includes thwarting adversaries attempting to influence by way of cyber-attacks against voting infrastructure and computer intrusions targeting elected officials. As the lead federal investigative agency of foreign influence operations, the FBI Director established the Foreign Influence Task Force to identify and counteract malign foreign influence operations targeting the United States. DOJ's investigative and prosecutorial efforts face unique challenges arising from the cyber landscape in which these adversaries often operate. The anonymity of the Internet not only makes detecting and disrupting adversaries difficult, but it also has allowed for a far-reaching platform to spread misinformation intended to create distrust and divisiveness in our electoral process. The OIG is conducting a review of the Department's efforts to coordinate the sharing of information among DOJ components related to foreign malign influence directed at U.S. elections. The objectives of this review are to (1) assess the effectiveness and resilience of the Department's information sharing system related to malign foreign influence on elections; (2) assess the Department's oversight, management, and coordination of its activities to respond to malign foreign influence on elections; and (3) identify any gaps in, or duplication of, its information sharing efforts.

Safeguarding DOJ Research and Development from Undue Foreign Influence, Espionage and Theft

In January 2022, the National Science and Technology Council guidance for implementing National Security Presidential Memorandum 33 identified that some foreign governments are working vigorously to acquire U.S. government-funded research and technology, through both licit and illicit means. Specifically, the guidance stated that there have been efforts to recruit American scientists to secretively conduct research programs on behalf of foreign governments or to inappropriately disclose non-public results from research funded by U.S. government sources. Investigating and prosecuting individuals who engage in the inappropriate transfer of knowledge or technology developed from taxpayer-funded research abroad to foreign governments or non-state actors who act counter to U.S. national security interests is an ongoing challenge for the Department. The Department's China Initiative, which formally ended in February 2022, also highlighted the importance of striking a balance between research security concerns and upholding the civil liberties of the U.S. scientific enterprise. Addressing this challenge through an approach that promotes equal and impartial justice also remains an ongoing priority for DOJ, as demonstrated by the launch of the NSD's Strategy for Countering Nation-State Threats.

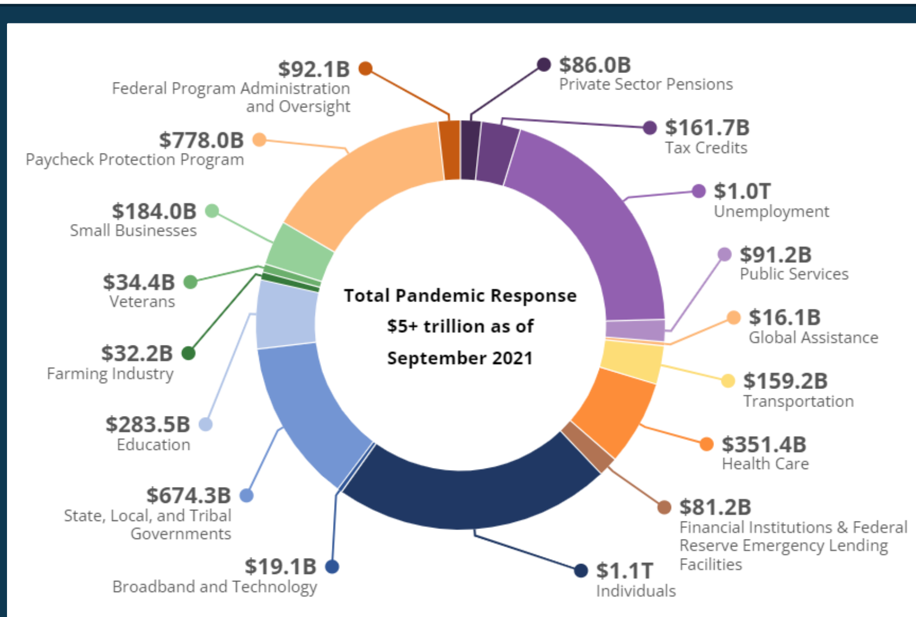
The Department regularly offers grant funding opportunities to support, among other things, research. The National Institute for Justice (NIJ), the Department's research, development, and evaluation agency, funds "physical and social science research, development and evaluation projects about criminal justice through competitive solicitations." For FY 2023, the Department's budget request includes over $88 million in funding for research, evaluation, and statistics. In December 2020, the U.S. Government Accountability Office recommended that federal agencies develop agency-wide conflict of interest policies to help them assess risks of undue foreign influence. As a participant of the U.S. federal research enterprise, the Department should continue to strengthen its protections of longstanding and new DOJ research and development grants against undue foreign influence in a consistent and coordinated manner that preserves the open and collaborative nature of the U.S. research enterprise while providing robust measures to protect taxpayer funded research and development projects.

An OIG audit report issued in September 2022 found that five publications, which were partly researched and developed under a grant NIJ awarded to develop a prototype law enforcement system that detects opioid trafficking participants on the dark web, listed co-authors with affiliations to foreign research institutions on the U.S. government's Entity List. The U.S. Entity List identifies entities or individuals that the U.S. government has determined have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the United States. Although the OIG did not find evidence of any wrongdoing, potential inappropriate knowledge transfers, or undue foreign influence stemming from these co-authorships, underscores the significant risks DOJ must protect against to ensure that the knowledge gained, or technology developed from taxpayer-funded Departmental research is not at risk of being exported to support foreign governments or non-state actors with interests adversarial to the United States. In response to the report, NIJ said it will determine the scope and nature of foreign activities and individuals that merit research grant recipient disclosure, based on federal statute, direction, policy, and guidance, relevant to fundamental research.

Managing the Post-Pandemic Impact on U.S. Department of Justice Operations

The Coronavirus Disease 2019 (COVID-19) pandemic continues to pose unique challenges for the U.S. Department of Justice (the Department or DOJ) and the continuity of its operations. For example, with over $5 trillion in pandemic relief funds being distributed in a relatively short time frame, the Department faces a daunting task of responding to the magnitude and gravity of fraud-related cases. In addition, many immigration and federal court proceedings and the Federal Bureau of Prisons' (BOP) operations remain modified due to health and safety concerns. This challenge addresses post-pandemic issues stemming from the Department's litigation-related operations and its responsibilities in connection with providing safe and secure conditions of confinement for inmates and pre-trial detainees. We address post-pandemic workforce management issues, among other things, in the Managing Human Capital challenge.

Coordinating the Response to Pandemic-related Fraud



Where did Pandemic Relief Funds Go?

Source: Pandemic Response Accountability Committee

The COVID-19 pandemic presented the country with not only a health crisis, but an economic one as well. Congress passed six laws authorizing federal emergency relief totaling over $5 trillion to individuals, state and local governments, businesses, and various programs and organizations. The distribution of an unprecedented amount of federal disaster response funds in a relatively short time frame has significantly increased the risk of fraudulent activities, which presents a novel aspect of pandemic-related challenges for the Department because of its investigative and prosecutive responsibilities.

Concurrent with the increase in pandemic-related funds, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), enacted into law in March 2020, established the Pandemic Response Accountability Committee (PRAC), a committee of the Council of Inspectors General on Integrity and Efficiency that is composed of Inspectors General from over 20 different federal agencies. As set forth in its 2020-2025 Strategic Plan, one of the PRAC's goals is to prevent and detect fraud, waste, abuse, and mismanagement of federal COVID-19 relief programs. Even with the PRAC's cross-agency support structure, DOJ faces a daunting task of responding to the multitude and magnitude of fraud-related cases. DOJ has taken various steps to address the issue of pandemic-related fraud, including appointing a Director for COVID-19 Fraud

Enforcement and establishing a Task Force and multi-agency Strike Force Teams, which operate in select locations to combat COVID-19 fraud. As of September 2022, those efforts had resulted in criminal charges against over 1,500 defendants with alleged losses exceeding $1.1 billion; the seizure of over $1.2 billion in relief funds; and civil investigations into more than 1,800 individuals and entities for alleged misconduct in connection with pandemic relief loans totaling more than $6 billion. DOJ enforcement efforts will be assisted by recent bipartisan legislation that established a 10-year statute of limitations for criminal and civil enforcement efforts relating to fraudulent Paycheck Protection Program and Economic Injury Disaster Loans.

Despite these efforts to date, the identification of pandemic-related fraud continues to grow. As discussed in the PRAC Chair's March 2021 congressional testimony, bad actors exploited key relief programs such as the Paycheck Protection Program, Economic Injury Disaster Loans, unemployment insurance (UI), and healthcare programs. Fraud has been estimated to be in the tens of billions of dollars for these programs. For example, in September 2022, the U.S. Department of Labor's Office of Inspector General (OIG) issued an alert memorandum noting that since February 2021 an estimated $45.6 billion in potentially fraudulent UI pandemic benefits were paid in four identified high-risk areas.[5] Further, the Federal Trade Commission reported a 3000 percent increase in reports of identity theft involving public benefits from 2019 to 2020, and since April 2021, 17 states have reported to the PRAC an estimated total of $46.2 billion in fraudulent payments for the UI program alone. To help counter this fraud, the DOJ OIG has assigned nine Special Agents to PRAC's Fraud Task Force on a part-time basis, in addition to their regular case load. The DOJ OIG also conducted an audit that examined the Criminal Division's and the Executive Office for U.S. Attorneys' management and coordination of pandemic-related fraud allegations and referrals. As a result of that audit, the DOJ OIG made recommendations on how the two components can enhance tracking of fraud allegations, expand guidance on managing pandemic-related fraud cases, and improve communication for matters under investigation and information shared with coordinating bodies.

Compounding the task of countering pandemic-related fraud is the issue of data gaps. A PRAC-commissioned study revealed key gaps in data completeness and accuracy across multiple government reporting platforms. Without reliable data from agencies managing pandemic programs, the Department's ability to identify fraud trends and target suspects for criminal, civil, and administration enforcement will be hampered.

Impact of the Pandemic on DOJ Litigation- and Incarceration-Related Operations

The COVID-19 pandemic substantially impacted the work of DOJ litigating attorneys, immigration courts, and the BOP. At the outset of the pandemic, the OIG shifted a significant portion of its oversight efforts toward assessing various DOJ components' responses to the emerging public health emergency. The OIG's pandemic-related work has highlighted both best practices and the need to improve aspects of DOJ's response to the pandemic and other emergencies.

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[5] The alert memorandum identified the high-risk areas as composed of payments to individuals with Social Security numbers (1) filed in multiple states, (2) belonging to deceased individuals, (3) used to file UI claims with suspicious email accounts, and (4) belonging to federal inmates.

Litigating Components and Immigration Courts

COVID 19 impacted court operations

Source: Moodboard/stock.adobe.com

The COVID-19 pandemic's impact on court operations impaired the Department's ability to litigate its already-filed criminal and civil cases, which presents a challenge to the Department as courts have reopened and the backlog of pending matters are now moving forward along with the new cases that are being brought. Due to the pandemic, the summoning of jurors for both petit and grand jury service had to be suspended to protect the health and safety of personnel. As a result, numerous courts tolled the time period for filing an indictment, delayed all bench and jury trials, and adopted the use of video and audio conferencing technology for oral arguments. The CARES Act authorized federal courts to conduct certain criminal proceedings by video or audio conference. Federal courts continue to coordinate with state and local health officials regarding their response to COVID-19 and its impact on court operations. Additionally, individual courts have issued orders related to court business, operating status, and public and employee safety during the pandemic.

Another challenge facing DOJ was how to effectively train litigating attorneys during the pandemic. Training efforts of the Executive Office for U.S. Attorneys were significantly impacted by the pandemic, which are coordinated through the Office of Legal Education (OLE). DOJ's training facility, the National Advocacy Center, was closed to residential training for the entirety of Fiscal Year 2021. In 2020, OLE quickly pivoted to alter a large number of residential training courses into distance education, a trend it continued in 2021. Newly hired Assistant U.S. Attorneys had to receive important training on trial advocacy skills, writing skills and criminal discovery practice and were able to do so virtually. However, the need for in-person training still exists, especially in the area of mock trials and national security training. OLE plans to capitalize on the success of the distance education program and use the lessons learned and advancements made during the pandemic to provide the optimal mix of residential and distance training, while maintaining high standards for training quality and effectiveness.

The Executive Office for Immigration Review (EOIR) operates the nation's immigration courts. As described in the OIG's April 2021 limited-scope review, EOIR had to balance difficult and sometimes conflicting challenges during COVID-19, including the need to ensure due process while also mitigating the risk of infection. Operationally, EOIR suspended certain dockets to reduce the number of individuals in EOIR office space and immigration courts, but its limited ability to accept filings electronically required some personnel to report to EOIR space. With certain exceptions, EOIR continued its docket of cases involving detained individuals throughout the pandemic. However, each Immigration Judge had the authority to make procedural decisions, such as waiving in-person appearances. The OIG found that those decisions were inconsistent and were not always communicated successfully. According to a U.S. Government Accountability Office report, between March and October 2020, EOIR delayed about 600,000 hearings due to court closures. The interruption in court operations and corresponding backlog of cases presents a significant post-pandemic challenge for the Department.

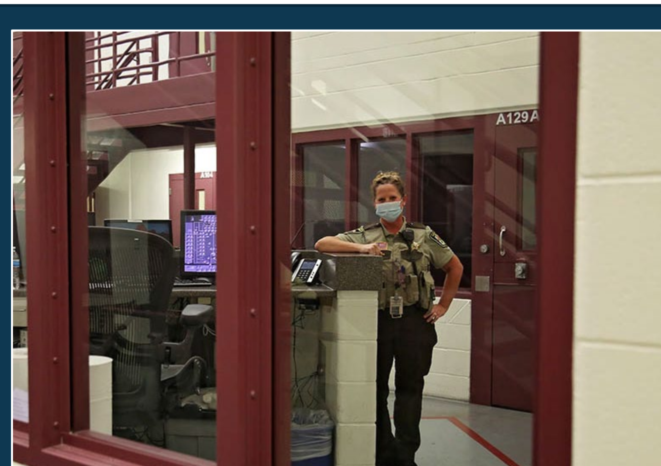
One of the drivers of the anticipated EOIR caseload increase is Immigration Judges' limited ability to conduct hearings remotely. It was not until August 2021 that all immigration courts had the capability for parties to attend proceedings remotely outside of government facilities. Even then, most Immigration Judges could not conduct remote hearings from home because they did not have the tools to record the hearings for an official transcript as legally required. The OIG identified additional issues with EOIR's use of video teleconference (VTC) for immigration hearings in a June 2022 limited-scope review. Specifically, the OIG found that the video feed in three-way hearings was often of poor quality. In the VTC limited-scope review, the OIG also found that the use of VTC raised fairness considerations given that it was potentially difficult for some participants to understand the hearing and the participants' roles, and that EOIR could improve efforts to ensure that hearing participants have adequate access to information about their rights in the immigration process.

Post-pandemic, the Department faces the challenge of being adequately resourced and prepared to continue operations, while affording litigants due process, in the event that in-person proceedings are disrupted due to future emergencies and catastrophic events.

The Federal Bureau of Prisons

Although we address challenges confronting the BOP more broadly in a separate challenge, we highlight here continuing issues for the BOP arising from the pandemic. Throughout the pandemic, the BOP needed to implement procedures or modifications to operations to prevent the spread of infection in accordance with the BOP's COVID-19 Response protocols. Procedures to mitigate the risk of COVID-19 transmission inside facilities include the use of home confinement, social distancing, quarantine, disease screening and testing, cloth and medical grade face coverings, personal protective equipment, medical isolation and promotion of vaccination usage among inmates and staff to protect at-risk populations. The pandemic has impacted BOP operations, and currently all institutions continue to operate under varying modified operational levels, as determined by local conditions.

