



Fiscal Year 1999 ANNUAL
ACCOUNTABILITY
REPORT



U.S. DEPARTMENT OF JUSTICE

Fiscal Year 1999

ANNUAL
ACCOUNTABILITY
REPORT

March 31, 2000

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FOREWORD

This Annual Accountability Report highlights the diverse activities and major accomplishments of the Department of Justice (the Department) in fiscal year 1999, reflecting the continued dedication and expertise of our employees and their commitment to the principles of justice and fair treatment for all Americans. This is the second year that the Department has consolidated statutory reporting requirements in an accountability report. This year's report also includes our first statement of performance in compliance with the Government Performance and Results Act.

In closing the twentieth century, the Department of Justice proudly reports that crime has continued its steady decline for the seventh straight year in a row. Preventive and responsive law enforcement programs; investments in crime-fighting technologies; and greater cross-boundary cooperation at the federal, state, and local levels have made America a safer and more secure society.

We helped create safer streets and communities in FY 1999. The Office of Community Oriented Policing Services brought the ranks of funded community police officers to 103,720, exceeding the President's goal to fund 100,000 cops by the year 2000. A new, automated FBI fingerprint system was put in place to allow law enforcement agencies to transmit fingerprint information electronically, replacing a manual card system and drastically reducing the response time for criminal cases. Tribal communities received 189 grants to improve law enforcement infrastructure and community policing in Indian Country.

We also renewed our commitment to protect the country's borders and national security. We established a Five-Year Counterterrorism and Technology Crime Plan, and the INS continued to strengthen border enforcement while also improving its naturalization process. Strengthened interagency and international cooperation in the war against drugs brought about several aggressive high-impact campaigns targeting illegal supply networks. At the same time, the Department supported more community-based approaches to reducing demand and use on America's streets.

Also, this year, I am pleased to provide reasonable assurance that our management control and financial systems, taken as a whole, met the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. While we still have a number of material challenges to resolve, the Department is steadily improving in this area.

As we begin the twenty-first century, we expect our history of achievement to provide a strong basis for the Department to effectively deal with the challenges ahead.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Janet Reno", written in a cursive style.

Janet Reno

TABLE OF CONTENTS

INTRODUCTION v
DOJ ORGANIZATIONAL CHART vii
RESULTS IN BRIEF viii

PART I: PROGRAM PERFORMANCE

Chapter I – Core Function I I-1

Investigation and Prosecution of Criminal Offenses

1.1 Reduce violent crime I-1
1.2 Reduce the availability and abuse of illegal drugs I-8
1.3 Reduce espionage and terrorism I-17
1.4 Reduce white-collar crime, including public corruption and fraud I-21
1.5 Coordinate and integrate Department law enforcement activities I-26

Chapter II – Core Function II II-1

Assistance to Tribal, State, and Local Governments

2.1 Improve the crime-fighting and criminal/juvenile justice system II-1
capabilities of tribal, state, and local governments
2.2 Strengthen and improve community police services II-8
2.3 Support innovative, community-based strategies aimed at II-10
reducing crime, delinquency, and violence
2.4 Uphold the rights of and improve services to America’s crime II-14
victims
2.5 Reduce the incidence of violence against women II-16

Chapter III – Core Function III III-1

Legal Representation, Enforcement of Federal Laws, and Defense of U.S. Interests

3.1 Protect the civil rights of all Americans III-1
3.2 Safeguard America’s environment and natural resources III-6
3.3 Promote competition in the U.S. economy III-10
3.4 Promote the fair, correct, and uniform enforcement of Federal III-12
tax laws and the collection of tax debts
3.5 Represent the United States in all civil matters for which the III-14
Department has jurisdiction

Chapter IV - Core Function IV IV-1

Immigration

- 4.1 Enhance the integrity and integration of data and data systems. IV-2
operated by the INS
- 4.2 Deliver services to the public in a timely, consistent, fair, and. IV-5
high-quality manner
- 4.3 Secure the land border, ports-of-entry, and coasts of the United. IV-9
States against illegal migration
- 4.4 Facilitate lawful travel and commerce across the borders of the IV-11
United States
- 4.5 Maximize deterrence to unlawful migration and enforce. IV-13
immigration laws
- 4.6 Expedite the adjudication of immigration cases IV-16
- 4.7 Improve the development and implementation of immigration- IV-18
related policies and practices

Chapter V – Core Function V V-1

Detention and Incarceration

- 5.1 Provide for the safe, secure, and humane confinement of V-1
persons who are detained
- 5.2 Ensure that sufficient prison capacity exists V-7
- 5.3 Maintain and operate the Federal prison system in a safe, V-11
secure, humane, and efficient manner
- 5.4 Provide productive work, education, medical, and other V-12
programs to meet inmate needs and facilitate their
successful reintegration into society

Chapter VI – Core Function VI VI-1

Protection of the Federal Judiciary and Improvement of the Justice System

- 6.1 Protect the Federal judiciary and ensure the safe and secure VI-1
operation of the Federal court system
- 6.2 Promote the participation of victims and witnesses throughout VI-6
each stage of criminal and juvenile justice proceedings
- 6.3 Protect and preserve the integrity of the bankruptcy system VI-8

Chapter VII – Core Function VII VII-1

Management

- 7.1 Strengthen oversight and integrity programs, ensure consistent VII-1
accountability, and emphasize core mission responsibilities
- 7.2 Meet or exceed the expectations of customers. VII-4
- 7.3 Achieve excellence in management practices. VII-5
- 7.4 Make effective use of information technology VII-10
- 7.5 Ensure a motivated and diverse work force that is well-trained VII-13
and empowered to do its job

PART II: FINANCIAL PERFORMANCE

Chapter VIII – Audit Report	VIII-1
Consolidated Audited Financial Statement	
Commentary and Summary	VIII-3
Management’s Overview	VIII-5
Independent Accountants’ Reports	VIII-11
Report of Independent Accountants	VIII-12
Report of Independent Accountants on Internal Controls	VIII-14
Report of Independent Accountants on Compliance with Laws and Regulations	VIII-30
Annual Financial Statement	VIII-33
Consolidated Balance Sheet	VIII-34
Consolidated Statement of Net Cost	VIII-36
Consolidated Statement of Changes In Net Position	VIII-38
Combined Statement of Budgetary Resources	VIII-39
Combined Statement of Financing	VIII-40
Combined Statement of Custodial Activity	VIII-41
Notes to the Principal Financial Statements	VIII-42
Supplemental Financial and Management’s Information	VIII-63
Consolidated Stewardship Information	VIII-64
Consolidated Deferred Maintenance	VIII-65
Consolidated Intra-governmental Assets	VIII-66
Consolidated Intra-governmental Liabilities	VIII-68
Consolidated Intra-governmental Earned Revenue and Related Cost	VIII-70
Consolidating Balance Sheet	VIII-72
Consolidating Statement of Net Cost	VIII-74
Consolidating Statement of Changes in Net Position	VIII-76
Combining Statement of Budgetary Resources	VIII-77
Combining Statement of Financing	VIII-78
Appendix	VIII-79
Audit Division Analysis and Summary of Actions Necessary to Close the Report	VIII-80

APPENDICES

Appendix A: Glossary of Abbreviations and Acronyms	A-1
Appendix B: Criminal Caseload Statistical Reports on Intellectual Property Crimes	B-1
Appendix C: Index of Justice Component Web Sites	C-1
Appendix D: Component and Bureau Missions	D-1
Appendix E: Data Sources and Validation	E-1

FIGURES

1	7 Year Drop in Crime	viii
2	Major Drug Trafficking Organizations Disrupted.....	viii
3	Brady Law Background Check Results	ix
4	FY 1999 Office of Justice Programs Awards.....	ix
5	Community Oriented Policing Services: Officers Funded by Fiscal Year	x
6	Criminal Aliens Removed from the United States	x
7	Average Daily Detention Population in Custody	xi
8	Bureau of Prisons Inmate Population.....	xi
9	Prison Overcrowding	xi
10	DEA FY 1999 Methamphetamine Lab Seizures	I-13
11	Counterterrorism Funding to State and Local Governments FY 1999	II-5
12	INS Customer Service	IV-6
13	Total Number of New Citizens and Total Number of Naturalization Applications Completed	IV-7
14	JPATS Large Aircraft Routes	V-5
15	JPATS Movements of Prisoners in FY 1999	V-5

INTRODUCTION

OVERVIEW OF THE DEPARTMENT OF JUSTICE

This report provides the President, the Congress, and the American people an accounting of the programmatic and financial performance of the Department of Justice (the Department) during fiscal year (FY) 1999.¹ It gives a succinct report on what we have achieved and where we need to improve. It is submitted as a consolidated response to various statutory reporting requirements, including those of the Government Performance and Results Act (GPRA) of 1993 (P.L.103-62), the Federal Managers' Financial Integrity Act (FMFIA) of 1982 (P.L. 97-255), the Government Management Reform Act of 1994 (P.L.103-356), and the Anticounterfeiting Consumer Protection Act.