The OIG's substantial oversight work concerning the BOP's response to the COVID-19 pandemic found that BOP measures designed to minimize the spread of COVID-19 were not uniformly implemented or effective. For example, our remote inspection of Federal Correctional Institute Milan revealed that BOP staff did not consistently use appropriate personal protective equipment to prevent the spread of infection when escorting inmates with COVID-19 symptoms. Also, our remote inspection of Federal Correctional Center Lompoc found that the facility's initial COVID-19 screening of staff was not fully effective. Additionally, in a February 2021 OIG survey of BOP staff working in institutions, 85 percent of respondents reported that their institution



Correctional Officer in housing unit

Source: National Institute of Corrections followed COVID-19 communication and guidance on wearing cloth face coverings.[6] Yet, in another finding, only 44 percent of respondents reported observing other staff members always wearing appropriate face and nose coverings, and only 30 percent of respondents reported observing inmates always doing so. Less than half of respondents reported it was easy to understand guidance on using leave for COVID-19 reasons and quarantining staff following temporary duty assignments. The OIG's inspections and survey results are consistent with a January 2022 U.S. Government Accountability Office report, which found that BOP staff were confused about how to implement the BOP's COVID-19 guidance. All of these findings demonstrate that one of the challenges facing the BOP is ensuring that it has effective procedures for communicating and enforcing its health and safety protocols and guidance.

To assist the BOP in responding to the pandemic, the OIG conducted an array of oversight work to assess the BOP's operations, including issuing 15 remote inspection reports of facilities housing BOP inmates and publishing a collection of interactive dashboards with data related to COVID-19 in BOP facilities. We discussed the results of the remote inspection reports in the 2021 Top Management and Performance Challenges report. To further understand the impact of COVID-19 on BOP operations, the OIG is completing a capstone report, which will analyze the findings of the published remote inspection reports and the BOP's remaining challenges during the pandemic and beyond.

The BOP faces the challenge of incorporating lessons learned from the pandemic into planning for future public health emergencies. One aspect of this challenge is to effectively reconcile emergency-related policies with mental health considerations. OIG remote inspections found that the BOP's modified operations resulted in prolonged reductions in, or suspension of, inmate programming, recreation, social visitation and commissary. Another important challenge is the BOP's implementation of early release authorities during public health emergencies. The capstone report will address further a recurring topic in our remote inspection reports, that is, the BOP's use of CARES Act and Attorney General authorities for inmates with enhanced vulnerability to COVID-19 and for inmates potentially eligible for home confinement based on limited time remaining on their sentences. Additionally, the OIG has a separate ongoing review that will assess the BOP's processes for implementing the CARES Act and Attorney General authorities, considering eligibility criteria, and evaluating wardens' recommendations regarding home confinement of inmates who did not meet eligibility criteria.

Finally, the BOP faces the challenge of planning for the impact of future public health emergencies on its persistent staffing shortages, a long-standing issue the OIG has highlighted since 2015. According to the OIG's February 2021 survey, 66 percent of BOP staff respondents said they were required to perform tasks outside their normal duties, 28 percent were required to work longer shifts, and 23 percent took leave to recover from increased work demands. To provide further insight on the BOP's provision of medical services during emergency conditions, the OIG, in partnership with the PRAC, is completing an ongoing review of efforts to provide telehealth services to federal inmates and detainees in BOP and U.S. Marshals Service custody.

[6] The overall response rate to this survey was 19 percent.

Strengthening Police-Community Partnerships and the Response to Violent Crime

As the nation's chief law enforcement agency, the U.S. Department of Justice (the Department or DOJ) has consistently considered combatting violent crime as a significant priority. This priority has taken on new urgency given that, as Attorney General Merrick Garland noted in his congressional testimony, the murder rate increased nearly 30 percent in 2020, and 77 percent of homicides were committed with a firearm. With the increase in violent crime and gun violence, the challenge for the Department is identifying effective solutions to address this serious problem. Enhancing police-community relationships, effectively responding to gun violence, and improving crime data collection are three ways in which the Department can make progress in meeting this challenge.

Enhancing Police-Community Partnerships

The Department recognizes that a constructive relationship between law enforcement agencies and the communities they serve is crucial to addressing the rising tide of violent crime. In May 2021, DOJ announced a comprehensive strategy for reducing violent crime that rests on, among others, the core principle that the Department must foster community trust, treat people with dignity and respect, and build meaningful partnerships with community leaders. These principles were reiterated and reinforced by Executive Order 14074, which, among other things, established the federal government's policy "to increase public trust and enhance public safety and security by encouraging equitable and community-oriented policing."

Community Policing Officer and local youth walking off the field together after a game of dodgeball

Source: Community Oriented Policing Services Photo Contest; Image by Officer Edward Bertino, Courtesy of Egg Harbor Township (New Jersey) Police Department

To help carry out this policy, in March 2022, the Department announced an expansion of technical assistance services offered to state, local, and tribal law enforcement partners through the Collaborative Reform Initiative, a program managed by the Office of Community Oriented Policing Services (COPS Office). Another tool used to enhance community policing is the COPS Hiring Program, a competitive grant program that is designed to help law enforcement agencies increase their community policing capacity through the hiring or rehiring of additional officers. In May 2022, the Congressional Research Service reported that for Fiscal Year (FY) 2022 the COPS Office announced that it would give additional consideration to grant applicants who intended to use funding to recruit officers from the communities they serve, or who would be willing to relocate to high-crime areas or communities that have strained police-community relationships. The COPS Hiring Program, however, requires oversight to ensure that the funding is used to attain the program's objectives. In November 2021, the Office of the Inspector General (OIG) issued an audit report of two COPS Hiring Program grants totaling over $4 million. The report found that the recipient did not adequately manage the financial activities of the grants or have adequate policies related to grant administration, which caused the

OIG to question whether the grant funds were used for the intended purposes. Effective use of this grant program to enhance community policing requires responsible administration of federal funds. The importance of oversight and responsible stewardship of the use of grant funds as a tool to quell violent crime cannot be overstated, particularly in view of the Department's announcement in December 2021 that it would be awarding $1.6 billion in grants designed to reduce violent crime and strengthen communities.

Increased transparency and accountability are necessary to improve the relationship between communities and law enforcement agencies. In December 2021, the U.S. Government Accountability Office (GAO) issued a report that found that DOJ did not consistently publish annual summaries of excessive force data in FYs 2016-2020, which the GAO noted was both required by law and vital to reduce instances of excessive force. Implementing the GAO's recommendations on collecting, reporting, and sharing this data will help DOJ display a commitment to accountability and community partnership.

Another means of enhancing police accountability and the public's trust in law enforcement is the use of body worn cameras (BWC) to record law enforcement interactions with the public. Historically, DOJ law enforcement components, including the Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and the U.S. Marshals Service (USMS) have not used BWCs and have not had policies for their use. In February 2021 the OIG provided a memorandum to incoming Department leadership describing DOJ's posture on this issue, and in June 2021, the OIG released an audit report recommending, among other things, that DOJ's law enforcement components reassess the lack of BWC use and pursue actions that would prepare DOJ for the implementation of a BWC program. On June 7, 2021, shortly in advance of the issuance of the OIG's audit report, Deputy Attorney General Lisa Monaco directed "the ATF, DEA, FBI and USMS to develop individualized comprehensive policies that require agents to wear and activate BWC recording equipment for purposes of recording their actions during: (1) a pre-planned attempt to serve an arrest warrant or other pre-planned arrest, including the apprehension of fugitives sought on state and local warrants; or (2) the execution of a search or seizure warrant or order." In September 2021, DOJ announced the launch of the first phase of its BWC program. By January 2022, each component developed interim BWC policy for its law enforcement officers and completed a forecast of costs associated with equipment purchase, video storage, and other resources, including staffing.

The Department has taken additional steps to improve law enforcement accountability by updating its use-of-force policy to include a requirement that law enforcement intervene to prevent or stop any officer from engaging in excessive force and to render medical aid, and in announcing a prohibition on the use of chokeholds and carotid restraints unless deadly force is authorized and limitations on when DOJ law enforcement agents can use unannounced entries.

Responding to Gun Violence

The number of firearms and firearms-related violence has significantly increased in recent years. According to ATF's National Firearms Commerce and Trafficking Assessment, between 2000 and 2020, the number of Gun Control Act firearms and National Firearms Act weapons that were domestically manufactured, exported by U.S. manufacturers, or imported into the United States increased by 187 percent, 240 percent and 350 percent, respectively. A Centers for Disease Control and Prevention (CDC) report found that from 2019 to 2020, coinciding with the onset of the Coronavirus Disease 2019 (COVID-19) pandemic, the firearm homicide rate increased nearly 35 percent, reaching its highest level since 1994.[7] In 2021 alone, the FBI designated 61 incidents as active shooter events in which 103 people were killed and 140 more were wounded. Recent events, including the mass shootings in Buffalo, New York; Uvalde, Texas; and Highland Park, Illinois, have highlighted the elevated firearm-related homicide rate. A study of U.S. mass shootings from 1966 to 2019 showed that 20 percent of the 167 mass shootings in that period occurred in the last 5 years of the 53-year review period. The FBI reported a 33 percent increase in active shooter incidents from 2019 to 2020, and a 52.5 percent increase from 2020 to 2021. CDC data also showed that 37,516 people aged 19 or younger were killed from 2001 to 2020 as a result of firearm-related homicide, and the Center for Homeland Defense and Security reported that school-based shootings from January 2021 through June 2022 resulted in the death or wounding of 192 children ages 6 to 18.

Firearm

Source: Maslaum/stock.adobe.com

The Department's FY 2022-2026 Strategic Plan identifies the need to reduce gun-related violent crime as a priority agency goal. DOJ has identified several strategies to achieve this priority goal, including addressing gun violence through the Department's comprehensive violent crime reduction program, enhancing partnerships with all levels of law enforcement, and investment in community-based programs to prevent violence. DOJ has also made efforts to address gun violence by proposing a new firearm rule and model legislation regarding short-barreled rifles and "red flag" laws and by modernizing the legal definition of a firearm in response to the proliferation of "ghost guns." The Department also provides technical support to local law enforcement. For instance, the Department's COPS Office is conducting a critical incident review of the law enforcement response to the Uvalde mass shooting. In addition, DOJ continues to enforce federal firearms laws, exemplified by its investigation of the Buffalo mass shooting, which resulted in a federal grand jury returning a 27-count indictment charging the alleged perpetrator with firearms offenses as well as hate crimes.

In addition to these efforts, ensuring that federal firearms licensees (FFL) (i.e., those authorized under law to sell firearms) are complying with existing federal laws and addressing new firearms technology (e.g., privately made firearms or "ghost guns") are important aspects of the challenges associated with countering gun violence. Oversight of FFLs is one important step in enhancing gun safety and potentially reducing gun violence. The OIG has an ongoing audit of ATF's risk-based inspection selection processes and administrative actions issued to FFLs. The audit will examine ATF's risk-based approach for managing FFL inspections, certain activity related to the referral of FFL-related information for criminal investigation, and the processing of FFL license revocations. Additionally, in September 2022, the OIG issued an audit report that examined ATF's firearm disposal practices, which found that ATF needs to implement additional controls to safeguard firearms approved for disposal from loss or theft while in the custody of ATF's

[7] The CDC also found that the increase in firearms homicides were not evenly distributed across the population, but rather young people, males, and black or African American individuals had the highest firearms homicide rates and experienced in the largest increases in 2020.

National Destruction Branch facility. The OIG made 10 recommendations that will help ATF better ensure that all firearms sent to its disposal facility are ultimately destroyed, and protected from loss or theft.

In June 2022, Congress enacted the Bipartisan Safer Communities Act. Among other things, this law designated $1.5 billion in funding for DOJ grant programs to help address various aspects of gun violence. The OIG's oversight work in response to the evolving trends related to gun violence, as well as the Department's administration of these funds, can assist DOJ with addressing these challenges.

Improving Data Collection

Fully 3 D Printed Firearm, the Liberator

Source: ATF

Timely, complete, and accurate data is critically important to investigating crimes and developing strategies to prevent future crimes. For example, in December 2021, the OIG released an audit report regarding ATF's monitoring of 3-D firearm printing technology. We noted in this report that ATF relies on information provided by local law enforcement to monitor 3-D firearm printing technology but lacks a method to collect meaningful 3-D printed firearms data. The report made a recommendation to enhance data collection to help ATF comprehensively analyze trends involving use of this technology in crimes. Similarly, in a July 2021 audit report, the OIG determined that the FBI's National Instant Criminal Background Check System does not automatically confirm that out-of-state residents who purchase firearms from an FFL meet the legal age requirements in their state of residence, which increases the risk that FFLs will improperly sell firearms to individuals who are prohibited under law from purchasing them. The OIG's report detailed one such instance in 2019 in which an individual who did not meet the age requirement of the individual's home state of Florida nevertheless managed to purchase a firearm in Colorado and subsequently issued threats of violence against schools, leading the state of Colorado to order its schools closed. It is key that all DOJ-managed crime data is critically evaluated to ensure limitations are mitigated and the data is reliable for investigative and crime prevention purposes.

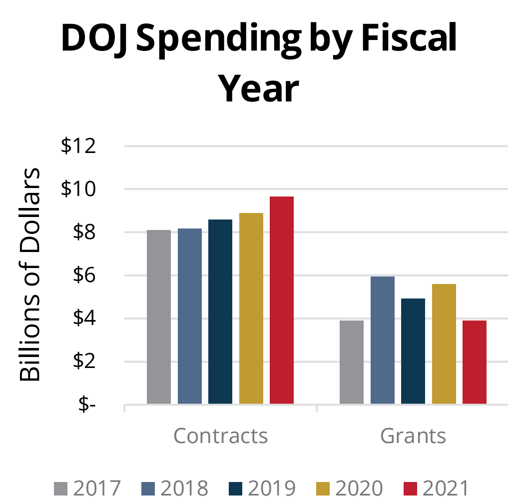
Across DOJ, components compile and share data that impacts multiple elements of crime response approaches. DOJ faces challenges in the timeliness and completeness of this data. For example, the National Incident-Based Reporting System, the FBI's new incident reporting system, still has 31 states that are only partial data reporters. And in September 2022, the FBI was unable to release data trends by region and aggregate population group in its Quarterly Uniform Crime Report because agency participation was below the required 60 percent threshold. DOJ has recognized that at times decisions are being made based on factors other than reliable data. DOJ has been working to improve this weakness, such as with the new Justice Counts initiative to bring partners together to develop up-to-date, actionable criminal justice data so states can make smarter policy and budget decisions.

DOJ has also faced long-standing challenges to developing accurate crime data in Indian country and increasing tribal access to law enforcement databases. We first discussed DOJ's efforts to meet its responsibilities of crime data collection pursuant to the Tribal Law and Order Act of 2010 in a 2017 report, and have continued to encourage improvements, such as in last year's Top Management and Performance Challenges report. While DOJ has made progress, including holding consultation meetings with tribal leaders, more work remains to be done. For example, the GAO found in an October 2021 report that number of missing and murdered Indigenous women is unknown because federal databases do not contain comprehensive national data. The Department announced several initiatives geared towards addressing the issue of missing and murdered Indigenous persons in May 2022, but it has not yet developed the data set that GAO noted was missing. The OIG identified other data gaps that impact Native communities in a July 2022 report on the Department's National Sexual Assault Kit Initiative grant program. This program provides money to local, state, and tribal agencies to inventory, track, and test unprocessed sexual assault kits to identify the potential assailants and establish links to serial sex offenders. Among other things, the OIG found that tribal agencies were underrepresented in the grant program despite the fact that American Indian and Alaska Native women are three times more likely to experience sexual assault. Implementing the recommendations from this report will help DOJ improve crime data collection and analysis efforts and ensure that more victims have an opportunity for justice.