Mission

To enforce the law and defend the interests of the United States according to the law, to provide Federal leadership in preventing and controlling crime, to seek just punishment for those guilty of unlawful behavior, to administer and enforce the Nation's immigration laws fairly and effectively, and to ensure fair and impartial administration of justice for all Americans.

To carry out the Department's mission, the Attorney General directs the activities of more than 123,000 attorneys, investigators, Border Patrol agents, deputy marshals, correctional officers, and other employees. Although headquartered in Washington, DC, most of the Department's work takes place outside Washington. As a result, the majority of our employees work in any one of more than 2,700 Justice installations around the country and in one of more than 120 foreign cities.

The Department's organizational chart, which follows, shows the component organizations that carry out most of the Department's day-to-day work. The major components ("bureaus") include the U.S. Attorneys (USAs), the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), the Immigration and Naturalization Service (INS), the United States Marshals Service (USMS), the Federal Bureau of Prisons (BOP), and the Office of Justice Programs (OJP). Among the offices, boards, and divisions, there are the legal divisions (Antitrust, Civil, Civil Rights, Criminal, Environment and Natural Resources, and Tax), the Community Oriented Policing Services (COPS) Office, and the Justice Management Division. Appendix D contains individual mission statements for the components.

For FY 1999, the Department received an appropriated and fee-funded budget totaling approximately \$21 billion (P.L. 105-277, 106-31, 106-51), a 4.9-percent increase over the FY 1998 budget. Most of this increase went toward funding additional immigration and detention and incarceration initiatives.

Part I of this report summarizes 1999 program results. In accordance with GPRA, it reports the actual levels of performance achieved compared to specific targets identified in our 1999 Summary Performance Plan.² Where appropriate, this report also provides other descriptive information in order to give a richer and more complete picture of the activities and results achieved during the year. In compliance with FMFIA, it identifies major management challenges and describes our progress toward their resolution.

¹ This report covers fiscal year 1999, which began on October 1, 1998, and ended on September 30, 1999. All references to years indicate fiscal years unless otherwise noted.

² *FY 1999 Summary Performance Plan*, U.S. DOJ Office of the Attorney General, February 1998. (Final targets for FY 1999 were included in the FY 2000 Summary Performance Plan, USDOJ/OAG, March 1999.)

Part I is organized according to the seven Core Functions set forth in the Department's Strategic Plan.³ The Strategic Plan provides the overarching framework for the Department's performance planning and reporting activities. Within each Core Function, the report is further subdivided according to our long-term Strategic Goals and specific 1999 Performance Goals. Actual results for 1999, as well as for 1997 and 1998, are provided in tabular form, with data sources included. (More detailed data source and data reliability information is provided in Appendix E.) Where we did not meet planned levels of performance, an explanation is provided. The first part of the document also includes a discussion of summary findings of FY 1999 program evaluations.

This is the first year of performance reporting under GPRA. Preparing the report has helped focus our attention on improvements needed in the scope, utility, and clarity of our goals and indicators in a number of areas. Some of these improvements have already been incorporated in our Summary Performance Plan for FY 2001; others will be implemented over time.

The task of developing measurable goals and valid and useful indicators is a challenging one. In the law enforcement arena, it is complicated by the inherent difficulty of measuring the preventive and deterrent effects of our work. It is also complicated by the risks associated with setting targets that may unwittingly and adversely skew performance. Our "bottom line" is justice. It is not achieving particular numbers of arrests, indictments, convictions, or asset seizures. Therefore, in accordance with departmental policy, no targets were set for these activities in our 1999 or subsequent performance plans; however, actual 1999 figures are provided in this report⁴.

Part II of the report describes the Department's financial performance during 1999. It includes the Department's 1999 consolidated financial statement, the report of the independent auditors, and the summary and commentary prepared by the Department's Inspector General.

Five appendices include (A) a glossary of abbreviations and acronyms used in this report, (B) a summary of criminal caseload statistical reports on intellectual property crimes, (C) a list of Justice component web sites, (D) the mission statements of individual Justice components, and (E) data source and data validation information to support performance indicators.

This report is on the Department's web site at www.usdoj.gov.

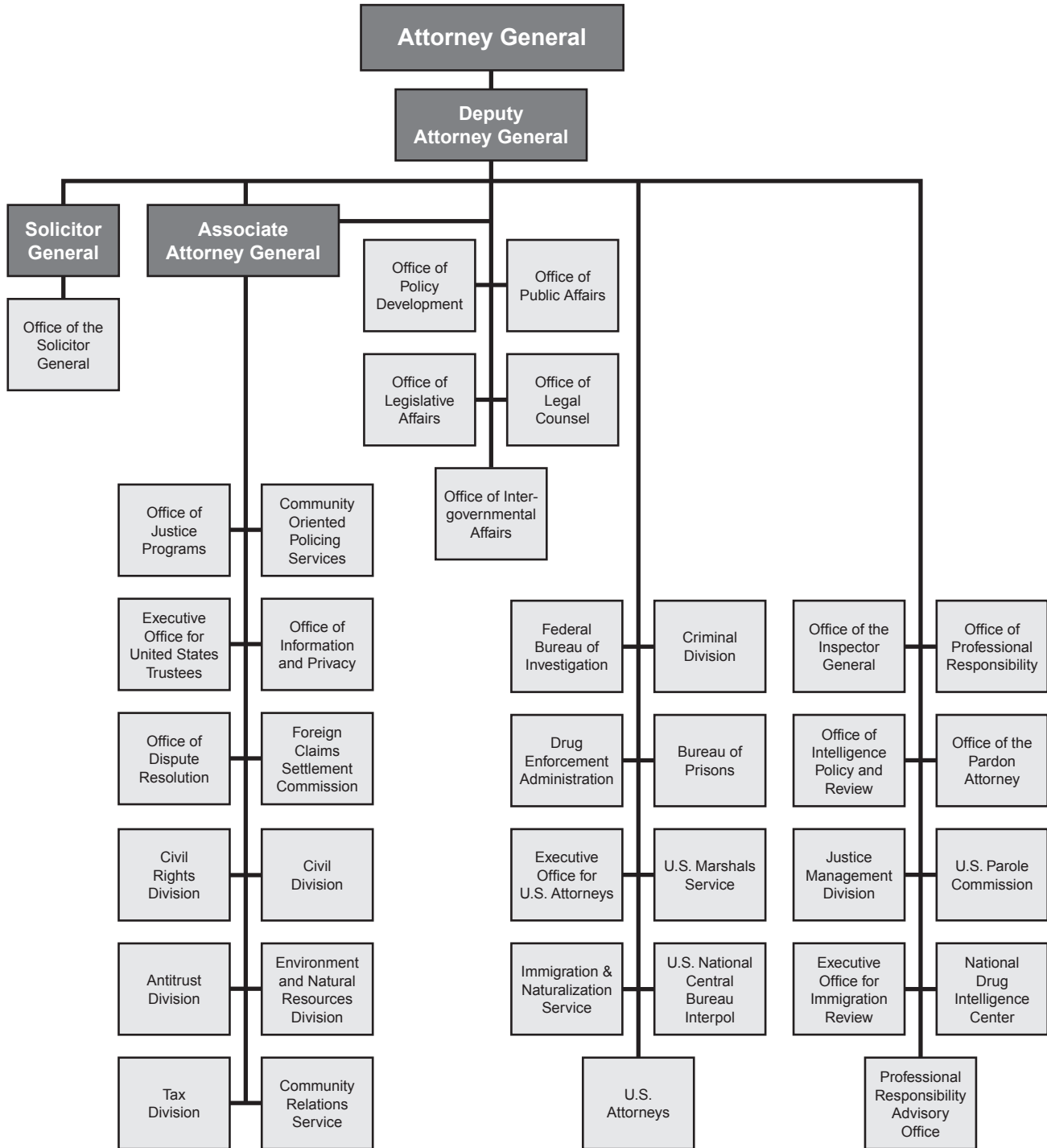
³ *United States Department of Justice Strategic Plan, 1997-2002*, U.S. DOJ Office of the Attorney General, September 1997.

⁴ To avoid the perception of "bounty hunting," Department guidance does not endorse projection of targeted levels of performance for some indicator types. In these instances, an entry of "NA" or "Not projected" is included in the table, as appropriate.