Effective Management of U.S. Department of Justice Contracts and Grants

In Fiscal Year (FY) 2021, the U.S. Department of Justice (DOJ or the Department) awarded over $9.6 billion in contracts and $3.9 billion in grants. Effective management of contract and grant awards to ensure financial accountability and mitigate the risks of fraud or misuse is an ongoing challenge for the Department. Some of those challenges include complying with laws, regulations, and policies that govern contract workers' rights and protections, acquisition planning, and contract oversight and administration. Additionally, monitoring grants and ensuring the functionality of the Department's grants management system have remained pressing challenges for DOJ.

Figure 1



Source: OIG analysis of data from Office of Justice Programs, Office of Violence Against Women, and Office of Community Oriented Policing Services (as of August 31, 2022); USASpending.gov (as of September 20, 2022).

Challenges to Proper Contract Management

In July 2020, the Office of the Inspector General (OIG) issued a Management Advisory Memorandum (MAM) concerning DOJ's administration and oversight of contracts to highlight systemic issues identified in multiple OIG audit reports. The MAM concluded that between FYs 2013 and 2019, the Department experienced significant issues linked to inadequate contract solicitation, award, administration, and oversight. Although the Department has made progress in addressing some of these issues, the OIG's audits, reviews, and investigative activities have found that deficiencies in various aspects of DOJ's contract management have persisted.

Compliance with Laws, Regulations, and Policies

Administering contracts while adhering to laws, regulations, and policies, such as the Federal Acquisition Regulation (FAR), is necessary to ensure that the Department procures goods and services at the best value while maintaining the public's trust. Multiple OIG reports and MAMs have revealed DOJ's continuing difficulties with this issue, particularly in areas designed to ensure important contract worker rights and protections. For example, the OIG has repeatedly found that Department components have failed to incorporate contract clauses regarding whistleblower rights and reprisal protections that are mandated by federal law, an issue the OIG identified in a MAM issued in February 2021 and noted as an ongoing challenge in last year's Top Management and Performance Challenges report. While the Department has implemented supplemental policies and processes designed to remedy concerns identified in this MAM, the OIG has found gaps in how DOJ has addressed this issue. For example, a February 2022 audit report examining Executive Office for U.S. Attorneys (EOUSA) labor hour contracts found that contracting officials did not include the mandatory whistleblower clause, contrary to applicable laws, regulations, and policies. Further, the audit revealed that EOUSA's contractor and its subcontractor did not pay personnel the required minimum wage, health and welfare rates established by the U.S. Department of Labor, and that EOUSA did not incorporate the most current U.S. Department of Labor wage information when it exercised contract options. These findings are concerning because they indicate a persistent lack of focus by the Department on legal requirements in contracting, and insufficient attention to the importance of worker rights regarding whistleblower protection and wage determinations.

Additionally, the Department has faced difficulties in ensuring its contracting officials are adequately trained to understand relevant laws, regulations, and policies governing contracts and, when appropriate, to coordinate with knowledgeable officials in areas outside their expertise. The FAR prescribes a multi-faceted approach by forming a team of key stakeholders such as contracting, fiscal, legal, and technical personnel before awarding a contract. However, recent OIG work demonstrates DOJ can improve efforts incorporating this integrated approach into its contracting activities. For example, in an April 2022 MAM issued to the Federal Bureau of Prisons (BOP), the OIG found that certain Federal Prison Industries, Inc. staff did not adequately understand laws and regulations governing foreign procurements. Despite this lack of understanding, the Federal Prison Industries, Inc. staff entered into contracts for foreign goods without seeking legal advice or guidance from its attorneys. This resulted in the risk that contracts were not in compliance with laws intended to favor contracting with domestic entities over foreign-affiliated entities. Additionally, a February 2022 audit report of a Federal Bureau of Investigation (FBI) information technology (IT) purchase order found that the FBI did not fully leverage its internal Office of the Chief Information Officer for IT expertise, which would have helped contracting officials mitigate risks regarding quality assurance and controlling cost. The OIG made recommendations to the BOP and the FBI to increase training and coordination to address these issues. The Department should consider ways in which the Justice Management Division can work with components to avoid the continued occurrence of these contracting deficiencies.

Acquisition Planning

Appropriate acquisition planning promotes full and open competition and helps ensure the Department meets its procurement needs in the most effective, economical, and timely manner. The OIG's work has revealed that DOJ continues to face challenges in required acquisition planning steps necessary to ensure it receives a fair and reasonable price for goods and services. For example, in a September 2021 audit report, the OIG identified that the Tax Division's expert witness service contract files did not contain written acquisition plans, documented market research, or adequate price reasonableness determinations, as required by the FAR, which increased the risk that the government's financial interests may not have been appropriately safeguarded. As of September 2022, the three recommendations from this report pertaining to the preceding issues remain open.

An important strategy to aid the Department in its procurement process is to begin acquisition planning as soon as the agency need is identified. However, the Department often relies upon procurement processes that are largely rushed and driven by expediency rather than by procedures that would be expected commensurate with the size and complexity of the acquisition. Failure to secure adequate lead time to prepare for an acquisition can create an overreliance on non-competitive procurement methods that hinder the Department's ability to acquire goods and services in the best interest of the government. For example, in a February 2022 audit report, the OIG found that the FBI did not take several substantive pre-award steps, such as finalizing the contract requirements, until a week before the prior contract was set to expire. The FBI's inability to plan adequately for the procurement led to the improper use of a long-term noncompetitive purchase order, rather than a procurement vehicle more appropriate for the complex high dollar information technology services purchased.

Over the past year, the OIG has continued to identify similar concerns in the planning and procurement of BOP medical services contracts, an issue identified in last year's Top Management and Performance Challenges report. Specifically, in a February 2022 MAM and a March 2022 audit report, the OIG found the BOP did not secure adequate lead time for its procurements or encountered delays in the acquisition process that may have been avoided with improved collaboration, training, and communication. Due to this inadequate acquisition planning, the BOP relied upon sole-source procurements for contracts and short-term purchase orders to two vendors totaling over $170 million, instead of full and open competition. These planning deficiencies limit the BOP's ability to effectively control contract costs and increases the risk for waste and misuse of federal funds. Addressing these issues remain an important challenge for the BOP.

Contract Administration and Oversight

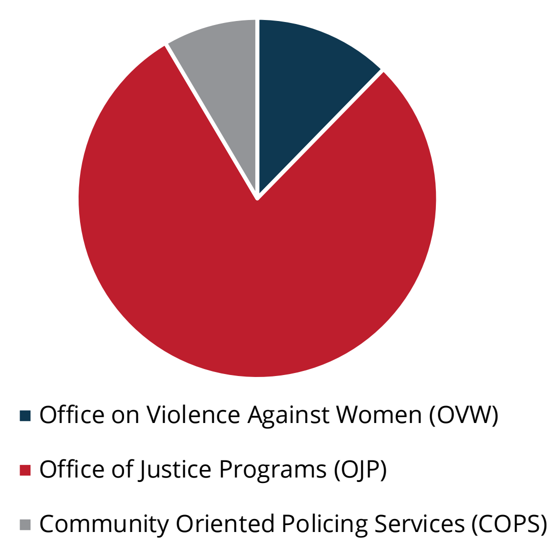
Thorough documentation and performance monitoring are essential to ensuring DOJ complies with all applicable regulations and receives a fair return from its contract vendors. Deficiencies in these areas of contract administration can lead to violations of contract terms and to potential cost premiums. Recent OIG reports have shown these issues are prevalent in the procurement of medical services and IT. For example, the OIG's March 2022 audit report regarding comprehensive medical services contracts awarded to a university medical school found that BOP officials lacked sufficient data to monitor the contracts and did not maintain adequate documentation for contract modifications in accordance with the FAR. Similarly, in a February 2022 audit report, the OIG found that the contract files of an FBI purchase order with a ceiling of $87.5 million lacked required documents and sufficient detail to support the rationale for pertinent decisions throughout the purchase order lifecycle. The OIG found that the FBI did not consistently submit complete, timely performance assessments and identified other errors in the management of the purchase order. These reports made several recommendations for improving management controls to ensure contract files comply with regulations pertaining to modifications and designing and implementing post-award performance monitoring protocols to ensure vendors meet contract requirements.

The OIG has noted that potentially excessive costs and inappropriate billing procedures are also significant challenges to DOJ's contract administration. A February 2022 MAM highlighted a lack of administrative oversight for medical procedure billing code practices by prime contractors on behalf of the subcontracted service providers. The MAM concluded that if the prime contractor had required its subcontractors to select the service billing codes, the number of claims coded as higher cost services likely would have been lower, which would have yielded cost savings for the BOP.

Effective Grant Oversight

Each year, Congress appropriates federal DOJ grant programs. In FY 2021, the Department substantially increased the amount of grant awards due to the American Rescue Plan and funds to address the Coronavirus Disease 2019 (COVID-19) pandemic. This fiscal year alone, DOJ has provided over $3.9 billion

Figure 2
Federal Grant Funding



Source: OIG analysis of data from OJP, OVW, and the COPS Office (as of August 31, 2022) dollars in grant funding through three grantmaking components: (1) the OVW, (2) OJP, and (3) the COPS Office. Managing this funding presents a continued challenge for the Department. Through its audits and other oversight work, the OIG can help the Department ensure that it has adequate controls over the management of grant funds.

CVF Grants

Established by the Victims of Crime Act of 1984, the Crime Victims Fund (CVF) collects criminal fines and penalties, which are used to make distributions to states and territories through DOJ grants to support victim services. OJP administers the CVF by sending states and territories funding directly through victim assistance and compensation formula grants and awarding discretionary grants to state and local public and private entities.

The OIG has found that CVF grant recipients have struggled with the accuracy of state certification forms. The accuracy of these forms is important because they contain the information OJP's Office for Victims of Crime uses as the basis for determining the amount of future CVF victim compensation formula grant awards. The OIG identified issues with state certification forms in several recent audit reports, including those issued in August 2022, June 2022, May 2022, and December 2021. Other recent oversight work, such as the OIG's August 2022, June 2022, March 2022, and December 2021 audit reports, has highlighted CVF grantees' challenges with having adequate policies and procedures to ensure accurate reporting, which has impacted performance evaluation, financial management and accounting, and the sufficiency of supporting documentation for victim compensation claims. The OIG has made recommendations in these reports to assist the Department more effectively administer CVF funds, therefore enhancing support for crime victims.

Other DOJ Grants

In FY 2021, DOJ awarded more than two-thirds (nearly $2.7 billion) of its grant funds through non-CVF grant programs. The OIG continues to identify significant challenges with the management and administration of these grants. Two of the most pressing challenges for DOJ are the inadequate monitoring of grants and the functionality of its grants management system.

Grant Monitoring

Monitoring of grants is necessary to ensure that DOJ personnel are effectively providing oversight to the grants and that the grant recipients are fiscally responsible with federal funds. Programmatic monitoring addresses the content and substance of the program and helps evaluate whether grant activities are consistent with the approved implementation plan and responsive to program goals and objectives. Programmatic monitoring also addresses compliance with grant special conditions or terms and conditions, reporting requirements, completeness of documentation, compliance with statutory regulations and certification requirements, and other policy guidelines. The OIG identified significant gaps in programmatic monitoring in several audits this past year. For example, the OIG found in a May 2022 audit report that, in part due to the COVID-19 2019 pandemic, the recipient of $1.98 million in OJP grant funds could not demonstrate adequate progress toward achieving the awards' goals and objectives of providing services to human trafficking victims. The recipient also created a potential conflict of interest when it received proceeds from a business relationship between trafficking victims and a for-profit company. The OIG has also uncovered deficiencies with grantee performance monitoring, which are illustrated by a June 2022 audit report of a $1 million Second Chance Act grant awarded by OJP. In this report, the OIG identified concerns with the management practices for progress reports, which were found to contain inaccurate data, thus impairing programmatic monitoring of the grant program.

Financial monitoring helps ensure compliance with financial guidelines, general accounting practices, and fiscal management of grant expenditures, all of which can reduce the risks of fraud, waste, and abuse. The OIG has identified several recurring issues relating to financial monitoring of DOJ grants, including significant costs that were not supported with adequate documentation. For example, a November 2021 OIG audit report examining COPS Hiring Program grants found that the grantee did not adequately manage the financial activities of the grants, which resulted in the OIG finding over $4.06 million in unsupported costs for the federal share of the grant and over $1.35 million for the required local match. Also troubling was the OIG's finding in a February 2022 audit report that a $1.2 million OVW grant to provide legal assistance to crime victims resulted in over $748,000 in unsupported costs relating to personnel, fringe benefits, and other direct expenditures.

Another key aspect of effective grant oversight, and a challenge for DOJ, is monitoring of subrecipients. The importance of subrecipient monitoring was highlighted in a May 2022 OIG audit report, which found, among other things, that the recipient of $2.34 million in OVW grant funds had not conducted any site visits on the six subrecipients and had not documented its familiarity with subrecipient financial operations. In addition, the recipient reimbursed subrecipients for costs without reviewing adequate documentation. The OIG identified similar issues relating to subrecipient monitoring and costs in a March 2022 audit report, which examined $3 million in OJP grants awarded under the Second Chance Act Reentry Initiative.

JustGrants

In addition to adequate monitoring of grants, the functionality of the Department grants management system presents a substantial challenge. In October 2020, the Department's grant-making components launched new grants management and payment management systems. JustGrants is intended to be a streamlined, end-to-end grants management system that provides applicants and grantees with an improved user experience throughout key parts of the grants management lifecycle. However, as noted in the OIG's May 2021 Issue Alert, there have been significant issues transitioning to this new system. The OIG has an ongoing audit of OJP's procurement for the JustGrants system. The preliminary objectives of the audit are to assess: (1) OJP's implementation of the JustGrants transition; (2) OJP's administration of the procurement; and (3) the contractor's performance and compliance with the terms, conditions, laws, and regulations applicable to the procurement. In light of the size and volume of the Department's grantmaking programs, and in order to effectively address the issues outlined in this challenge, it is critically important that the Department have a functional and effective grant management system that serves grant recipients, as well as the Department in its management of grants.

Managing Human Capital

The U.S. Department of Justice (DOJ or the Department) faces an array of human capital challenges, including fostering a workplace that is free from sexual misconduct, sexual harassment, and inappropriate relationships; ensuring equity in hiring and advancement of employees; and identifying and engaging in successful recruitment and retention policies and practices, particularly post-pandemic, to ensure that the Department remains competitive in the market for the most capable and diverse talent.

Maintaining a Workplace Free of Sexual Harassment and Sexual Misconduct

The Department strives to be a leader in maintaining a model workplace, including one that is free from sexual harassment and misconduct. As outlined in last year's Top Management and Performance Challenges report, DOJ has made significant efforts to address sexual harassment in the workplace over the past several years. For example, DOJ reaffirmed its zero-tolerance policy regarding sexual harassment in 2015 and, in 2018, established specific directives for components to follow in an effort to respond promptly and appropriately to substantiated allegations of sexual harassment. More recently, in July 2021, Deputy Attorney General Lisa Monaco announced the creation of a Steering Committee to review sexual harassment policies and practices, training, and education across DOJ "to ensure that the Department's policies are consistent, cohesive, and effective at satisfying its obligations to prevent sexual harassment and misconduct and meeting the needs of its workforce." The work of the Steering Committee is ongoing.

DOJ has a Steering Committee to review sexual harassment policies and practices, training, and education.

Source: Andrey Popov/stock.adobe.com

While these efforts to address sexual harassment and misconduct in the workplace are significant, the persistence of this issue arising across Department components, as evidenced by numerous recent Office of the Inspector General (OIG) investigations, makes clear that this is a challenge that requires the continued attention of DOJ and component leadership. For example, in the past years, the OIG has issued several reports regarding high-ranking supervisors engaging in inappropriate relationships with subordinates. In July 2021, the OIG released an investigative summary regarding its finding that a Federal Bureau of Investigation (FBI) Assistant Director had violated FBI policy by failing to report a romantic relationship with a subordinate. The OIG found that relationship was not a professional superior/subordinate relationship and that it disrupted the workplace by interfering with the ability of other FBI employees to complete their work. Similarly, the OIG issued an investigative summary in January 2022 regarding its finding that a U.S. Attorney had committed misconduct by engaging in an intimate relationship with a subordinate, in violation of an instruction given by a then Associate Deputy Attorney General at the U.S. Attorney's orientation that such relationships between U.S. Attorneys and subordinates would not be tolerated. Also in January 2022, the OIG released an investigative summary regarding its finding that, in violation of FBI policy, a senior FBI official had engaged in a romantic relationship with a subordinate and failed to timely report the relationship, participated in two hiring or organizational decisions involving the subordinate without receiving prior approval, and allowed the relationship to disrupt workplace morale. Most recently, in September 2022, the OIG issued an investigative summary regarding its finding that an FBI Special Agent in Charge engaged in sexual contact with a subordinate in an official government vehicle in violation of FBI policy.

OIG investigations have also revealed instances when DOJ officials have made inappropriate sexual comments in the workplace. For example, the OIG found that in addition to the sexual contact described above, the FBI Special Agent in Charge also had sexually-oriented communications with that subordinate and two other subordinate staff members in violation of FBI policy. Additionally, the OIG issued an investigative summary in March 2022 regarding its finding that an Executive Office for Immigration Review Immigration Judge had made inappropriate, sexually charged comments to a party during a court proceeding and to a private attorney in Executive Office for Immigration Review office space in violation of the Department's zero tolerance policy on sexual harassment.

Two related areas of increasing concern relate to on- and off-duty sexual misconduct by Department employees. As discussed in greater detail in the Improving Management of the Federal Prison System section of this report, the OIG has conducted a significant number of investigations into allegations of Federal Bureau of Prisons employees sexually abusing inmates, several of which resulted in criminal convictions, which are outlined on the OIG's website. Additionally, in December 2021, the OIG released an investigative summary detailing its finding that multiple then FBI employees had committed misconduct when they solicited, engaged in, and/or procured commercial sex overseas in violation of DOJ and FBI policies, and that another FBI official committed misconduct by failing to report suspected violations of the 2015 Attorney General memorandum discussed previously.

While the Department continues to take significant actions to address the ongoing challenge of combatting sexual harassment and misconduct in the workplace, it remains a prevalent and deeply troubling issue. DOJ must therefore remain vigilant and continue its work to maintain a workplace that is safe for its employees, a model for other employers, and consistent with its civil rights and law enforcement responsibilities.

Workplace Diversity, Equity, and Inclusion

Another pressing challenge for the Department is to continue to strengthen diversity, equity, and inclusion in the workplace. The U.S. Government Accountability Office (GAO) has noted in recent reports that, while progress has been made, the federal government continues to face challenges in areas related to workplace equity. For example, a 2020 GAO report observed that the gender pay gap for federal workers had decreased considerably since 1999, but in 2017 women still earned on average just 93 cents for every dollar earned by men. This pay gap was greater for black, Hispanic/Latina, American Indian, and Alaska Native women. The 2020 GAO's findings were reaffirmed in a GAO report issued in March 2022, which found that women remain underrepresented in management positions in the U.S. workforce, earn less than male counterparts, and the pay gap was greater for black and Hispanic/Latina as compared to white and Asian women. Moreover, the Partnership for Public Service has reported that, as of October 2022, DOJ has a larger imbalance in the gender-based composition of its workforce (60.0 percent male, 40.0 percent female), compared to the entire federal government (56.2 percent male, 43.9 percent female), and that there is a larger such gender gap in the Department's Senior Executive Service (71.5 percent male, 28.5 percent female) as compared to the entire federal government (63.1 percent male, 36.9 percent female).[8]

In recognition of the importance of a diverse, equitable, and inclusive federal work environment, in June 2021, the White House issued Executive Order 14035, which, among other things, established a framework for a government-wide strategic plan to promote diversity, equity, accessibility, and inclusion. This Executive Order was followed by the November 2021 Government-Wide Strategic Plan to Advance Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce, which provides more detailed guidance to federal agencies. At the close of Fiscal Year 2022, DOJ will have completed the final year of its 2019-2022 Enterprise-wide Strategic Framework for Equal Employment Opportunity, and will embark on the next cycle of Equal Employment Opportunity strategic planning and implementation. The goals of equity and inclusion will continue to factor heavily in the Department's quest to be the best employer in the federal government—and progress will continue to be measured by a variety of internal and external assessment entities including Department leadership, the Office of Personnel Management, and the OIG.

The OIG is in the process of conducting reviews that touch on several dimensions of equity and inclusion at the Department including an ongoing review of the status of equity in race, color, national origin, and ethnicity among the Department's law enforcement components. This review will assess equity by reviewing component demographics, recruitment, hiring, retention, promotions, and awards, and will also include a survey assessing staff perceptions related to equity. Another ongoing review is assessing gender equity in the training process for new Special Agents and Intelligence Analysts at the FBI. The review will examine policies and practices, trends and patterns for male and female trainees, and perceptions of gender equity at the FBI Academy. This oversight work builds on the OIG's previous findings and recommendations, such as our 2018 report on gender equity in DOJ's law enforcement components. As a result of the OIG's 2018 report, the four law enforcement components examined potential barriers to gender equity and implemented initiatives to address the identified barriers.

Bureau of Alcohol, Tobacco, Firearms and Explosives Special Agents

Source: Bureau of Alcohol, Tobacco, Firearms and Explosives

The challenge for the Department, in order to fulfill its mission, is to continue to make

[8] According to the Partnership for Public Service, although not as large as the gender gap, as of October 2022, DOJ's ratio of white employees compared to employees categorized as people of color (POC) (which includes people who indicated that they were American Indian, Alaskan Native, Asian, Black/African American, Native Hawaiian, Pacific Islander, Hispanic/Latino, or more than one race) in its overall workforce and its Senior Executive Service is also less favorable than across the federal government as a whole. Overall workforce: DOJ—67.4 percent white and 32.6 percent POC, as compared to 60.9 percent white and 39.1 percent POC government-wide; Senior Executive Service: DOJ—81.4 percent white and 18.7 percent POC, as compared to 75.9 percent white and 24.1 percent POC government-wide.

improvements on these critical issues, as DOJ should strive to model equal opportunity and an equitable employment environment to present and future staff, as well as to the public.

Recruitment and Retention

The President's Management Agenda, which defines government-wide priorities for all federal agencies to improve operations and performance, identifies strengthening and empowering the federal workforce as its first priority. This prioritization recognizes that federal agencies, including the Department, "must attract, hire, develop, and empower talented individuals" to meet the current challenges and make the federal government "an ideal, modern, and forward-thinking employer." The challenge for the Department is effectively recruit and retain a talented, experienced, and diverse workforce.

According to the President's Management Agenda, "less than 7% of the Federal workforce is under the age of 30 and nearly 28 percent of Federal employees are eligible to retire in the next 5 years." The Partnership for Public Service reported that, as of October 2022, DOJ's workforce has a slightly larger percentage (9.1 percent) of employees under 30 year old, but a significant percentage of its employees (31 percent), including nearly three-quarters of its Senior Executive Service (73 percent), will be eligible to retire in Fiscal Year 2025. This data reflects a risk that the Department will lose significant institutional knowledge in the coming years. The Department should proactively engage in succession planning to ensure that it identifies personnel who have the background, experience, and understanding of Department operations necessary for them to assume key leadership roles. Changes in the workplace post-pandemic accentuate the importance of this issue as many long-tenured employees are electing to retire, and the market to retain and recruit the most talented personnel is becoming more challenging as workplace flexibilities and other considerations have become important factors for employees and prospective employees.

Enhancing recruitment of new employees through Pathways Programs, a government-wide initiative to recruit and promote federal government employment opportunities for students and recent graduates, is one potential avenue for the Department to seek highly capable entry-level personnel. The OIG noted in a 2021 Management Advisory Memorandum that the Department lacked formalized DOJ-wide guidance for implementing and managing vital approaches to effective and progressive human capital administration, including the Pathways Programs. The OIG also found that deficiencies with human resource policies may have caused Department components to underutilize compensation and hiring flexibilities, such as those available through Direct Hiring Authority, Pathways Programs, and Veteran Hiring program. In this Management Advisory Memorandum, the OIG recommended that the Department review, update, and address any deficiencies or gaps, and consolidate its human resource policies into a central location so that components are well positioned to recruit, hire, and retain a high-performing and diverse workforce. All four of the OIG's recommendations in this area remain open.

DOJ can also meet the recruitment and retention challenge by continuing to promote a flexible and agile workplace where job functions allow. As noted in the U.S. Office of Personnel Management's Guide to Telework and Remote Work in the Federal Government, updated in November 2021, telework benefits both the employer and employees because it supports productivity and efficiency, thereby enhancing the agency's mission, while also enhancing employee satisfaction and wellbeing. In all, such workplace flexibility aids in recruitment and retention. As DOJ enters the post-pandemic era, it can utilize telework and remote work, and other work-life programs as an asset to ensure that it remains competitive among private employers and other federal agencies.

CONSOLIDATED MANAGEMENT RESPONSE TO THE OFFICE OF THE INSPECTOR GENERAL 2022 REPORT ON TOP MANAGEMENT AND PERFORMANCE CHALLENGES FACING THE DEPARTMENT OF JUSTICE

The Justice Department's mission is to uphold the rule of law, keep our country safe, and protect civil rights. In July 2022, the Department released its new Strategic Plan for Fiscal Years (FY) 2022-2026, which incorporates this mission and details the Department's strategic goals and objectives for the next four years. The new Strategic Plan also sets forth performance measures by which the Department will assess its progress and specifies the Department's agency priority goals for the coming fiscal year.

The Office of the Inspector General (OIG) plays an important role in ensuring that the Department achieves its goals and objectives effectively and efficiently. OIG holds Justice Department personnel accountable for misconduct; upholds vital protections for whistleblowers; and protects the public from waste, fraud, and abuse. As part of this work, and as required by statute, OIG annually identifies the top management and performance challenges facing the Department. This year, OIG identified nine challenges it believes represent the most pressing concerns for the Department:

I. Enhancing Cybersecurity and Countering Cybercrime

II. Enhancing the Department's Response to the Opioid Crisis

III. Improving Management of the Federal Prison System

IV. Strengthening Public Trust in the U.S. Department of Justice

V. Safeguarding and Promoting National Security

VI. Managing the Post-Pandemic Impact on U.S. Department of Justice Operations

VII. Strengthening Police-Community Partnerships and the Response to Violent Crime

VIII. Effective Management of U.S. Department of Justice Contracts and Grants

IX. Managing Human Capital

Each of these challenges aligns with one or more objectives included in the Department's Strategic Plan. As discussed in greater detail below, the Justice Department is fully committed to addressing each challenge in the coming years.

I. Enhancing Cybersecurity and Countering Cybercrime

The Department agrees with OIG's assessment that managing cyber-related threats and emerging technologies presents an evolving and difficult challenge. The Department's Strategic Plan includes an objective to "Enhance Cybersecurity and Fight Cybercrime." That objective recognizes that keeping our country safe requires countering cyber threats from foreign and domestic actors – whether from nation-states, terrorists, or criminals – who seek to conduct espionage, invade our privacy, attack our elections, steal our intellectual property, damage our financial and physical infrastructure, or extort ransom payments. In addition, the rise of cryptocurrencies enables criminal actors to acquire tools, collaborate, and launder their proceeds in a variety of ways that obscure their illicit activities.

The Department has taken a series of steps to enhance its own cybersecurity. Most notably, in July 2022, the Department released its Comprehensive Cyber Review (CCR) report, the result of a review process directed by the Deputy Attorney General in April 2021. A significant portion of the CCR report assesses different facets of the Department's cyber defense capabilities. The CCR Report also evaluates the

Department's engagement with various governmental and private-sector partners, its preparation for challenges posed by emerging technologies, and its efforts to build and retain a cyber workforce into the future. Even before the report was completed, the Department began taking steps to enhance and expand its cybersecurity posture. For example, the Department required Department-wide encryption training for Department personnel and implemented additional technical measures to protect against phishing and related techniques. In response to OIG's recommendation to establish a supply chain risk management program, the Department developed a supply chain risk management strategy, which the Office of the Chief Information Officer has begun implementing. And the Department has sought to further bolster its cybersecurity preparedness by seeking nearly $150 million in program enhancements in its FY 2023 budget request.

As also noted in the CCR report, the Department is working to combat cybercrime by expanding opportunities for cyber prosecutors to enter the Department's workforce. The Department has launched a new Cyber Fellowship program for entry-level attorneys, which will help develop a new generation of prosecutors and attorneys equipped to handle emerging national security threats. The first class of Cyber Fellows began in the fall of 2022. Furthermore, as noted in the OIG report, the Department announced in February 2022 that it is creating a Cyber Operations International Liaison position, which will be devoted to working with international partners to ensure more connectivity between law enforcement partners in the pursuit of top-tier cyber actors. That position was filled in October 2022 by an experienced cyber prosecutor from the Criminal Division's Computer Crimes and Intellectual Property Section.

As part of the Department's work to combat cybercrime, the Department is particularly focused on the interconnected challenges posed by cryptocurrency and other digital assets. The growing use of digital assets in the global financial system demands steps to reduce the risk that the digital assets ecosystem is used for illicit finance or other criminal purposes – such as money laundering, cybercrime, ransomware, narcotics, theft and fraud, and human trafficking – or to undermine our national security by enabling terrorism and weapons proliferation. The Department has taken enforcement actions over the past year in response to these threats. For example, in February 2022, the Department announced a $3.6 billion seizure of stolen bitcoin, the largest financial seizure in the Department's history. In April 2022, the Department announced the seizure of Hydra Market, the world's largest and longest-running darknet market, which accounted for an estimated 80% of all darknet market-related cryptocurrency transactions in 2021. And in June 2022, the Department announced charges in four cases involving over $100 million in intended losses from cryptocurrency fraud offenses.

More broadly, last October the Department announced the creation of a National Cryptocurrency Enforcement Team (NCET) and has installed an experienced cyber prosecutor as its first Director. The NCET draws on the Department's established expertise in investigating and prosecuting criminal misuse of digital assets to pursue cases against digital asset exchanges, infrastructure providers, and other entities that enable criminal actors to profit from abusing digital asset platforms. NCET has worked with other Department components to make significant strides in the past year. In February 2022, the Federal Bureau of Investigation (FBI) formed the Virtual Assets Unit (VAU), which combines cross-division digital asset experts into one nerve center that can provide equipment, blockchain analysis, digital asset seizure assistance, and training to the rest of the FBI. The FBI has already used the VAU's digital asset training curriculum to train thousands of FBI employees and partners across the globe. Furthermore, the Criminal Division launched the nationwide Digital Asset Coordinators (DAC) Network earlier this year. Much like the existing National Security Cyber Specialists (NSCS) Network and the Computer Hacking and Intellectual Property (CHIP) Network, which are devoted, respectively, to countering national security and criminal cyber threats, the DAC Network is composed of designated federal prosecutors from U.S. Attorney's offices nationwide and the Department's litigating components to serve as a forum for prosecutors to obtain and disseminate training, technical expertise, and guidance about the investigation and prosecution of digital asset crimes.