ORGANIZATIONAL CHART



U.S. Department of Justice



RESULTS IN BRIEF

- In 1999, serious crime continued its downward trend, due in part to the collaborative efforts of the Department of Justice and other Federal, state, and local law enforcement agencies (see Figure 1).
- In one of the most complex and successful multi-agency and multijurisdictional investigations ever, the Department substantially diminished the ability of the Amado Carillo Fuentes organization to move cocaine and other drugs into and around the United States. Termed Operation "Impunity," the investigation netted the arrests of three cell heads operating in the United States and 90 of their subordinates. It disabled all facets of the Fuentes organization, headquartered in Juarez, Mexico, including its drug and money transportation systems and the local U.S. distribution groups (see Figure 2).

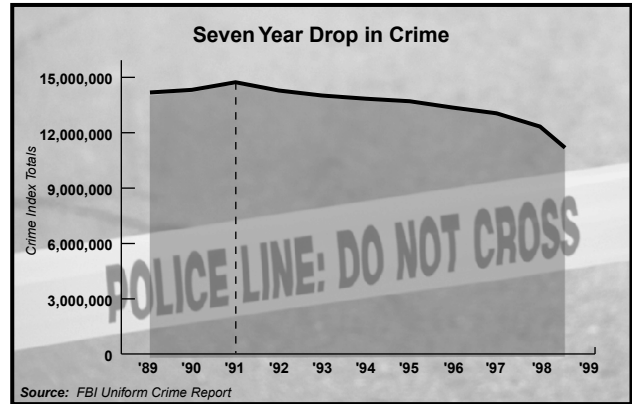


Figure 1

- A joint U.S.-Colombian investigation, Operation "Millennium," disrupted a consortium of trafficking networks responsible for shipping vast quantities of cocaine from Colombia through Mexico and into the United States. Among those arrested by the Colombian government was drug kingpin Alejandro Bernal-Madrigal, believed by law enforcement officials to be one of the most significant international drug traffickers and money launderers presently operating (see Figure 2).



Figure 2

Among those arrested by the Colombian government was drug kingpin Alejandro Bernal-Madrigal, believed by law enforcement officials to be one of the most significant international drug traffickers and money launderers presently operating (see Figure 2).

- The FBI continued its successful assault on organized crime, reducing membership in La Cosa Nostra by about 18 percent and dismantling four Asian and three Russian criminal enterprises.
- In 1999, USAs continued to prosecute the most violent criminal offenders under the Anti-Violent Crime Initiative and through the enhanced criminal provisions of the Violent Crime Control Act of 1994. They filed a total of 7,392 violent criminal cases against 9,175 offenders during 1999, a 7-percent increase over the number of cases filed in 1998.
- The FBI launched the Innocent Images National Initiative to address on-line child pornography and child sexual exploitation, the most significant and fastest growing crime problem involving children. The FBI also found and safely returned home 90 children who had been abducted.
- FBI Safe Streets Task Forces (SSTFs) and DEA Mobile Enforcement Teams (METs) continued to help local communities deal with drug-related violence. In 1999, there were 170 SSTFs and 53 new MET deployments.

- The OCDETF program continued its focus on targeting drug trafficking organizations, including foreign-based organizations or those with connections to them. These organizations are responsible for the importation of most of the illegal narcotics sold in the United States. In FY 1999, based on data submitted for the first 6 months of the fiscal year, 30 percent of OCDETF investigations targeted Mexican drug trafficking organizations or organizations connected to them; 11.2 percent targeted Colombian drug trafficking or related organizations; and 8.9 percent targeted Caribbean-based organizations or related groups.
- The FBI's National Instant Criminal Background Check System denied firearm purchases to more than 60,000 people, who were disqualified for having criminal histories, dishonorable discharges, or restraining orders (see Figure 3). Since the Brady Law went into effect in 1994, an estimated 470,000 persons have been denied firearms, based on checks conducted at the Federal or state level.

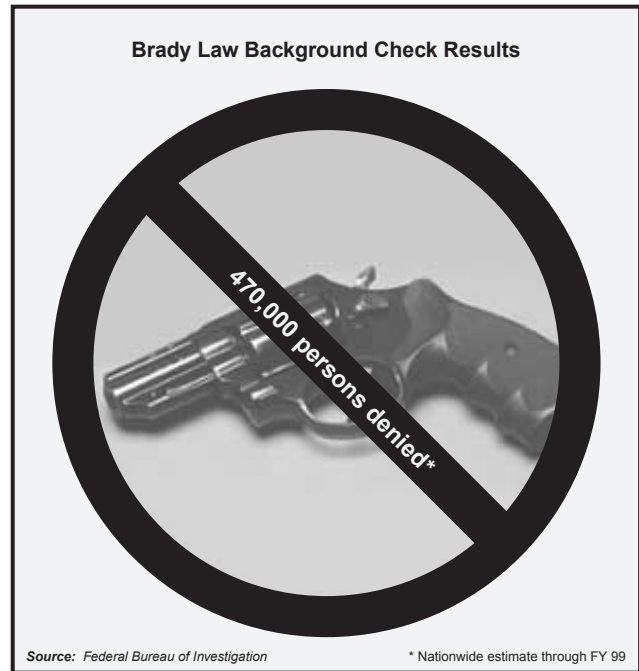


Figure 3

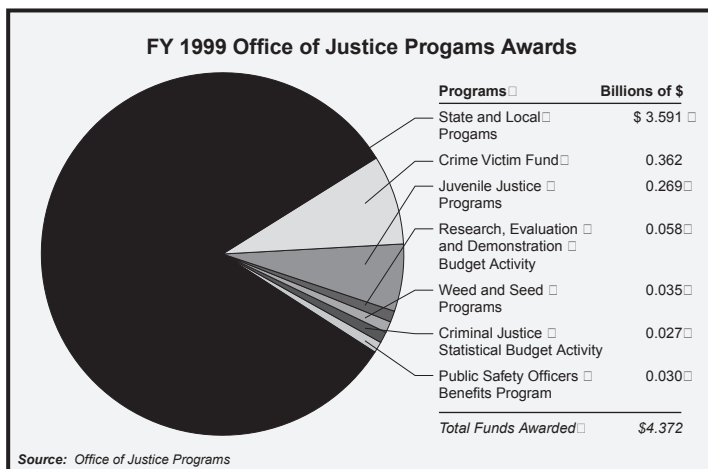


Figure 4

- OJP awarded about \$4.3 billion to jurisdictions in all 50 states and U.S. territories. Funds supported state and local programs; the Crime Victims Fund; juvenile justice programs; research, evaluation, and demonstration activities; Weed and Seed programs; criminal justice statistical activity; and the Public Safety Officers Benefits program (see Figure 4).
- The Department began the process of establishing a new National Domestic Preparedness Office in the FBI to coordinate the Nation's planning and preparation for responding to terrorist attacks, including the possible use of weapons of mass destruction.

- The FBI successfully transitioned from its old manual fingerprint card system to a new Integrated Automated Fingerprint Identification System. The new system allows law enforcement agencies to transmit fingerprint information electronically and drastically reduces average response time for criminal cases—from days to 2 hours. The FBI also successfully implemented its new National Criminal Identification Center.
- A new Safe Schools/Healthy Students Initiative was launched—a joint undertaking of the Departments of Justice, Education, and Health and Human Services—to provide funding to help communities prevent school violence and promote healthy child development. The Departments of Justice and Education also joined forces with the Department of Energy to produce a guidebook for local school and law enforcement officials on *The Appropriate and Effective Use of Security Technologies in U.S. Schools*.
- In one of the most significant antitrust cases ever, the Department's Antitrust Division obtained after-trial findings from the court supporting our claims against Microsoft Corporation.

- The Department met the President's goal of funding an additional 100,000 community police officers to help protect America's communities (see Figure 5).
- The Department won the largest environmental case ever under the Clean Air Act, resulting in a record fine of \$83.4 million and a settlement that will prevent 75 million tons of nitrous oxide (NOx) air pollution over the next 27 years and reduce by one-third the total NOx emissions from diesel engines by 2003.
- The Department filed a civil lawsuit against the largest cigarette companies in an effort to recover billions of dollars spent by the Federal Government each year on smoking-related health care costs.
- The Antitrust Division, through its international cartel enforcement program, brought in historic, record criminal fines totaling more than \$1.1 billion, including a \$500 million fine against one of the largest vitamin manufacturers in the world.