The Department has provided additional detail on its efforts to combat misuse of digital assets in response to Executive Order 14067, *Ensuring Responsible Development of Digital Assets* (Mar. 9, 2022). In a June 2022 report, the Department detailed its efforts to expand cooperation with international partners to combat the cross-border threats related to digital assets. For example, the Department is launching an International Virtual Currency Initiative to combat the abuse of virtual currency by allowing for more joint, international law enforcement operations to track money through the blockchain. In a follow-on September 2022 report written in collaboration with the Department of the Treasury and the Department of Homeland Security, the Justice Department discussed the substantial steps already taken to combat the illicit use of digital assets. The Department also provided legal and regulatory recommendations to further strengthen the federal government's ability to detect, investigate, prosecute, and otherwise disrupt criminal activity involving digital assets.

The Department is also working to strengthen its management and tracking of cryptocurrency. The U.S. Marshals Service (USMS) Asset Forfeiture Division has worked to implement solutions that address OIG's recommendations and further the law enforcement objectives of the Department Asset Forfeiture Program. USMS has published several Standard Operating Procedures on the valuation, custody, management, and disposal of cryptocurrency assets, including to improve tracking and security of seized and forfeited cryptocurrency. USMS' Asset Forfeiture Division has also implemented the use of a controlled database for cryptocurrency inventory to track all requests from investigative agencies for wallet addresses and all issued wallet addresses in a single location. In addition, USMS is working with the Justice Management Division's Asset Forfeiture Management Staff and other components in the Department Asset Forfeiture Program to enhance the Consolidated Asset Tracking System.

The Department also continues to make progress to address the threat posed by ransomware. Combating ransomware attacks is one of the Department's four agency priority goals for the coming fiscal year. In particular, the Department aims to enhance its efforts to combat ransomware attacks by: (1) increasing the percentage of reported ransomware incidents from which cases are opened, added to existing cases, resolved, or investigative actions are conducted within 72 hours to 65%; and (2) increasing the number of ransomware matters in which seizures or forfeitures are occurring by 10%. As of July 2022, the Department was investigating over 100 different ransomware variants and ransomware groups that have caused hundreds of millions to billions of dollars in estimated damages.

Central to those efforts is the Department's Ransomware and Digital Extortion Task Force, launched last year, along with the stepped-up reporting from across the Department on ransomware investigations. This initiative guides the Department's prioritization of the investigation, prosecution, and other disruptions of ransomware and digital extortion activity by ensuring that appropriate resources are devoted to tracking and dismantling the development and deployment of ransomware; identifying the cybercriminals responsible for such attacks; and holding those individuals accountable for their crimes. The Task Force facilitates the targeting of the ransomware criminal ecosystem as a whole and directs collaboration with domestic and foreign government agencies, as well as private sector partners, to combat the ransomware threat. For example, in June 2021, the Department seized and recovered a $2.3 million ransom payment that had been made in bitcoin to the ransomware group known as DarkSide. Similarly, in November 2021, the Department seized $6.1 million in funds traceable to alleged ransom payments received by a Russian national and member of the REvil/Sodinokibi ransomware group, who was charged with conducting ransomware attacks against multiple victims, including businesses and government entities in Texas.

Finally, the Department continues its efforts to disrupt cyber threats posed by nation state actors and their proxies. Since 2021, the Department's National Security Division (NSD) and the FBI have conducted several online operations that utilized a traditional law enforcement tool, a search warrant, in new and innovative ways. First, in April 2021, the Department announced a court-authorized effort to disrupt a People's Republic of China (PRC) intelligence service's exploitation of Microsoft Exchange Server vulnerabilities on thousands of computers. Specifically, NSD and the FBI issued a command to the actors' malware, which caused the victim computer to delete that malware. Similarly, in April 2022, NSD and the FBI announced a court-authorized disruption of a botnet controlled by the Russian Federation's Main Intelligence Directorate (GRU). That operation copied and removed the GRU's malware from victim computers that the GRU had used to control thousands of infected devices worldwide, all at a time when Russia was utilizing cyber operations to support its unprovoked invasion of Ukraine.

II. Enhancing the Department's Response to the Opioid Crisis

As discussed in the OIG report, the Centers for Disease Control and Prevention found that opioids, including illicit fentanyl, caused over 80,000 fatal overdoses in 2021. These deaths are tragic, and the Department is determined to tackle the opioid epidemic along a number of fronts. The Department's new Strategic Plan includes an objective to "Combat Drug Trafficking and Prevent Overdose Deaths" by disrupting and dismantling drug trafficking organizations, reducing deaths and addiction driven by drug crime, and expanding access to evidence-based prevention and treatment. To further these aims, the Department's FY 2023 budget request seeks a total of $3.10 billion for DEA's investigations, domestic and foreign counterdrug efforts, and diversion control. The FY 2023 budget request also seeks more than $500 million in opioid-related grants, including funding for drug courts and locally driven responses to opioids and substance use disorders.

The Department's agents and prosecutors are working to dismantle the dangerous cartels that bring deadly fentanyl into our communities. The Department is investigating, arresting, extraditing, and prosecuting individual members of dangerous transnational criminal organizations, including those in command and control of those organizations. The Department is also continuing to investigate precursor chemical suppliers from the PRC and elsewhere, and will continue to target illicit internet distributors, especially on the Dark Web. In September 2021, the Department announced the One Pill Can Kill enforcement effort and public awareness campaign to combat the fake pill threat and educate the public about the dangers of fentanyl pills being disguised and sold as prescription medications. As part of that effort, in September 2022, the DEA and its law enforcement partners concluded a four-month operation that resulted in the removal of 36 million lethal doses of fentanyl from American communities.

As the OIG report notes, DEA launched Operation Engage in 2021 to spur community-based efforts to combat the opioid crisis. Operation Engage facilitates conversations and collaborations with communities and partners focused on the most challenging drug threat in each DEA Field Division. To ensure that its community engagement strategy is effective, DEA has adopted several performance measures that it is using to identify successes and failures in its outreach efforts. The DEA has also created a new resource, "What Every Parent and Caregiver Needs to Know About Fake Pills," as part of its ongoing efforts to educate the public and encourage parents and caregivers to talk to teens and young adults about the dangers of fake pills and illicit drugs.

The opioid crisis has also had ramifications relating to discrimination in employment, healthcare, and participation in state and local government services. The Civil Rights Division has taken an active enforcement role in this area, including securing settlement agreements with a homeless services provider and a state nursing board to resolve claims that their policies barring participation by individuals who take medication for opioid use disorders discriminated on the basis of disability. The Division also filed a lawsuit against a state's judicial system challenging its limitations on participants in court supervision programs taking medication to treat opioid use disorder. Finally, the Division issued guidance concerning the Americans with Disabilities Act's protections for people with opioid use disorders.

The Department also recognizes that prescription opioids continue to be a significant problem. As noted in the OIG report, in October 2022, the DEA Administrator approved the Diversion Control Division's "Controlled Prescription Drug Enforcement Strategy," which includes prescription opioids. The Strategy focuses on three areas: (1) identifying, investigating, and pursuing administrative, civil, and/or criminal actions against those engaging in diversion; (2) collaborating with partners through data sharing and education to more efficiently and effectively address diversion; and (3) identifying other opportunities to improve the efficiency and effectiveness of the Diversion Control programs. The DEA is also using advanced data analytics to determine the effectiveness of its approach, and is committed to using all of its available resources to combat the illicit diversion of prescription opioids.

The DEA is aided in these efforts by strike forces that the Criminal Division has launched. The Criminal Division's Appalachian Regional Prescription Opioid (ARPO) Strike Force continues to tackle healthcare fraud and the opioid epidemic in parts of the country that have been particularly harmed by addiction. This Strike Force is a joint effort between the Department's prosecutors, its law enforcement agencies, the Department of Health and Human Services Office of the Inspector General, and state and local law enforcement. Since April 2019, ARPO has charged over 110 defendants – and convicted over 70 defendants – with crimes related to the unlawful distribution of prescription opioids and health care fraud. Together, the charged defendants have allegedly issued prescriptions for over 115 million controlled substance pills. Based on the demonstrated success of the ARPO Strike Force, in June 2022, the Criminal Division launched the New England Prescription Opioid Strike Force (NEPO) in New Hampshire, Maine, and Vermont. The NEPO Strike Force continues the Department's mission to combat the opioid epidemic by prosecuting medical professionals who illegally prescribe opioids and commit patient harm in another of the hardest hit regions of the country. Last month, the NEPO Strike Force announced its first arrest and charges.

In addition, the Department awarded millions of dollars in grants to address substance use disorders and fight the overdose epidemic. For example, in October 2022, the Office of Justice Programs announced grant awards totaling more than $340 million to address the opioid crisis by investing in drug and treatment courts, residential treatment programs, prevention and harm reduction services, recovery supports, services for opioid-affected youth, and community-based strategies that improve continuity of care and align treatment and public safety. These awards reflect the Department's broader commitment to making prevention, treatment, and recovery part of a unified response to ensure public safety and advance the overall health of our communities.

Finally, the Department agrees with OIG that collaboration between DEA and the Department's grantmaking components is important to identify the jurisdictions most in need of resources. The Community Oriented Policing Services (COPS) Office reports that it already collaborates with DEA, the Office of National Drug Control Policy, the Substance Abuse and Mental Health Services Administration, the Executive Office of United States Attorneys, and the Office of Justice Programs to avoid overlap among recipients and unnecessarily duplicative awards. The COPS Office also provides solicitation information about its Anti-Heroin Task Force (AHTF) program to U.S. Attorney's offices to improve state and local task force coordination and to facilitate partnerships and case referrals. The COPS Office further reports that it makes use of a range of memoranda, manuals, and program-specific award guides in managing its grants and awards throughout their lifecycle, which avoids gaps in the COPS Office's administration of the AHTF program and ensures COPS Office staff can successfully perform their assigned duties.

III. Improving Management of the Federal Prison System

OIG's oversight has greatly assisted the Department in carrying out its responsibility to provide a safe, secure, and humane environment for all individuals in Bureau of Prisons (BOP) custody. The Department's new Strategic Plan includes an objective to "Maintain a Safe and Humane Prison System," with a focus on ensuring the health, safety, and well-being of incarcerated individuals and correctional staff; fully implementing the First Step Act (FSA) and easing barriers to successful reentry; and ensuring transparency, accountability, and effective oversight of all federal prisons and detention centers. In addition, the Department is focused on ensuring adequate staffing in BOP facilities—even in facilities where recruiting staff is difficult.

The Department recognizes its fundamental obligation to provide facilities that are safe for all 159,000 individuals in BOP custody. The Department is committed to combating sexual abuse in confinement and welcomes OIG's request for additional funding from Congress to expand efforts to investigate reports of sexual abuse in BOP facilities and provide additional support to victims of sexual assault allegations. The Department has prioritized prosecuting criminal misconduct at BOP facilities and has convened senior officials to examine the issue of sexual abuse at FCI Dublin and elsewhere in the federal prison system. The working group identified a need for immediate actions to address the Department's approach to sexual misconduct perpetrated by BOP staff, as well as the importance of further review to consider longer-term – and more systemic – changes. The working group outlined over 50 specific recommendations to better protect the safety and well-being of those in BOP custody and better hold accountable those who abuse positions of trust, including by enhancing prevention, reporting, investigations, prosecutions, and employee discipline. The Deputy Attorney General has directed implementation plans from relevant components within 30 days. The Office on Violence Against Women, along with the Bureau of Justice Assistance, has also recently funded a project to assess current research, literature, and practices related to preventing and responding to sexual abuse in correctional facilities, which will culminate in a blueprint for a national service line for people who are victimized while in confinement.

With respect to contraband, BOP has worked to address the recommendations in the 2016 OIG report regarding BOP's contraband interdiction efforts, including by reviewing all potential areas of contraband interdiction. BOP reports that it is conducting assessments to determine the extent of contraband cell phone use at more than twenty facilities across the agency. The Criminal Division has also pursued several cases focused on addressing corruption in the federal prison system. For example, the Public Integrity Section has obtained convictions of former North Carolina prison officials who smuggled contraband (including illegal narcotics) into Caledonia Correctional Institution in Tillery, North Carolina, and convictions of several federal prison officials for smuggling contraband into Leavenworth Detention Center in Leavenworth, Kansas.

The Department also recognizes the importance of a functional CCTV system at each institution. BOP has mandated an audit of camera inspection procedures in place at each facility and has developed a systemwide plan for camera upgrades in response to OIG's 2021 Management Advisory Memorandum recommendation. The Department's FY 2023 budget request seeks more than $15 million in enhancements to upgrade BOP's security camera system. And with respect to healthcare services and quality of care, BOP is committed to providing quality, cost-effective healthcare to incarcerated individuals. BOP has responded to OIG's September 2022 audit report regarding medical services by identifying processes in place to review referrals to specialists in the electronic medical record, and by developing a dashboard report for executive staff and regional staff to monitor due dates of referrals.

Furthermore, the Department is working to ensure that all BOP facilities have appropriate staffing levels. As the OIG report notes, in March 2021, the U.S. Government Accountability Office identified BOP as an emerging issue on its High Risk List, due in large part to sixteen outstanding recommendations and concerns relating to BOP staffing and management. Since that time, BOP has addressed all but four of the initial recommendations, and has taken significant steps regarding staffing and management, including through the ongoing work of an outside vendor to assess augmentation, overtime, the Bureau's incentive payment system, and through the development of an automated staffing tool. The Department's FY 2023 budget request would permit BOP to hire more than 700 new correctional officers. And BOP has worked with the Office of Personnel Management to use accelerated promotions, Direct Hire Authority, and a 25% retention incentive to aid its hiring efforts at seven facilities facing staffing shortages.

Finally, BOP remains committed to providing rehabilitative programming for incarcerated individuals and facilitating reentry into the community. The First Step Act, passed by Congress in 2018, provides for new rehabilitative programing. BOP now offers more than 85 structured evidence-based recidivism reduction programs. The Department's FY 2023 budget request seeks funding to hire more than 600 new FSA Staff. In January 2022, BOP published and implemented the FSA Time Credits Rule, which provides eligible individuals with time credits based on successful participation in evidence-based recidivism reduction programs. In August 2022, BOP implemented an auto-calculation application for FSA time credits. And the Department has revalidated its PATTERN risk assessment tool with regard to predictive validity and dynamic validity, and is continuing to evaluate the tool to ensure that it mitigates racial disparities to the greatest extent possible under the law.

IV. Strengthening Public Trust in the U.S. Department of Justice

As Attorney General Garland has repeatedly reaffirmed, upholding the rule of law is the Justice Department's foremost priority. That priority is rooted in the recognition that, to succeed and retain the trust of the American people, the Justice Department must adhere to norms of independence from improper influence, of the principled exercise of discretion, and of treating like cases alike. Reflecting the seriousness of that obligation, the Strategic Plan lists "Upholding the Rule of Law" as its first strategic goal.

The Department continues to take steps to reaffirm, update, and strengthen policies that further public trust. For example, in July 2021, the Department strengthened its policy governing communications between the Justice Department and the White House. That policy is designed to protect the Department's criminal and civil law enforcement decisions and its legal judgments from partisan or other inappropriate influences. In March 2022, the Attorney General issued comprehensive new Freedom of Information Act guidelines that strengthened the federal government's commitments to transparency in government operations and the fair and effective administration of FOIA. And in October 2022, the Department codified into regulation its new policies to better protect the freedom and independence of the press. The new regulations prohibit seeking compulsory legal process for the purpose of obtaining information from, or records of, members of the news media acting within the scope of newsgathering except under limited, specified circumstances.