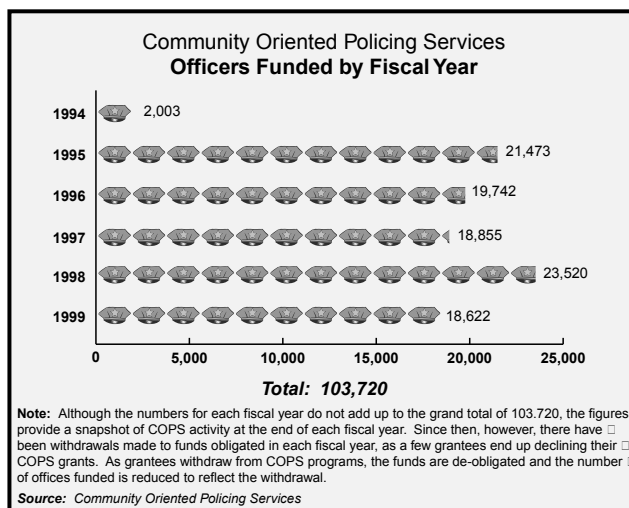


Figure 5

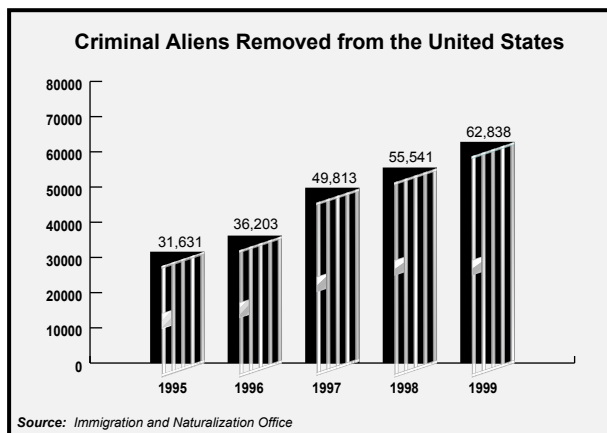


Figure 6

- INS cut the average processing time from 28 months to 12 months and completed more than 1.2 million applications for naturalization, including 872,000 persons sworn in as new naturalized U.S. citizens.
- INS' Operation "Seek and Keep," a year-long multi-agency investigation, resulted in the dismantling of the most complex alien smuggling ring ever encountered by Federal authorities. This illegal, dangerous, and exploitive activity grossed an estimated \$220 million over 3 years. Eighteen alien smugglers have accepted guilty pleas and are now out of business.
- The INS deported 62,838 criminal aliens. Since 1995, the number of criminal aliens deported each year has increased by an average of 19 percent (see Figure 6).

- The Department successfully surmounted its biggest computer issue ever—Y2K preparation—and experienced no incidents related to the New Millennium.
- The Department made significant progress in improving its financial management. In 1999, independent auditors gave unqualified opinions on 9 out of 10 of our reporting entities. INS received a qualified opinion.
- In 1999, the Department's law enforcement efforts resulted in more than \$610 million being forfeited from criminals and criminal activity, undermining the economic motivation and the financial base of criminal organizations and activities. This money was deposited into the Asset Forfeiture Fund, and the Department distributed some of those assets to state and local law enforcement agencies participating in the underlying criminal investigations. In this way, criminals, not taxpayers, help foot the bill for law enforcement.

- The Department continued to experience increases in numbers of persons detained, with an average daily population of 32,119 in USMS custody—an 11.9-percent increase over FY1998—and 16,563 in INS custody—a 12-percent increase over FY 1998 (see Figure 7).

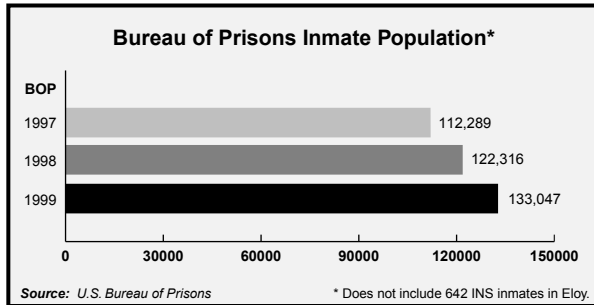


Figure 8

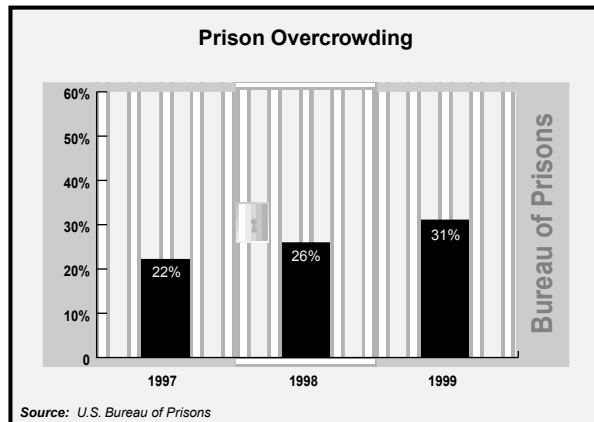


Figure 9

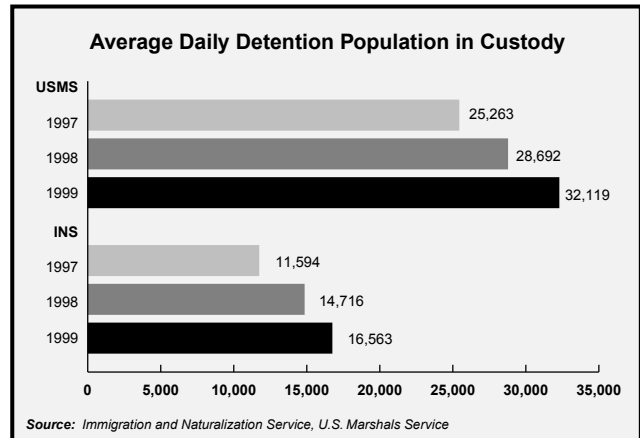


Figure 7

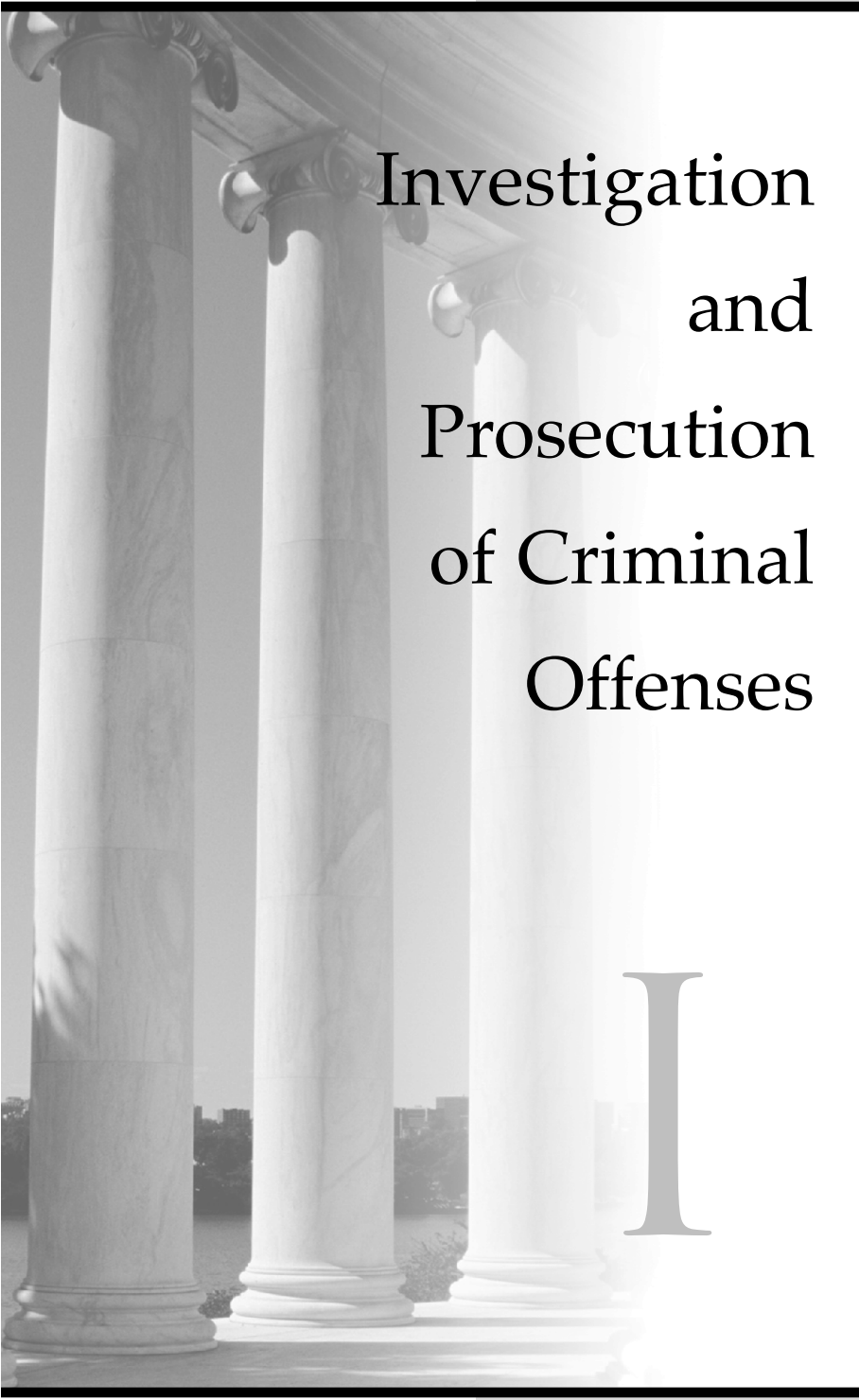
- The Federal prison population also continued to grow. At the end of 1999, there were 133,047 persons (not including 642 INS prisoners in Eloy) in BOP custody, an increase of 10,731 since 1997. The overcrowding rate systemwide rose from 22 percent in FY 1997 to 31 percent in FY 1999. In medium security institutions, it climbed from 37 percent in FY 1997 to 51 percent in FY 1999. While the high-security inmate population continued to climb, the overcrowding rate dropped slightly—from 52 percent in 1997 to 50 percent in FY 1999—as new penitentiaries came into use (see Figures 8 and 9).