The Justice Department agrees with OIG that strengthening public trust requires that the Department's law enforcement components remain objective, impartial, and independent from all improper influences. As noted in last year's Management Response, in response to OIG's work reviewing the Department's use of the Foreign Intelligence Surveillance Act, the FBI has undertaken a variety of auditing, assessment, and compliance-related measures applicable to a range of national security authorities. In addition, the Department continues to implement its June 2021 policy requiring ATF, DEA, FBI, and USMS agents to use body-worn cameras during pre-planned arrests and the execution of search or seizure warrants. And in May 2022, the Department released updated guidance for law enforcement agencies on investigating sexual assault and domestic violence by identifying and preventing gender bias in response to these crimes. That guidance outlines eight principles law enforcement agencies can integrate into their policies, procedures, training, supervision, and resource allocation to enhance how they handle cases of gender-based violence.

The Department's commitment to ensuring that its attorneys maintain the highest ethical standards is unwavering, and the Department continues to support and encourage independent and robust oversight of employee misconduct to foster accountability and public trust. With respect to allegations of attorney professional misconduct, however, oversight and accountability are best pursued through the Department's Office of Professional Responsibility (OPR). Complex legal and ethical standards apply to Department attorneys conducting investigations, litigating cases, and providing legal advice. OPR has significant experience and expertise, gained over 47 years, in applying those standards in reviewing attorney professional misconduct allegations. Because OPR is independent of the prosecutors whose conduct it reviews and does not conduct criminal investigations, the public can be assured that OPR's investigations are not influenced by any relationship with prosecutorial offices. And because OPR maintains an effective system for investigating attorney professional misconduct and conducts its work independently, the Department does not believe that additional legislation is needed.

Finally, strengthening public trust in the Justice Department requires that we protect our democratic institutions. The Justice Department's investigation into the January 6th attack on the Capitol is one of the largest and most expansive investigations in its history. The violence we witnessed that day was an intolerable assault, not only on the Capitol and the brave law enforcement personnel who sought to protect it, but also on a fundamental element of our democracy: the peaceful transfer of power. The Department's leadership has great confidence in the prosecutors who are undertaking these cases. And the Department appreciates OIG's ongoing review of the Department's preparation for and response to the attack.

V. Safeguarding and Promoting National Security

The Justice Department investigates, prosecutes, and otherwise disrupts threats to America's national and economic security. These threats include not just espionage efforts, but also foreign influence operations, economic espionage, and critical infrastructure attacks. In response to these wide-ranging threats, the Department, together with counterintelligence partners and other federal law enforcement, seeks to identify the potential assets targeted, engage the entities who possess those assets, and protect them.

The Department's new Strategic Plan details the Department's lines of work to protect national security and counter foreign and domestic terrorism. The Department will work to combat foreign malign influence; counter foreign espionage; prevent the theft of technology and intellectual property; protect sensitive assets; deter, disrupt, and prosecute terrorist threats; and strengthen federal, state local, Tribal, and international counterterrorism partnerships. In all its efforts, the Justice Department is guided by its commitment to protecting civil liberties. Espousing an extremist ideology, expressing hateful views, or associating with hateful groups is not itself a crime. But when someone tries to promote or impose an ideology through acts of violence, those acts can be among the most dangerous crimes we confront as a society. Regardless of the motivating ideology, the Department will use every appropriate tool at its disposal to deter and disrupt such acts and to bring their perpetrators to justice.

With respect to nation-state threats, China, Russia, Iran, and North Korea are becoming more aggressive and more capable in their malign activity than ever before. Defending American institutions and values against these threats is a national security imperative and a priority for the Department. Over the past seven months, the Justice Department has taken a series of actions in response to Russia's unprovoked continued invasion of Ukraine. In March 2022, the Department launched Task Force KleptoCapture, which is staffed with prosecutors, agents, analysts, and professional staff from across the Department who are experts in sanctions and export control enforcement, anticorruption, asset forfeiture, anti-money laundering, tax enforcement, national security investigations, and foreign evidence collection. Task Force KleptoCapture has already taken several actions to seize the assets of sanctioned Russian oligarchs and indict individuals for violations of U.S. sanctions. In addition, the Department has launched a War Crimes Accountability Team to centralize and strengthen the Department's ongoing work to hold accountable those who have committed war crimes and other atrocities in Ukraine. The Department will be relentless in its efforts to identify, find, and bring to justice those who evade sanctions to enable the Russian regime or who commit war crimes.

In February 2022, the NSD announced its broader strategy for countering nation-state threats. That strategy is threat-driven, focusing on the areas where the Department's authorities can have the most impact in combating the greatest threats to our national security, including transnational repression, foreign malign influence, cyber threats, and espionage and export control. In the course of this work, the Department continues to address the threats posed by the PRC government and its agents—not the Chinese people or those of Chinese descent, who are often the victims of these crimes. The Department has taken steps to target transnational repression, including efforts by the PRC to suppress dissenting voices within the United States. And in cases involving academic integrity and research security, the NSD will take an active supervisory role in the investigations and prosecutions, working with the FBI and other investigative agencies to assess the evidence of intent and materiality, as well as the nexus to our national or economic security.

The Justice Department also remains vigilant in the face of the continuing danger of attacks by foreign terrorist organizations. We continue to face the threat of terrorist attacks on the homeland by foreign terrorist groups, especially ISIS, and are taking actions to disrupt and deter those who would provide them with material support. In October 2022, the Department announced that the global building materials manufacturer, Lafarge S.A, and its Syrian subsidiary pleaded guilty to engaging in criminal conduct that constituted material support to terrorism by authorizing millions of dollars in illicit payments to ISIS and al-Nusrah Front in Syria —two of the world's most notorious terrorist groups. The country also faces threats from homegrown violent extremists. Individuals across the Department, including within the FBI and the NSD, work across the intelligence community every day to identify and disrupt foreign terrorist plots and bring to justice those who would do us harm. In addition, each U.S. Attorney's office coordinates a group of federal, state, and local officials in its district, which works in close partnership with Joint Terrorism Task Forces in the FBI to promote training and information-sharing among our law enforcement partners on both foreign and domestic terrorism matters.

A significant focus of the OIG report is the Department's preparedness and response to domestic violent extremism and hate crimes. In May 2022, the NSD stood up a Domestic Terrorism Unit within its counterterrorism section. This unit will prosecute and coordinate domestic terrorism cases; develop training and policies on domestic terrorism matters; and support the work of the Department in implementing a whole-of-government strategy on countering domestic terrorism. With respect to hate crimes, the Justice Department will continue to use every resource at its disposal to confront unlawful acts of hate and to hold accountable those who perpetrate them. The Department is investigating the Buffalo, New York shooting at a grocery store as a hate crime and an act of racially-motivated violent extremism, and has filed a criminal complaint charging the perpetrator with multiple counts of committing a hate crime resulting in death, committing a hate crime involving an attempt to kill, and for using a firearm to commit murder.

As noted in the OIG report, the Department has also taken a range of additional actions over the last eighteen months to combat and prevent hate crimes. In May 2021, Attorney General Garland issued a memorandum outlining the Department's efforts to combat hate crimes and hate incidents. The Department also awarded $10 million in grants to states and localities to support the transition of state and local law enforcement agencies to the National Incident-Based Reporting System (NIBRS) and to support state-run reporting hotlines for victims of hate crimes, as well as to support community-based organizations and civil rights groups with implementing comprehensive approaches to promote community awareness, preparedness, and reporting. The Department announced its first-ever Language Access Coordinator, within the Office for Access to Justice, who will work to remove the language access barrier to the reporting of hate crimes. And the Department piloted a new outreach training called United Against Hate to help improve the reporting of hate crimes by teaching community members how to identify, report, and help prevent hate crimes.

Finally, the Department is committed to ensuring the security of our elections and countering foreign influence in our electoral process. In July 2021, the Department launched its Election Threats Task Force, which includes the Criminal Division, the Civil Rights Division, NSD, FBI, and other interagency partners. Since that time, the Department has prosecuted several individuals who have threatened election workers. In addition, the Department has authorized grant funding to be used to combat unlawful threats of violence against public officials involved in election administration. And last month, consistent with longstanding Justice Department practices and procedures, the Department provided information about its efforts, through the Civil Rights Division, Criminal Division, and NSD, to help ensure that all qualified voters have the opportunity to cast their ballots and have their votes counted free of discrimination, intimidation, or fraud in the election process, and to ensure that our elections are secure and free from foreign malign influence and interference.

VI. Managing the Post-Pandemic Impact on U.S. Department of Justice Operations

The Department takes seriously its obligation to investigate and prosecute pandemic-related fraud. The Department's Strategic Plan includes an objective to "Protect the Public Fisc from Fraud on Government Programs," and specifically lists combating pandemic fraud as one of its agency priority goals for the coming fiscal year. In particular, the Department aims to enhance its efforts to protect the public fisc from fraud, waste, and abuse by successfully resolving COVID-19 related fraud cases and seeking restitution to make victims, including taxpayers, whole.

Among other actions, the Department established a COVID-19 Fraud Enforcement Task Force to prosecute those who have tried to defraud the government of money intended for the most vulnerable among us. This Task Force brings together key Department components, such as the Criminal and Civil Divisions, the Executive Office for United States Attorneys, and the FBI, as well as interagency partners, such as the Department of Labor, the Department of the Treasury, the Department of Homeland Security, and the Small Business Administration. The Department's efforts have focused on cases relating to the Paycheck Protection Program, the Economic Injury Disaster Loan program, unemployment insurance programs, and COVID-19 health care fraud enforcement. As the OIG report notes, the Department's work as of September 2022 has resulted in criminal charges against more than 1,500 defendants and the seizure of over $1.2 billion in relief funds. Also in September 2022, the Department announced the creation of COVID-19 Fraud Strike Force teams based in Los Angeles, Sacramento, Miami, and Baltimore to enhance existing efforts to combat and prevent COVID-19 related fraud.

The Department also appreciates OIG's efforts to assess the Department's own adaptation to the global COVID-19 pandemic, including with respect to the Department's immigration courts and correctional facilities. Going forward, the Department will leverage the skills gained and lessons learned from the pandemic to both prepare for future work disruptions and enhance the effectiveness of its daily operations. For example, USMS is awaiting the final report of the Pandemic Response Accountability Committee's "Review of Telehealth Services in Selected Federal Healthcare Programs." Once received, USMS will evaluate any opportunities to strengthen the use of telehealth services as a medical option. OIG's audits and reviews on this topic contain helpful recommendations that the Department is evaluating as it continues to develop policies and operational plans.

VII. Strengthening Police-Community Partnerships and the Response to Violent Crime

The Department is committed to strengthening community engagement and protecting our communities from violent crime and gun violence. Promoting trust and accountability in law enforcement is an agency priority goal, and the Department has set specific benchmarks in the Strategic Plan to measure its progress over the coming year. These efforts build on a range of existing efforts to strengthen police-community partnerships. As previously noted, in June 2021, the Department's federal law enforcement components were instructed to develop plans specific to their unique missions to expand the use of body worn cameras. In September 2021, the Department issued the first ever Department-wide directive limiting the use of chokeholds and no-knock warrants. Under the new policy, the Department's law enforcement components may not use "chokeholds" and "carotid restraints" unless deadly force is authorized, and law enforcement components are generally limited to using "no knock" warrants only in situations where an agent has reasonable grounds to believe that knocking and announcing the agent's presence would create an imminent threat of physical violence to the agent and/or another person.

The Justice Department is also dedicating substantial resources to support state and local law enforcement accountability. Every day, dedicated law enforcement officers put themselves in harm's way to protect others and do so honorably and lawfully. Such officers welcome accountability because accountability is an essential part of building trust with the community. The Justice Department has initiated pattern-or-practice investigations into police departments in Minneapolis, Louisville, Phoenix, and Mt. Vernon (New York), the Louisiana State Police, and the New York Police Department Special Victims Division. These investigations focus on whether the departments engage in systemic violations of the Constitution or federal law. The Department has also taken a series of actions to ensure that the remedies for pattern-or-practice violations, including consent decrees, are fair, transparent, and effective.

Community-led efforts are vital to prevent violence before it occurs. That is why the Department is strengthening Project Safe Neighborhoods, a cornerstone initiative that brings together law enforcement and community stakeholders to develop solutions to pressing violent crime problems. The Department is also committed to investing in community-based programs to prevent violence. The Department has announced $100 million in community violence intervention grants to help communities across the United States. These resources will develop and expand the infrastructure needed to build community safety through cross-agency collaborations, the expansion of community-based organizations, and technical assistance. In addition, in September 2022, the Department announced a new violent crime initiative in Houston, Texas, including prosecutors from the Criminal Division's Organized Crime and Gang Section and the U.S. Attorney's Office for the Southern District of Texas, as well as agents, analysts, and forensic experts from the FBI, ATF, USMS, and other federal, state, and local law enforcement agencies. This initiative will include efforts to invest in prevention, intervention, and reentry. And last month, the Department announced more than $370 million in grant awards to fund state, local, and Tribal crime and violence reduction efforts and evidence-based strategies that support law enforcement operations, improve officer safety, and build trust with communities. The Department (through its COPS Office) continues to provide communities with resources to keep our streets safe, including by helping them hire and train additional local law enforcement officers for accountable community policing.

The Department is also committed to addressing the rise in violent crime that began in 2020. According to the FBI's 2021 Crime in the Nation Summary, released in October 2022, violent crime in the United States has remained at or near the 2020 level, with the estimated number of murders increasing by 4.3% and the robbery rate decreasing by 8.9%. Responding to gun-related violent crime is an agency priority goal in the FY 2022-2026 Strategic Plan, and the Department has established metrics for the coming fiscal year regarding the percentage of urgent firearm trace requests completed within 48 hours, the percentage of firearms cases that target traffickers or other large-scale enterprises, and the number of inspections of federal firearms licensees.

As the OIG report notes, in May 2021, the Justice Department launched a comprehensive violent crime strategy that included directing each U.S. Attorney's office to develop a district-specific violent crime strategy. In July 2021, the Department launched five cross-jurisdictional strike forces to reduce gun violence by disrupting illegal firearms trafficking in key corridors across the country. In February 2022, the Department announced the next phase of its violent crime reduction strategy, which included directing each U.S. Attorney's office to prioritize resourcing their district-specific strategies; launching a national ghost gun enforcement initiative to train a national cadre of prosecutors on enforcement issues specific to the use of ghost guns in crimes; and enhancing the Department's enforcement against unlawful firearms traffickers. In April 2022, the Department finalized its frame or receiver rule, which makes it harder for criminal and other prohibited persons to obtain untraceable firearms. In May 2022, the Department announced the publication of the first volume of the National Firearms in Commerce and Trafficking Assessment, which provides critical insights on firearms commerce and technology trends that will assist agents, prosecutors, and policymakers tackle modern criminal gun trafficking enterprises. And the Department is currently working to implement the Bipartisan Safer Communities Act, enacted in June 2022, which gives the Department additional authorities and funding to address gun violence.

The Department is also working to increase data collection. For example, in August 2022, the Bureau of Justice Statistics (BJS) and the FBI released *Estimation Procedures for Crimes in the United States Based on NIBRS Data* and the *NIBRS Estimation Summary*. These reports document BJS' collaboration with the FBI to continue to increase NIBRS participation and establish new estimation techniques that produce reliable national estimates of crime, including for non-reporting and partially reporting agencies. NIBRS will provide a more complete and in-depth profile of reported crime than was previously available. In October 2022, BJS released the *National Crime Victimization Survey and National Incident-Based Reporting System: A Complementary Picture of Crime in 2021*, which describes how crime recorded by law enforcement agencies and from interviews with crime victims together provide a more comprehensive picture of crime in the United States.

VIII. Effective Management of U.S. Department of Justice Contracts and Grants

The Justice Department awards billions of dollars in grants each year and is committed to ensuring these awards are managed effectively. The Department is working to address the challenges to proper contract management that the OIG report flagged, including by installing a Deputy Senior Procurement Executive within the Justice Management Division to strengthen oversight of the Department's acquisition portfolio, and by seeking additional resources for JMD's Office of Acquisition Management. The Department is also taking steps to ensure compliance with laws, regulations, and policies, including by implementing a systematic process that ensures the mandatory whistleblower clause is included in all applicable Department contracts and that collects verification from the vendors that they have fulfilled the associated notification requirements to their employees.