PART ONE

I

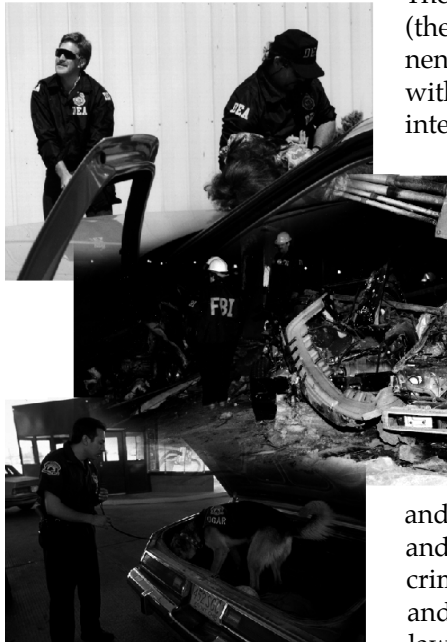
Program
Performance



Investigation
and
Prosecution
of Criminal
Offenses

I

I CORE FUNCTION ONE: Investigation and Prosecution of Criminal Offenses



The U.S. Department of Justice (the Department) and its component organizations work together with Federal, state, local, and even international agencies to enforce this Nation's criminal laws. These partnerships have made possible comprehensive strategies to address formidable societal problems. The five Strategic Goals under this Core Function target (1) violent crime, including organized crime and drug- and gang-related violence; (2) drug trafficking and related crime; (3) espionage and terrorism; (4) white collar crime, including public corruption and fraud, and (5) coordination of law enforcement activities.

STRATEGIC GOAL 1.1

Reduce violent crime, including organized crime and drug- and gang-related violence.

Violent crime reduction continues to be a priority of the Administration. While final 1999 data are not yet available, preliminary Federal Bureau of Investigation (FBI) Uniform Crime Report (UCR) data indicate that violent crime rates continued their 7-year declining trend. The first 6 months of 1999 saw a 10-percent decrease in serious crime (all violent and property crime), compared to the same time period last year. Some specific preliminary results include: a 13-percent decrease in the murder rate, a 10-percent decrease in the robbery rate, an 8-percent decrease in the forcible rape rate, and a 7-percent decrease in the aggravated assault rate. The number of Federal bank robbery violations nationwide also declined (see sidebar).

This Strategic Goal includes five FY 1999 Performance Goals, which address traditional and nontraditional organized crime, gang-related violence, crimes against children, and crime in Indian Country.

Bank Robberies on the Decline

The number of Federal bank robbery violations nationwide declined 20 percent from FY 1997 through FY 1999—from 8,064 to 6,420 violations. Hidden by this downward trend, however, is the recent re-emergence of the serial bank robber, who travels across state lines and commits robberies throughout the United States. Analysis of information being captured in the FBI's Bank Robbery Statistical Application will identify serial bank robbers and bank robbery trends and patterns, as well as areas of the country where bank robberies are on the rise. In FY 1999, the FBI solved 3,113 bank robberies, roughly half (48.5 percent) of the violations.

Three Youngstown LCN Members Convicted on RICO-Murder Charges

In the northern district of Ohio, a jury found three defendants guilty on March 12, 1999, in a Racketeering Influence and Corrupt Organizations (RICO)-murder case involving organized crime. The three associates of the Pittsburgh LCN family were convicted of substantive RICO charges. The court sentenced each defendant to life in prison without the possibility of parole. All three were found guilty of participating in the murder of a reputed Youngstown

gambling figure and in the attempted murder of a Mahoning County prosecutor, and of conducting an illegal gambling business. Two of the three defendants were also convicted of engaging in violent crime in aid of racketeering.

PERFORMANCE GOAL 1.1.1

ORGANIZED CRIME - LA COSA NOSTRA (LCN)

DOJ will work to restore open and free economic competition in industries influenced by organized crime. DOJ will do this by continuing to reduce the active LCN membership.

Organized crime can include violations relating to gambling, extortion, and the infiltration of legitimate businesses. The FBI, U.S. Attorneys, and the Criminal Division continued to work cooperatively in 1999 to dismantle traditional organized crime groups, such as the La Cosa Nostra, and to ensure that a new generation of criminals does not emerge. The FBI has especially focused on labor racketeering and on the two largest and most powerful families—the Gambino and Genovese.

The FBI’s long-term campaign, Operation “Button Down,” designed to eliminate the LCN as a significant crime factor in the United States, continued to get results in 1999. FBI investigative efforts, along with aggressive prosecution by the U.S. Attorneys, have made significant inroads in reducing LCN’s membership and influence, with the Department incarcerating 18.4 percent more LCN members in 1999. For example, the Department successfully prosecuted members and bosses of the Luchese LCN, Colombo LCN, and Youngstown faction of the Pittsburgh LCN families (see sidebar).

Performance Goal 1.1.1	Organized Crime			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Percentage reduction in LCN membership* (FBI)	17.4%	19.6%	20.0%	18.4%
*The Department has revised this indicator in the FY 2001 Summary Performance Plan to read, “percent of LCN members incarcerated.”				
Data Source: ISRAA ⁵				

Explanation For Not Meeting Target

The Department’s actual accomplishment of 18.4 percent fell short of the planned target of 20 percent by only 1.6 percent, a slight deviation. The reported reduction rate of 18.4 percent of LCN members is a conservative performance figure that does not take into account the number of LCN members who, while not yet incarcerated, are in the criminal justice process. The shortfall does not compromise the program or its related activities.

⁵ This and all other data source information is described in Appendix E.

PERFORMANCE GOAL 1.1.2

ORGANIZED CRIME— NON-TRADITIONAL AND EMERGING GROUPS

Nationally, DOJ will place priority on identifying high-impact investigative targets and allocating appropriate resources to deal with the problem. DOJ will identify, disrupt, and dismantle emerging organized criminal enterprises, including Asian groups and Russian groups.

Efforts to counter emerging threats such as Russian, Eastern European, Asian, and other organized crime groups continued in 1999 through a commitment of resources for enforcement efforts and international liaison. According to the FBI, Russian criminal enterprises represent a significant criminal force internationally. Through a worldwide network headquartered in the Russian Federation, these organizations have amassed great wealth, political influence, and economic power. They continue to exert much control over Russia's emerging financial and market structures and seek to establish themselves in the United States through involvement with traditional organized crime activities, such as extortion, murder, prostitution, and drugs. The FBI's goal is to mitigate and counter their efforts to establish a criminal foothold in this country by gathering intelligence and conducting investigations to help disrupt and dismantle identified criminal enterprises. In 1999, the FBI's efforts led to 86 arrests, 66 indictments, and 42 convictions. More critically, FBI efforts led to the disruption of five and the dismantlement of three Russian organizations.

FBI enforcement efforts were also crucial to disrupting and dismantling Asian Criminal Enterprises (ACEs). Many domestically based ACEs have linkages to international Asian syndicates, which use both global financial resources and extensive membership alliances to establish and influence U.S.-based ACEs. The FBI's goal is to identify, target, and dismantle the 12 most significant ACEs operating in the United States. It made much progress toward this goal in 1999 with the benefit of extensive intelligence, achieving 400 arrests, 280 indictments, and 271 convictions. These enforcement efforts were crucial to disrupting 14 and dismantling 4 Asian criminal organizations, the majority of which were connected to international Asian syndicates. A noteworthy example of a Eurasian Organized Crime (EOC) investigation is Operation "Red Hook" (see sidebar).