As for effective grant oversight, the Department's grantmaking components view their fiduciary responsibility to effectively administer grants as a top priority. All three grantmaking components work to continuously improve and strengthen their policies and procedures, risk management strategies, and oversight and monitoring efforts. The Department fulfills its grant oversight duties through direct communication with grantees, the review of progress and financial reports, programmatic and financial monitoring, grantee audit resolution, training and technical assistance, and targeted outreach to higher risk grantees.

OJP consistently exceeds its statutory requirement to conduct comprehensive monitoring of not less than 10 percent of total award dollars. In FY 2022, OJP completed in-depth programmatic monitoring of over 1,000 grants totaling $2.63 billion, approximately 57 percent over the amount required by law. In addition, OJP's Office of the Chief Financial Officer carried out financial monitoring for approximately $2.47 billion in grants across the Department's entire grants portfolio. And OJP continuously assesses audit and monitoring results, which are used to improve processes, enhance internal controls, and inform training and technical assistance efforts for internal staff and/or funding recipients each year.

The Departments new grants management system, JustGrants, is currently supporting 40,000 users and about 15,000 active grants totaling $17.6 billion. Since the system went live in October 2020, programmatic improvements and focused system stabilization efforts have been made to improve user satisfaction. This included ensuring a successful FY 2022 award making season. In FY 2022, OJP continued to focus on customer service and training opportunities, which has resulted in a 40% reduction of service desk calls over the last year. In FY 2023, the Department will focus on building out additional system functionality in the areas of performance management and monitoring to complete full life-cycle processing, as well as making incremental improvements to user experience, consistency, and efficiency throughout the system.

The Department is also committed to ensuring that the grants it offers are directed to their intended purposes. Regarding oversight of the COPS Hiring Program, the COPS Office reports that it uses the Department's existing pre-award risk rating process to assign each applicant a risk rating based on data related to its past performance and its financial capability. If an applicant poses a heightened risk, steps are taken to mitigate those risks, such as imposing additional conditions on funding. For example, if an applicant has weak or missing financial controls, the COPS Office may require the applicant to complete financial management training before it can receive the funds.

In addition, throughout the grant implementation period, the COPS Office collects program and financial data through semi-annual performance reporting and quarterly financial reporting, with grant managers reviewing all performance reports. The COPS Office also conducts annual desk reviews of all recipients. During annual desk reviews, grant managers and financial managers review documentation submitted by the recipients, including performance and financial reports, and assess the overall performance of recipients. This information is used in addition to an annual risk assessment to determine whether a recipient's award should undergo in-depth monitoring during the fiscal year.

All in-depth monitoring consists of enhanced programmatic desk reviews or site visits and is completed for at least 10 percent of COPS Office open award portfolios. The COPS Office develops its annual monitoring plan based on an annual risk assessment, which is updated periodically during the fiscal year. COPS Office grants management and financial monitoring staff check for indications of misuse of funding during in-depth monitoring. For example, if a recipient reports no activity or performance during a period but reports significant financial activity, or if the recipient's budget proposal does not match the activities listed in its general ledger, an explanation or additional documentation would be requested from the recipient.

IX. Managing Human Capital

The Justice Department recognizes that it can only accomplish its mission of upholding the rule of law, keeping our country safe, and protecting civil rights if it has a dedicated, high-skilled, and diverse workforce. The new Strategic Plan includes objectives to "Achieve Department Management Excellence Through Innovation" and to "Foster a High-Performing Workforce that Represents the Public We Serve." The Department intends to update internal guidance, best practices, and policies related to outreach, recruitment, and hiring, and use data to help ensure diversity and equity at each step of the recruitment, application, and hiring processes. The Department will also work to ensure equal pay for equal work within positions and across similarly situated components, and identify workplace flexibilities that will allow us to recruit and retain the best employees.

This work has already begun. The Department is implementing Executive Order 14035, *Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce* (June 25, 2021) and the Government-Wide Strategic Plan to Advance Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce. The

Department has also revised its workplace flexibility policies, both centrally and at the component level, to provide employees with job-appropriate flexibilities as the pandemic-related emergency ends. And the Department is committed to ensuring a workplace free from misconduct. As the OIG report notes, the Department is tackling the problem of sexual misconduct through the Deputy Attorney General's Steering Committee to review sexual misconduct policies. The Steering Committee is reviewing the current policies and practices across the Department, as well as existing training, education, and awareness efforts. The Steering Committee is also developing recommendations to ensure that the Department's policies are consistent, cohesive, and effective to satisfy our obligations to prevent sexual misconduct.

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The Department appreciates OIG's work in helping to improve our transparency, productivity, and effectiveness. Components across the Department are addressing the numerous findings, conclusions, and recommendations contained in the specific reports and audits that the OIG report discusses. The Department looks forward to continuing its cooperative relationship with the Inspector General on those matters and on future investigations.

Payment Integrity Information Act Reporting

The Payment Integrity Information Act of 2019 requires agencies to annually report certain information on improper payments in their AFR, such as actions taken to address recovery auditor recommendations. In recent years, OMB has been collecting improper payments data not required to be reported in the AFR, such as data on recovery activities, fraud, and risk assessment, through an annual data call and publishing the data on PaymentAccuracy.gov. The Department's FY 2022 data can be found on DOJ Payment Integrity.[1]

Civil Monetary Penalty Adjustment

As required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the Department presents the most recent information available as of FY 2022.

Bureau of Alcohol, Tobacco, Firearms, and Explosives

Bureau of Alcohol, Tobacco, Firearms and Explosives

Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level ($ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
18 U.S.C 922(t)(5)	Brady Law - Nat'l Instant Criminal Check System; PL 103-159, sec. 102(b)	1993	2022	$ 9,491	Alcohol Tobacco, Firearms, and Explosives (ATF)	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
18 U.S.C. 924(p)	Child Safety Lock Act, PL 109-92, sec. 5(c)(2)(B) Secure gun storage or safety device, violation	2005	2022	$ 3,471	Alcohol, Tobacco, Firearms, and Explosives (ATF)	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations

Civil Division

Civil Division

Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level ($ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
12 USC 1833a(b)(1)	Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Violation	1989	2022	$ 2,202,123	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
12 U.S.C. 1833a(b)(2)	FIRREA Violation (continuing)	1989	2022	$ 2,202,123	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
12 U.S.C. 1833a(b)(2)	FIRREA Violation (continuing)	1989	2022	$ 11,010,620	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
22 U.S.C. 2399b(a)(3)(A)	Foreign Assistance Act Fraudulent Claim for Assistance	1968	2022	$ 6,396	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
31 U.S.C. 3729(a)	False Claims Act Violations	1986	2022	Min $12,537, Max $25,076	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
31 U.S.C 3802(a)(1)	Program Fraud Civil Remedies Act Violations Involving False Claim (per claim)	1986	2022	$ 12,537	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
31 U.S.C 3802(a)(2)	Program Fraud Civil Remedies Act Violation Involving False Statement (per statement)	1986	2022	$ 12,537	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
40 U.S.C. 123(a)(1)(A)	Federal Property and Administrative Services Act Violation Involving Surplus Government Property	1949	2022	$ 6,396	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
41 U.S.C. 8706(a)(1)(B)	Anti-Kickback Act Violation Involving Kickbacks (per occurrence)	1986	2022	$ 25,076	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations

[1] https://paymentaccuracy.gov

Civil Division (continued)

Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level ($ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
Civil Division						
18 U.S.C. 2723(b)	Driver's Privacy Protection Act of 1994 Prohibition on Release and Use of Certain Personal Information from State Motor Vehicle Records - Substantial Non-compliance (per violation)	1994	2022	$ 9,250	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
18 U.S.C. 216(b)	Ethics Reform Act of 1989 Penalties for Conflict of Interest Crimes	1989	2022	$ 110,107	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
41 U.S.C. 2105(b)	Office of Federal Procurement Policy Act Violation by an organization	1988	2022	$ 115,054	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
41 U.S.C. 2105(b)	Office of Federal Procurement Policy Act Violation by an organization	1988	2022	$ 1,150,533	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
42 U.S.C. 5157(d)	Disaster Relief Act Violation	1974	2022	$ 14,536	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
18 U.S.C. 248(c)(2)(B)(i)	Freedom of Access to Clinic Entrances Act of 1994 Nonviolent physical obstruction, first order	1994	2022	$ 18,444	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
18 U.S.C. 248(c)(2)(B)(ii)	Freedom of Access to Clinic Entrances Act of 1994 Nonviolent physical obstruction, subsequent	1994	2022	$ 27,750	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
18 U.S.C. 248(c)(2)(B)(i)	Freedom of Access to Clinic Entrances Act of 1994 Other violation, first order	1994	2022	$ 27,750	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
18 U.S.C. 248(c)(2)(B)(ii)	Freedom of Access to Clinic Entrances Act of 1994 Other violation, subsequent order	1994	2022	$ 46,252	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
42 U.S.C. 3614(d)(1)(C)(i)	Fair Housing Act of 1968, as amended in 1988. PL 100-430 First violation	1988	2022	$ 115,054	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
42 U.S.C. 3614(d)(1)(C)(ii)	Fair Housing Act of 1968, as amended in 1988; PL 100-430 Subsequent violation	1988	2022	$ 230,107	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
42 U.S.C. 12188(b)(C)(i)	Americans With Disabilities Act; PL 101-336 Public accommodations for individuals with disabilities, first order	1990	2022	$ 103,591	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
42 U.S.C. 12188(b)(C)(ii)	Americans With Disabilities Act; PL 101-336 Public accommodations for individuals with disabilities, subsequent order	1990	2022	$ 207,183	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
50 U.S.C. App. 597(b)(3)	Service members Civil Relief Act First violation	2010	2022	$ 69,554	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
50 U.S.C. App. 597(b)(3)	Service members Civil Relief Act Subsequent violation	2010	2022	$ 139,109	Civil Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations

Criminal Division

Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level ($ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
Civil Division						
18 U.S.C. 983(h)H1)	Civil Asset Forfeiture Reform Act of 2000; PL 106-105 Frivolous Assertion of Claim	2000	2022	Min $397, Max $7,948	Criminal Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
18 U.S.C. 1956(b)	Money Laundering Control Act of 1986; PL 99-570, Title I, Subtitle H	1986	2022	$ 25,076	Criminal Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations

Drug Enforcement Administration

Civil Division						
Statutory Authority (U.S.C. Citation)	**Penalty (Name or Description)**	**Year Enacted**	**Latest year of adjustment (via statute or regulation)**	**Current Penalty Level ($ Amount or Range)**	**Sub-Agency / Bureau / Unit**	**Location for Penalty Update Details**
21 U.S.C. 844a(a)	Anti-Drug Abuse Act of 1988 Possession of small amounts of controlled substances	1988	2022	$ 23,011	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
21 U.S.C. 961(1)	Controlled Substance Import Export Act Drug abuse, import or export	1970	2022	$ 79,950	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
21 U.S.C. 842(c)(1)(A)	Controlled Substances Act, PL 90-513 Violations of 842(a) - other than (5), (10), (16), and (17) - Prohibited acts re: controlled substances (per violation)	1970	2022	$ 72,683	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
21 U.S.C. 842(c)(1)(B)(i)	Controlled Substances Act, PL 90-513 Violations of 842(a)(5), (10), and (17) - Prohibited acts re: controlled substances	1998	2022	$ 16,864	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
21 U.S.C. 842(c)(1)(B)(ii)	Support for Patients and Communities Act, PL 115-211 Violations of 842(b)(ii) - Failures re: opioids to report suspicious orders; maintain effective controls; review most recent information provided by Atty Gen.	2018	2022	$ 109,374	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
21 U.S.C. 842(c)(1)(C)	Controlled Substances Act, PL 90-513 Violation of 825(e) by importer, exporter, manufacturer, or distributor - False labeling of anabolic steroids; PL 113-260	2014	2022	$ 582,457	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
21 U.S.C. 842(c)(1)(D)	Controlled Substances Act, PL 90-513 Violation of 825(e) at the retail level - False labeling of anabolic steroids; PL 113-260	2014	2022	$ 1,165	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations
21 U.S.C. 842(c)(2)(C)	Controlled Substances Act, PL 90-513 Violation of 842(a)(11) by a business - Distribution of laboratory supply with reckless disregard; PL 104-237	1996	2022	$ 436,809	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
21 U.S.C. 842(c)(2)(D)	Support for Patients and Communities Act, PL 115-211 Violations of 842(a)(5), (10) and (17) by a registered manufacturer or distributor of opioids. Failures re: opioids to report suspicious orders; maintain effective controls; review most recent information provided by Atty Gen.	2018	2022	$ 546,867	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
21 U.S.C. 856(d)	Illicit Drug Anti-Proliferation Act of 2003 Maintaining drug-involved premises; PL 108-21	2003	2022	$ 402,786	Drug Enforcement Administration	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations

Executive Office for Immigration Review

Immigration-Related Penalties

Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level ($ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
8 U.S.C. 1324a(e)(4)(A)(i)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, first order	1986	2022	Min $627, Max $5,016	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324a(e)(4)(A)(ii)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, second order	1986	2022	Min $5,016, Max $12,537	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324a(e)(4)(A)(iii)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, subsequent order	1986	2022	Min 7,523, Max $25076	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324a(e)(5)	Immigration Reform and Control Act of 1986 Paperwork violation	1986	2022	Min $252, Max $2,507	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324a (note)	*Immigration Reform and Control Act of 1986; PL 104-208, sec. 403(a)(4)(C)(ii) Failure to notify DHS of employee's employment eligibility*	1996	2022	Min $874, Max $1,746	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324a(g)(2)	Immigration Reform and Control Act of 1986; PL 99-603 Violation/prohibition of indemnity bonds	1986	2022	$2,507	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324b(g)(2)(B)(iv)(I)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, first order	1990	2022	Min $517, Max $4,144	Civil Rights Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324b(g)(2)(B)(iv)(II)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, second order	1990	2022	Min $5,144, Max $10,360	Civil Rights Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324b(g)(2)(B)(iv)(III)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices	1990	2022	Min $6,215, Max $20,719	Civil Rights Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324b(g)(2)(B)(iv)(IV)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, document abuse	1990	2022	Min $207, Max $2,072	Civil Rights Division	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324c(d)(3)(A)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Document fraud, first order -- for violations described in USC 1324c(a)(1)-(4)	1990	2022	Min $517, Max $4,144	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324c(d)(3)(B)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Document fraud, subsequent order -- for violations described in USC 1324c(a)(1)-(4)	1990	2022	Min $4,144, Max $10,360	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324c(d)(3)(A)	Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5) Document fraud, first order -- for violations described in USC 1324c(a)(5)-(6)	1996	2022	Min $438, Max $3,494	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations
8 U.S.C. 1324c(d)(3)(B)	Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5) Document fraud, subsequent order -- for violations described in USC 1324c(a)(5)-(6)	1996	2022	Min $3,494, Max $8,736	Executive Office for Immigration Review	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations

Federal Bureau of Investigation

Immigration-Related Penalties						
Statutory Authority (U.S.C. Citation)	**Penalty (Name or Description)**	**Year Enacted**	**Latest year of adjustment (via statute or regulation)**	**Current Penalty Level ($ Amount or Range)**	**Sub-Agency / Bureau / Unit**	**Location for Penalty Update Details**
49 U.S.C. 30505(a)	National Vehicle Title Identification System; PL 103-272(1)(e)	1994	2022	$1,850	Federal Bureau of Investigation	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations

Office of Justice Programs

Immigration-Related Penalties						
Statutory Authority (U.S.C. Citation)	**Penalty (Name or Description)**	**Year Enacted**	**Latest year of adjustment (via statute or regulation)**	**Current Penalty Level ($ Amount or Range)**	**Sub-Agency / Bureau / Unit**	**Location for Penalty Update Details**
42 U.S.C. 3789g(d)	Omnibus Crime State and Local CHRI Systems - Right to Privacy Violation and Safe Streets Act State and Local CHRI Systems - Right to Privacy Violation	1979	2022	$31,980	Office of Justice Programs	Federal Register / Vol. 87, No. 89 /Monday, May 9, 2022 / Rules and Regulations

Grants Programs

Pursuant to the OMB Uniform Guidance in 2 C.F.R. § 200.343(b), recipients of grants and cooperative agreements must liquidate all obligations incurred under their awards within 90 days after the end of the period of performance, unless the awarding agency authorizes an extension or program-specific statutes specify a different liquidation period.