Operation "Red Hook"

On December 9, 1998, the FBI's New York Division concluded Operation "Red Hook," an undercover operation that led to the arrests of nine individuals on a 43-count Federal indictment for engaging in a long-term \$2.7-million money laundering scheme. Agents arrested two of the individuals at an undercover meeting where they delivered \$910,000 in cashier checks and money orders as their part in a reverse money laundering deal. Three of the arrests occurred in the Boston Division. In addition, FBI agents executed 6 search warrants and seized 64 bank accounts, 3 residences, and other assets totaling approximately \$2 million. To date, this operation has identified 47 subjects who criminally facilitated reverse money laundering transactions, 64 bank accounts used to launder money considered to be proceeds of drug transactions, and 41 businesses associated with these bank accounts.

Performance Goal 1.1.2

Organized Crime - Non-Traditional and Emerging Groups

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of emerging criminal enterprises dismantled (FBI)				
Russian	NA	0	4	3
Asian	NA	3	8	4

Data Source: ISRAA.

Carjacking Statute Revised

In *Holloway v. United States*, the Supreme Court held that the phrase "with the intent to cause death or serious bodily harm" in the Federal carjacking statute does not require the Government to prove that the defendant had an unconditional intent to kill or harm in all events. It merely requires proof that the defendant intended to kill or harm to effect a carjacking. If the defendant had the proscribed state of mind when demanding or taking control over the car "by force and violence or by intimidation," then that satisfies the statute's intent requirement

Explanation For Not Meeting Target

The Department's actual accomplishments in dismantling three Russian criminal enterprises and four Asian enterprises fell short of planned targets of four and eight, respectively. The difference between actual and planned levels of performance results from the timing and complexity of carrying out case investigations and prosecutions. Because dismantlement data are captured only after the sentencing phase of the legal process, the delay between a suspect's arrest and the final sentencing phase accounts for much of the variance in planned versus actual accomplishment. Given that performance target levels were approximately specified, the shortfall reflects no problems or issues with performance and poses no negative consequences to the program and its related activities.

PERFORMANCE GOAL 1.1.3

GANG-RELATED AND OTHER VIOLENCE

DOJ will target and respond to particular local crime problems involving violence and gang activity, including drug-related crimes. To achieve this, DOJ will strive to reduce the level of violent crime by taking violent criminals and gangs off our streets through cooperative enforcement efforts with state and local law enforcement in programs such as FBI's Safe Streets Task Forces (SSTFs) and the Drug Enforcement Administration's (DEA's) Mobile Enforcement Teams (METs). We will do this to continue our efforts to reduce the population of existing gangs identified as being the most dangerous.

With a continuing focus on gang violence, gun violence, and juvenile crime in 1999, the Department developed new initiatives that resulted in a cohesive, coordinated effort to reduce violent crime in our Nation's communities. To build on reductions in crime achieved over the last 7 years, the President, on March 20, 1999, issued a Directive to the Attorney General and the Secretary of the Treasury. In response, Attorney General Reno and Treasury Secretary Rubin developed the Integrated Firearms Violence Reduction Strategy, incorporating proven measures and innovative approaches being used throughout the country under the Attorney General's Anti-Violent Crime Initiative (1994). Virtually all the U.S. Attorneys and the Bureau of Alcohol, Tobacco and Firearms (ATF) special agents in charge worked together on this initiative to identify the most threatening gun violence problems in their jurisdictions. They then developed locally coordinated gun violence reduction plans at each judicial district level that describe the problem of firearms violence in the district, summarized the legal tools and firearms-related information resources available there, and described the strategies already in place and those the district intends to pursue. In addition to helping ensure locally coordinated gun violence reduction plans, the Department in FY 1999:

- Continued to assist—with the help of prosecutors working with the National Drug Intelligence Center (NDIC)—Federal, state, and local gang investigators and the

National Alliance of Gang Investigators Association, a group representing 12,000 investigators across the country dedicated to promoting and coordinating anti-gang strategies.

- Continued a partnership with the Department of Housing and Urban Development (HUD) to target violent crime in public housing in 13 cities, and with the Department of Treasury (Treasury) to expand the Youth Crime Gun Interdiction Initiative to a total of 27 cities.
- Won a major victory in the war against violent crime in *Holloway v. United States*, which more broadly defined the legal requirement for malicious intent by carjackers (see sidebar on previous page).

But the violent crime problem cannot be addressed by Federal resources alone, nor can it be solved only by state or local resources. As of September 30, 1999, 785 FBI agents in 52 FBI field offices worked in concert with more than 1,100 other Federal, state, and local law enforcement officers on 170 Safe Streets Task Forces. Forty-five of the SSTFs focused their efforts exclusively on violent gangs (see sidebar).

All approaches to curbing violent crime in this country call for a focus on teamwork and cross-boundary cooperation. Working in concert with other agencies, DEA's program in FY 1999 initiated 53 new and completed 48 deployments with state and local law enforcement agencies. Overwhelmingly positive responses from the law enforcement community and the public have demonstrated the value of the MET program. The more tangible measures of MET's operational effectiveness include: visible reduction of drug use and sales, stability of the target area, community reaction and involvement, and positive assessments by requesting agencies. In areas where DEA has deployed METs, assaults are down by 10 percent, homicides by 14 percent, and robberies by 15 percent. In Coconino County, Arizona, the Phoenix MET worked with the Northern Arizona Street Crimes Task Force to target these organizations. During a 9-month deployment in FY 1999, the Phoenix MET infiltrated these organizations, known for extreme violence and for supplying street-level dealers with large quantities of methamphetamine. The MET resulted in seizures of 7 operational and 3 dismantled methamphetamine labs; seizures of drugs, weapons, vehicles, and cash; and 86 arrests, including those of two primary targets: Jose Francisco Colimas and Ricardo "Duke" Castillo.

The Department is encouraging communities to use information-driven, problem-solving, and multi-agency action to reduce specific crime problems. Under the leadership of the U.S. Attorneys, five pilot sites (Indianapolis, Memphis, New Haven, Portland, and Winston-Salem) are in their second year of a 2-year project called Strategic Approaches to Community Safety Initiative. An important part of the project is to build collaborative partnerships that involve criminal justice agencies, community-based organizations, and researchers. For example, the Portland, Oregon, pilot linked its project to a standing

National Gang Strategy

During FY 1999, Safe Streets Task Force efforts helped to dismantle 32 gang sets or subsets as well as disrupt 66 gang operations. Two major successes in this area include the Grape Street Crips and the Logan Heights street gangs in San Diego, California.

- For the Grape Street investigation, the FBI used undercover operatives and electronic surveillance, culminating in 73 Federal arrest warrants and five Federal search warrants.
- The investigation of the Logan Heights street gang in San Diego yielded Federal indictments of 12 individuals, including a leader of the Arellano-Felix drug trafficking organization (aka the "Tijuana Cartel"), who was subsequently placed on the "Ten Most Wanted" list.

Almighty Latin King Nation 'Dethroned'

In a second round of prosecutions against leaders and members of the Almighty Latin King Nation in Bridgeport, New Haven, and Norwalk, Connecticut, several high-ranking gang members were sentenced on racketeering and related charges. The former president of the New Haven

committee—the city's 35-member Public Safety Coordinating Council. The personal and professional relationships already established through the Council helped to formalize and institutionalize collaboration among frontline professionals who deal with crime and street realities every day. Team members target youth offenders to disengage them from gang affiliations and to help them transition from incarceration back into the community.

Efforts by U.S. Attorneys continued to dismantle the operations of violent gangs in 1999, securing convictions for murder, drug, and racketeering offenses (see sidebar). All in all, the U.S. Attorneys removed 6,536 violent criminals from the streets. Guided by its national gang strategy and with the combined efforts of SSTFs and local law enforcement, the FBI achieved a 13-percent reduction in dangerous gangs targeted, exceeding its 10-percent reduction goal.

Performance Goal 1.1.3

Gang-Related and Other Violence

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of violent criminals removed from the streets by Federal investigation and prosecutorial efforts (USAs)	5,276	6,115	Not Projected	6,536
(2) Percentage reduction in number of targeted gangs identified as being the most dangerous (FBI)	NA	(Baseline) "Top 30" gangs	10%	13%

Data Source: (1) LIONS. (2) ISRAA.