As required by OMB Circular A-136, *Financial Reporting Requirements,* DOJ is required to:

1. Disclose the number of awards and balances for which closeout has not yet occurred, but for which the period of performance has elapsed by 2 years or more prior to September 30, 2022; and
2. Provide a brief narrative of the progress made over the past year compared to the previous year's report, challenges preventing closeout of awards reported, and actions to be taken to close awards reported.

Three DOJ grant-making components report information under this guidance: Office of Justice Programs (OJP), Office on Violence Against Women (OVW), and Office of Community Oriented Policing Services (COPS).

The table below presents, for each DOJ's grant-making component that had zero dollar balances and undisbursed obligations for expired grant awards as of September 30, 2022, for which closeout has not yet occurred, but for which the period of performance has elapsed by two years or more prior to September 30, 2022.

DOJ Grant Programs: Summary of Expired, but not Closed Grants/Cooperative Agreements

For the Fiscal Year Ended September 30, 2022 (Dollars in Thousands)

DOJ Component	Category	2-3 Years - FYs 2019-2020	4-5 Years - FYs 2018-2019	More than 5 Years - Before FY 2017
OJP	Number of Grants/ Cooperative Agreements with Zero Dollar Balances	9	1	0
	Number of Grants/ Cooperative Agreements with Undisbursed Balances	214	47	10
	OJP Total Amount of Undisbursed Balances	**$13,760**	**$3,485**	**$3,676**
COPS	Number of Grants/ Cooperative Agreements with Zero Dollar Balances	15	1	0
	Number of Grants/ Cooperative Agreements with Undisbursed Balances	43	0	0
	COPS Total Amount of Undisbursed Balances	**$3,430**	**$100**	**$—**
OVW	Number of Grants/ Cooperative Agreements with Zero Dollar Balances	23	10	1
	Number of Grants/ Cooperative Agreements with Undisbursed Balances	57	40	4
	OVW Total Amount of Undisbursed Balances	**$3,444**	**$5,002**	**$543**
DOJ Total Amount of Undisbursed Balances		**$20,634**	**$8,587**	**$4,219**

Closeout Challenges

The COPS Office has made significant progress in closeouts in FY 2022, closing over 350 awards. Additionally, since last year's report, the COPS Office has resolved closeouts for 16 of the 17 awards representing a difference of $545. Consistent with last year's submission regarding technical difficulties (internal/external) in the new grant management systems, a significant increase is reflected in the 2-3 year category. The COPS office continues to prioritize closeouts to include resolving financial reconciliation and compliance issues.

OJP made significant progress over the past year closing more than half of the awards reported on the prior year's report and de-obligating more than 97 percent of the undisbursed balances. Awards under review continue to be a challenge for OJP to close. OJP will continue to review expired awards and conduct outreach with grantees and program offices to close awards.

For OVW, technical improvements to JustGrants enabled OVW to close out a larger number of awards during FY 2022 than the previous year. However, staffing issues and new and unresolved system issues continue to impede OVW's ability to promptly close out awards. OVW anticipates that recent increased staffing and continued system improvements during FY 2023 will support OVW in progressing towards its goal of closing out all awards in a timely manner.

Climate Related Financial Risk

In January 2021, the President signed Executive Order 14008 requiring major Federal agencies to develop an adaptation plan to address their most significant climate risks and vulnerabilities. These Climate Adaptation and Resilience Plans were released in October 2021. The Department's 2021 Climate Adaptation and Resilience Plan can be found here: DOJ Climate Adaptation and Resilience Plan.[2]

As outlined in Executive Order 14057, dated December 2021, major Federal agencies are required to implement the actions identified in their October 2021 Climate Adaptation and Resilience Plans and provide annual updates on progress made. The Department's 2022 Climate Adaptation Progress Report can be found here: DOJ Climate Adaptation Progress Report.[3]

Additional information related to DOJ performance data and FY 21 OMB scorecard for efficient Federal operations and management can be found here: DOJ Performance Data [4] |
DOJ Scorecard.[5]

[2] https://www.sustainability.gov/pdfs/doj-2021-cap.pdf

[3] https://www.sustainability.gov/pdfs/doj-2022-cap.pdf

[4] https://www.sustainability.gov/doj.html#apd

[5] https://www.sustainability.gov/doj.html#omb

APPENDICES

APPENDIX A

Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Report

The Office of the Inspector General (OIG) provided a draft of the Independent Auditors' Report to the Department of Justice (Department). The Department's response is incorporated in the Exhibit of the Independent Auditors' Report of this final report. In response to the Independent Auditors' Report, the Department concurred with the recommendations and discussed the actions it will implement in response to the finding. As a result, the status of the report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations:

1. **The Department and BOP continue to recruit individuals with relevant financial management and/or accounting skills, and train existing resources on financial management standards, concepts, policies, and procedures. (New)**

   Resolved. Management concurred with this recommendation. Management stated in its response that actions have been initiated based on implementation of the DOJ Strategic Plan Strategic Goal 1: Uphold the Rule of Law Objective 1.2: Promote Good Government by updating internal guidance, best practices, and policies related to outreach, recruitment, and hiring. The Department and BOP will continue recruitment of individuals with accounting and financial management skills. The BOP will enhance the training of those individuals in the areas of internal control, transaction processing, and financial statement preparation and review.

   This recommendation can be closed when subsequent annual financial statement audit testing verifies that internal controls over financial reporting are designed, implemented, and operating effectively.

2. **The BOP perform a robust analysis of changes to internal control conditions including an analysis of business and accounting operations; and prepare a sufficient response to those changes through revisions to the internal control system. (New)**

   Resolved. Management concurred with this recommendation. Management stated in its response that the BOP will continue to review the internal control environments to support design and implementation of an improved internal control system.

   This recommendation can be closed when subsequent annual financial statement audit testing verifies that management performed a sufficient analysis of changes to internal control conditions including an analysis of business and accounting operations and responded with sufficient revisions to the internal control system.

3. **The BOP finalize information needed to perform processes and controls and create system-generated reports with necessary information to execute controls, including processing data into quality information to support the internal controls system and communicate quality information within the organization to enable authorized personnel to perform key roles, address risks, and support the internal control system. (New)**

   Resolved. Management concurred with this recommendation. Management stated in its response that the BOP will continue to develop, enhance, and document its processes and procedures necessary to execute effective internal controls. The BOP will assess critical reports necessary to support validation of effective financial controls and ensure key personnel are properly trained to perform key roles, address risks, and support the internal control system.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that management has finalized the analysis of information needed and created timely and accurate reports with relevant data to execute controls.

4. **The Department design and implement a control for the Department and the components to monitor and evaluate significant changes to operations or financial reporting processes that will identify and respond to financial reporting risks, such as the adoption of new accounting policies and procedures, and implementations and conversions of financially relevant systems. (Updated)**

Resolved. Management concurred with this recommendation. Management stated in its response that the Department and BOP will assess and implement controls to address reporting risks associated with changes to accounting standards and implementation of new systems.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that management has designed and implemented a control to monitor and evaluate significant changes to operating or financial reporting processes that will identify and respond to financial reporting risks.

APPENDIX B

Acronyms

A

ACM	Asbestos Containing Materials
AFF	Assets Forfeiture Fund
AFF/SADF	Assets Forfeiture Fund and Seized Asset Deposit Fund
AFR	Agency Financial Report
AOUSC	Administrative Office of the United States Courts
APP	Annual Performance Plan
APR	Annual Performance Report
ASG	Associate Attorney General
ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
ATJ	Access to Justice
ATR	Antitrust Division

B

BAR	Budget and Accrual Reconciliation
BJA	Bureau of Justice Assistance
BOP	Bureau of Prisons
BPO	Broker's Price Opinion

C

CDC	Centers for Disease Control and Prevention
CFO	Chief Financial Officer
CHRP	COPS Hiring Recovery Program
CIV	Civil Division
COPS	Office of Community Oriented Policing Services
COVID-19	Coronavirus
CPI	Consumer Price Index
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
CVF	Crime Victims Fund

D

DAG	Deputy Attorney General
DATA	Digital Accountability and Transparency Act
DCM	OBDs Office of Debt Collection Management
DEA	Drug Enforcement Administration
DEO	Departmental Ethics Office
DHS	Department of Homeland Security
DOJ	Department of Justice
DOL	Department of Labor
DTO	Drug Trafficking Organization

E

ECAS	EOIR Courts and Appeals System
EFT	Electronic Funds Transfer
ENRD	Environment and Natural Resources Division
EOIR	Executive Office for Immigration Review
EOUSA	Executive Office for U.S. Attorneys
ERM	Enterprise Risk Management
eROPs	Electronic Records of Proceedings
ESCO	Energy Service Companies
ESPC	Energy Savings Performance Contracts

F

FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standard Board
FBI	Federal Bureau of Investigation
FBWT	Fund Balance with U.S. Treasury
F-CHAT	Facility Climate Hazard Assessment Tool
FCSC	Foreign Claims Settlement Commission
FECA	Federal Employees' Compensation Act
FECA SBF	FECA Special Benefits Fund
FEGLI	Federal Employees Group Life Insurance Program
FEHB	Federal Employees Health Benefits Program
FERS	Federal Employees Retirement System
FERS-FRAE	Federal Employees Retirement System-Further Revised Annuity Employees
FERS-RAE	Federal Employees Retirement System-Revised Annuity Employees System
FFMIA	Federal Financial Management Improvement Act
FISMA	Federal Information Security Management Act
FMFIA	Federal Managers' Financial Integrity Act
FMIS2	Financial Management Information System 2
FOIA	Freedom of Information Act
FPI	Federal Prison Industries, Inc.
FR	Financial Report
FRL	Fire Research Laboratory
FSA	First Step Act
FTAP	Firearms Technical Assistance Project
FTE	Full-Time Equivalent
FY	Fiscal Year

G

GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GAN	Grant Adjustment Notice
GMRA	Government Management Reform Act
GPFFR	General Purpose Federal Financial Reports
GPP&E	General Property, Plant & Equipment
GPRA	Government Performance and Results Act
GPRAMA	GPRA Modernization Act of 2010
GPRS	Grant Payment Request System
GSA	General Services Administration
GTAS	Governmentwide Treasury Account Symbol

H

HHS	Department of Health and Human Services

I

ICOR	Immigration Court Online Resources
IG	Inspector General
INTERPOL	International Criminal Police Organization
IPERA	Improper Payments Elimination and Recovery Act of 2010
IPERIA	Improper Payments Elimination and Recovery Improvement Act of 2012
IPIA	Improper Payments Information Act of 2002
IPOL	INTERPOL Washington
IUS	Internal Use Software

J

JIST	Justice Information Sharing Technology
JMD	Justice Management Division

K

KG	Kilogram
KPI	Key Performance Indicators

L

LCM	Lower of average cost or market value
LEP	Limited English Proficiency
LVNRV	Lower Cost or Net Realizable Value

M

MCO	Mission Critical Operation
MD&A	Management's Discussion and Analysis
MP	Major Program

N

N/A	Not Applicable
NADA	National Automobile Dealers Association
NFEA	National Firearms Examiner Academy
NIBIN	National Integrated Ballistic Information Network
NIJ	National Institute for Justice
NSD	National Security Division

O

OBDs	Offices, Boards and Divisions
OCDETF	Organized Crime Drug Enforcement Task Forces
OCIO	Office of the Chief Information Officer
OGC	Office of General Council
OIG	Office of the Inspector General
OIP	Office of Information Policy
OJP	Office of Justice Programs
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
OPM	Office of Personnel Management
OPR	Office of Professional Responsibility
OSG	Office of the Solicitor General
OTJ	Office of Tribal Justice
OVC	Office of Victims of Crime
OVP	Office of the Vice President
OVW	Office on Violence Against Women

P

PAR	Performance and Accountability Report
PHS	Public Health Services
PIIA	Payment Integrity Information Act of 2019
PPE	Personal Protective Equipment
PRAO	Professional Responsibility Advisory Office
PSOB Act	Public Safety Officers' Benefits Act of 1976
PTO	Priority Threat Organizations
PY	Prior Year/Previous Year
P3	Public-Private Partnerships

R

RCA	Reports Consolidation Act of 2000
RECA	Radiation Exposure Compensation Act
RI/FS	Remedial Investigation/Feasibility Study

S

SADF	Seized Asset Deposit Fund
SAM	System for Award Management
SBF	Special Benefits Fund
SBR	Statement of Budgetary Resources
SCA	Statement of Custodial Activity
SCAAP	State Criminal Alien Assistance Program
SFFAS	Statement of Federal Financial Accounting Standards
SMO	Social Media Optimizing
SOR	Strategic Objective Review

T

TAX	Tax Division
TEPP	Threat Enforcement Prioritization Process
TJSIP	Tribal Justice Systems Infrastructure Program
Trust Fund	Federal Prison Commissary Fund
TSP	Thrift Savings Plan

U

UDO	Undelivered Orders
UFMS	Unified Financial Management System
U.S.	United States
USAs	United States Attorneys
USAO	United States Attorneys' Offices
U.S.C.	United States Code
USD	United States Dollars
USERRA	Uniformed Services Employment and Re-employment Act
USMS	United States Marshals Service
UPC	United States Marshals Service
USPC	United States Parole Commission
USSGL	United States Standard General Ledger
UST	Executive Office for United States Trustees
USVSSTF	United States Victims of State Sponsored Terrorism Fund

V

VAWA	Violence Against Women Act
VCF	Victim Compensation Fund

W

WCF	Working Capital Fund
WTC	World Training Center

APPENDIX C

Component	Website
Assets Forfeiture Fund (AFF)	www.justice.gov/afp/fund
American Indian and Alaska Native Affairs Desk (OJP)	www.ojp.gov/programs/aiana.htm
Antitrust Division	www.justice.gov/atr
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/
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	www.justice.gov/crs
Criminal Division	www.justice.gov/criminal/
Diversion Control Program	https://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/
Federal Prison Industries	www.unicor.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.nij.gov/Pages/welcome.aspx
National Security Division	www.justice.gov/nsd/
Office of Access to Justice	https://www.justice.gov/atj
Office of Information Policy	www.justice.gov/oip/oip.html
Office of Justice Programs	www.ojp.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 Professional Responsibility	www.justice.gov/opr/index.html
Office of Public Affairs	www.justice.gov/opa/index.html
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 Inspector General	www.justice.gov/oig/
Office of the Pardon Attorney	www.justice.gov/pardon/
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.ovc.gov/
Office on Violence Against Women	www.justice.gov/ovw
Organized Crime Drug Enforcement Task Force (OCDETF)	www.dea.gov/organized-crime-drug-enforcement-task-force-ocdetf
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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We Welcome Your Comments and Suggestions!

Thank you for your interest in the Department of Justice FY 2022 Agency Financial Report. We welcome your comments and suggestions on how we can improve this report for FY 2023. Please email any comments to: performance@usdoj.gov

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