Chapter received five concurrent life sentences for a variety of crimes, including murder, RICO, and drug offenses. The former executive crown vice president got 33 years in prison for a drive-by shooting and other crimes. Another defendant received a 30-year sentence for his role in the largest Latin Kings' heroin operation and for being an accessory to murder. A fourth got a 20-year term for planning and executing acts of violence and retaliation. Thirty-nine Latin Kings have been convicted since March 1997.

PERFORMANCE GOAL 1.1.4

CRIMES AGAINST CHILDREN

DOJ will focus on an improved overall response capability in child abduction cases, including the use of multidisciplinary teams of law enforcement and other professionals, so that the FBI is promptly notified of such incidents and can promptly deploy investigative assistance. DOJ will also increase efforts against those who commit sexual exploitation offenses against children, including those who traffic in child pornography.

The Department's accomplishments in FY 1999 resulted from stepped-up efforts to reduce crimes against America's children, with special attention given to Internet crimes. The Department improved investigations and prosecutions in child pornography through training law enforcement and facilitating cooperation between domestic and international law enforcement agencies. For example, the Department participated in the Global Conference on Combating Child Pornography on the Internet, held in Vienna, Austria, in September 1999. The conference—co-sponsored by the United States, the European Union, and Austria—brought the on-line computer industry together with law enforcement, government agency representatives, the judiciary, academia, and nongovernmental organizations to protect children on-line.

On-line child pornography and child sexual exploitation is this country's biggest and fastest growing crime problem involving children, reflected by a 1,225-percent increase in the number of these cases initiated by the FBI from FY 1996-99. To counter this problem, the FBI launched the Innocent Images National Initiative, which expanded to 10 operatives as of September 1999. During FY 1999, this effort led to the arrest of 195 individuals and the conviction/pre-trial diversion of 106 individuals (see sidebar for case study).

Innocent Images Success

Undercover agents began an on-line relationship with Joseph M. Klein, a Broadway musical director alleged to have had a sexual relationship with a

Performance Goal 1.1.4

Crimes Against Children

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of "sexual exploitation of children" predators arrested and convicted (FBI)		(Baseline*)		
Arrested	Not Projected	98	Not Projected	195
Convicted	Not Projected	77	Not Projected	106

*FY 1998 data have been updated, based on accomplishments entered since these data were last reported. These additional arrests, convictions, etc., actually occurred in 1998 but were only recently entered into ISRAA.

Data Source: ISRAA.

PERFORMANCE GOAL 1.1.5

INDIAN COUNTRY CRIMES

DOJ will work with tribal authorities to combat and reduce the incidence of violent crime on Indian reservations, especially that related to gang activity, through the use of Safe Trails Task Forces (STTFs) and the identification of particular enforcement priorities. NOTE: This Performance Goal was originally Performance Goal 1.5.3.

Unfortunately, Indian Country has not shared in the national drop in violent crime. In fact, violent crime has risen in some Indian communities. The homicide rate in Indian Country remains three times the national average, crimes against children continue to pervade, and gangs and drug trafficking are major problems. In 1999, Congress appropriated \$109 million for the President's Indian Country Law Enforcement Initiative.

For its part, the FBI has 32 field offices with some degree of Indian Country investigative responsibility through its SSTFs and STTFs. As of September 1999, 10 STTFs with 145 FBI agent positions in Arizona, Utah, Wyoming, and South Dakota exclusively or primarily worked Indian Country matters. During FY 1999, the FBI either trained or provided funding to train more than 300 law enforcement personnel from 44 tribes, BIA and other Federal agencies, FBI field offices, and state and local police departments on topics applicable to Indian Country investigations. During 1999, FBI efforts led to Federal charges against 387 individuals and indictments against 329.

juvenile attending summer stock theater. Agents arrested Klein on January 28, 1999, after he traveled from New York to Maryland to meet with a 13-year-old boy—actually an agent from the on-line relationship. A search of Klein's Manhattan residence uncovered more than 5,000 pornographic images of children as young as 5 years old engaged in various sexual acts or poses. This material identified 45 potential child victims and numerous subjects who were trading in child pornography or attempting to entice children on-line into illicit sexual conduct. Klein pled guilty to two counts.

Performance Goal 1.1.5**Indian Country Crimes**

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
[Increase in] cases on Indian lands (USAs, FBI)				
USAs	531	680	680	620
(End of FY pending cases) FBI	1,862	1,830	NA	2,030

Data Source: MAR and LIONS.

Explanation For Not Meeting Target

The shortfall of 60 cases for this target is considered a slight deviation. Given that performance target levels were approximately specified, the shortfall reflects no problems or issues with performance; neither does it pose any negative consequences to the program and its related activities. The long-term trend shows rising case load, reflecting greater Federal support for investigating violent crime on Indian lands.

STRATEGIC GOAL 1.2

Reduce the availability and abuse of illegal drugs through traditional and innovative enforcement efforts.

Today, 6.4 percent of Americans use illegal drugs, down more than 50 percent from 17.5 percent of the population in 1979.⁶ While the drop in percentage of users is encouraging, it belies the depth of the problem in the United States. In fact, 39 percent of teenagers surveyed in 1998 responded that drugs were the biggest problem facing people their age today.⁷ Indeed, drugs are a major factor in the commission of violent crimes, as well as a burden on the Nation's health care system. We must remain vigilant in the fight to keep drugs out of our communities and, most importantly, away from our children.

In carrying out its counterdrug goal, the Department seeks to stem the flow of illegal drugs into the United States, especially at the southwest border; disrupt and dismantle the major drug trafficking organizations; and reduce the domestic production of illegal substances. It emphasizes the use of coordinated interagency approaches, such as those of the Special Operations Division (SOD) and the Organized Crime Drug Enforcement Task Forces (OCDETFs). It also emphasizes cooperative efforts with foreign governments and continuing efforts to improve the collection, analysis, and dissemination of drug-related intelligence. This Strategic Goal's six FY 1999 Performance Goals specifically address protecting the U.S. borders from illegal drugs, disrupting and dismantling major drug trafficking criminal enterprises, using enforcement strategies to reduce illegal drug production, working with foreign governments to aid

⁶ 1999 National Drug Control Strategy, Office of National Drug Control Policy.

⁷ 1998 Sourcebook of Criminal Justice Statistics, Bureau of Justice Statistics, from data provided by the New York Times/CBS News Poll.

international drug law enforcement, strengthening investigative intelligence programs to support drug investigations and prosecutions, and reducing the demand for drugs.

PERFORMANCE GOAL 1.2.1

PROTECTING U.S. BORDERS FROM THE DRUG THREAT

DOJ will improve its land border defense against drugs through the deployment of new personnel and advanced technology.

Virtually all of the cocaine and heroin—and much of the marijuana and methamphetamine—sold and consumed in the United States is produced abroad. Therefore, a primary aim is to strengthen counterdrug border defenses. In the last several years, Department and other law enforcement entities have increased their resources at or near the borders. As part of this enhanced enforcement effort, the INS Border Patrol plays a pivotal role in intercepting illegal substances before they come into the country. The U.S. Customs Service (USCS) and DEA also work to prevent the spread of illegal drugs into the United States.

In FY 1999, the Department's seizures of illegal drugs exceeded FY 1998 seizures in almost all categories. Continued heightened presence along the southwest border and improved interdepartmental coordination efforts contributed to FY 1999 success. In FY 1999, along the southwest border, Immigration and Naturalization Service (INS) Border Patrol agents seized approximately 1.2 million pounds of all drugs (marijuana, cocaine, and heroin), compared to .9 million pounds seized in FY 1998—an increase of 35 percent. Drug cases at the ports-of-entry are transferred to USCS—INS' sister agency in the Federal inspection process for disposition. Along the border between ports-of-entry, such cases are handed over to the DEA. In FY 1999, DEA prevented nearly 90 kilograms of heroin and 535 kilograms of methamphetamine, from crossing the border.

Performance Goal 1.2.1		Protecting U.S. Borders from the Drug Threat			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual	
Quantity of drugs seized at or near the borders (INS, DEA)					
<i>INS:</i>					
All borders	751,810.0 lbs	894,123.0 lbs	Not Projected	1,200,362.0 lbs	
Southwest Border	744,160.0 lbs	878,949.0 lbs	Not Projected	1,188,930.0 lbs	
<i>DEA:</i>					
Heroin	60.8 kgs	100.9 kgs	Not Projected	87.8 kgs	
Cocaine	11,428.8 kgs	8,923.2 kgs	Not Projected	20,832.0 kgs	
Marijuana	205,406.4 kgs	227,368.1 kgs	Not Projected	289,264.4 kgs	
Methamphetamine	386.4 kgs	366.7 kgs	Not Projected	534.5 kgs	
Amphetamine	75.4 kgs	270.6 kgs	Not Projected	108.0 kgs	

Data Source: STRIDE.

PERFORMANCE GOAL 1.2.2

ATTACK ON MAJOR DRUG TRAFFICKING CRIMINAL ENTERPRISES

DOJ will continue its efforts to disrupt and dismantle the command and control operations of major drug trafficking criminal enterprises responsible for the supply of illicit drugs in the United States. DOJ will continue many focused initiatives and efforts that target major traffickers, including: the Southwest Border Initiative, the Caribbean Initiative, the Source Country Initiative, the Anti-Heroin Strategy, the National Methamphetamine Strategy, and OCDETF cases.

The Department's primary drug enforcement goal is to disrupt and dismantle major drug operations, both domestic and foreign, through an integrated, multifaceted approach. A key element of the Department's cooperative approach in combating drug trafficking is the Special Operations Division, a multi-agency coordinating entity composed of agents, analysts, and prosecutors from DEA, FBI, USCS, the Criminal Division, and the Internal Revenue Service (IRS). SOD coordinates and supports regional and national investigations and prosecutions against the most significant drug trafficking organizations threatening the United States, particularly major transnational organizations. SOD, a model for law enforcement cooperation, generates information that is shared by all. It performs across investigative agency and district jurisdictional boundaries, providing field offices with actionable tips and leads. As a result of SOD activity in 1999, DEA, FBI, and USCS field offices reported 1,392 arrests and more than \$51 million in seized assets against some of the highest level trafficking organizations in the world.

Also instrumental in the war on drugs is the OCDETF program, which combines the resources and expertise of Federal, state, and local law enforcement agents and Federal prosecutors in conducting concentrated long-term operations to mount intensive and coordinated campaigns against international and domestic drug trafficking organizations. Drug cases filed during FY 1999 (including both OCDETF and non-OCDETF drug cases) made up 33 percent of all criminal cases filed by U.S. Attorneys' offices. OCDETF has been a critical player in dismantling national and transnational drug operations.

Two successful OCDETF prosecutions of major drug trafficking and money laundering organizations in FY 1999 were as follows:

- On April 26, 1999, Juan Bautista Alomia-Torres was sentenced to life in prison following a jury conviction in the western district of North Carolina. He was prosecuted for his role as the leader of a Colombian drug organization known as "The Line" that smuggled 300–400 kilograms of cocaine into Charlotte, North Carolina, from 1989 to 1997. The organization used ports in Charleston, Wilmington, Houston, New York, Tampa, New Orleans, and Baltimore to import cocaine. It employed a fleet of vehicles rigged with hidden compartments to transport drugs and money.

Six co-defendants were sentenced and are serving terms ranging from 4 to 13 years. Three others await sentencing, and four are fugitives.

- On June 18, 1999, Eli Tisona, a former Israeli "jet-setter," was sentenced to 235 months in prison and fined \$50,000 for conspiracy and money laundering. In one of the Nation's largest drug money laundering cases, Tisona was convicted on 146 counts of disguising more than \$45 million in Colombian drug cash profits through a family jewelry business. Among the charges were filing false bank statements and making illegal overseas wire transfers. Tisona owned a fish farm in the Colombian drug capital of Cali and was considered one of Israel's biggest mobsters. His daughter, Kineret Kashti, her husband, Yehuda, and a third co-defendant were charged in the same case, but they jumped bond and fled to Israel in December 1997.

The 2,000-mile border with Mexico has been particularly plagued by transnational drug trafficking, violent crime, and contraband smuggling. By successfully prosecuting major drug trafficking cases along the southwest border, the Department targets the hierarchy and infrastructure of the major cocaine, heroin, methamphetamine, and marijuana trafficking organizations there. The OCDETF program, SOD, and the High Intensity Drug Trafficking Area (HIDTA) program continued to work closely to combat the most significant drug trafficking organizations threatening this and other areas of the United States.

Three multijurisdictional, multi-agency investigations tying U.S. drug trafficking here to the highest levels of the international cocaine trade were Operations "Impunity," "Millennium," and "Southwest Express:"

- Operation "Impunity" dismantled an entire trafficking organization through identifying and arresting major cell heads operating inside the United States. Their arrests and those of 90 subordinates disabled all facets of their organization. As a result, 12,434 kilograms of cocaine and more than 2.4 tons of marijuana were seized, along with \$19 million in U.S. currency and another \$7 million in assets.
- Operation "Millennium" targeted major cocaine suppliers shipping vast quantities of cocaine from Colombia through Mexico into the United States. One targeted drug kingpin had been smuggling 30 tons or 500 million dosage units of cocaine into the United States every month. U.S. law enforcement authorities seized more than 13,000 kilograms of cocaine during the last 2 weeks of August alone.
- Operation "Southwest Express," an OCDETF and HIDTA operation coordinated through SOD, was designed to dismantle a U.S. transportation and distribution network thought to be supplied by the Sotelo-Lopez drug

trafficking organization based in Ciudad Juarez, Mexico. The operation brought a national and strategic perspective to halting drug trafficking activities ranging from street-level distribution to major transportation cells. Drugs were moved by railway, tractor trailer, and other vehicles, often concealed in bundles of used clothing. Federal prosecutors from 10 U.S. Attorneys' offices and 5 Federal law enforcement agencies, in cooperation with more than 20 state and local agencies, brought drug and money laundering charges against 100 people.

Performance Goal 1.2.2

Attack on Major Drug Trafficking Criminal Enterprises

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of nationally coordinated investigations that lead to the disruption and dismantlement of multiple "cells" of the major drug trafficking organizations (DEA)*	541.0	NA	NA	NA
(2) Number of indictments and convictions obtained in OCDETF cases involving targeted drug organizations (CRM)**				
Drug cases filed	1,728.0	2,447.0	Not Projected	3,332.0
Defendants filed	5,900.0	6,603.0	Not Projected	9,345.0
Convictions	4,074.0	4,946.0	Not Projected	6,395.0
Conviction Rate	86.9%	87.9%	Not Projected	88.9%

*DEA discontinued this indicator in FY 1999 and plans to replace it with the "Number and percentage of Major Drug Trafficking Organizations disrupted or dismantled as a result of DEA enforcement activity." All data will be supported by information stored in an automated system in DEA's Headquarters Operations Division. A recent GAO report, *Drug Control: DEA's Strategies and Operations in the 1990s* (GCD-99-108), published July 21, 1999, cited that although DEA's strategic goals and objectives and its enhanced programs and initiatives are consistent with the National Drug Control Strategy, DEA has not developed measurable performance targets for its programs and initiatives consistent with those adopted for the national strategy. In particular, the report cites the need for more meaningful measures to be developed for disrupting and dismantling drug trafficking organizations. It asks DEA to work with the Office of National Drug Control Policy in developing such measures, and DEA is taking steps to do so over the next few years. A copy of the report may be obtained from GAO.

**This indicator is revised because the data being reported in FY 1999 are EOUSA/LIONS data. Previously, data relating to OCDETF performance were reported by OCDETF/MIS. Therefore, data reported by EOUSA/LIONS categorize indictments/information (OCDETF/MIS category) as "cases filed." Defendants indicted (OCDETF/MIS category) are categorized as "defendants filed." In addition, EOUSA/LIONS data for drug cases classified under the Government Regulatory/Money Laundering categories do not designate OCDETF/non-OCDETF cases, and the data being reported do not include Government Regulatory/Money Laundering drug cases.

Data Source: (1) NA. (2) LIONS.

PERFORMANCE GOAL 1.2.3

REDUCING THE PRODUCTION OF ILLEGAL DRUGS THROUGH ENFORCEMENT EFFORTS

DOJ will continue to reduce significantly the production and quantity of illegal drugs, including methamphetamine and marijuana, in the United States. Through the National Methamphetamine Strategy and multi-agency coordinated efforts with other enforcement agencies, DEA will increase the number of clandestine laboratories seized and the prosecutions of rogue chemical companies that supply the precursors to methamphetamine manufacturers.

The Department's FY 1999 accomplishments in removing illegal drugs—including heroin, cocaine, methamphetamine, and other dangerous drugs—were significant. DEA reports 64 million marijuana plants eradicated through its eradication and suppression program during the first three-quarters of the calendar year. Quantities of drugs removed through other enforcement efforts were significantly higher than in 1998.

Efforts related to methamphetamine production and trafficking and the diversion of controlled substances were particularly effective, leading to greater numbers of arrests and clandestine laboratory seizures in FY 1999 (see Figure 10). DEA initiated nearly 2,900 methamphetamine investigations during the first three quarters of FY 1999. It also seized more than 2,000 clandestine laboratories and arrested close to 7,900 individuals involved in the manufacture, trafficking, or distribution of methamphetamine.

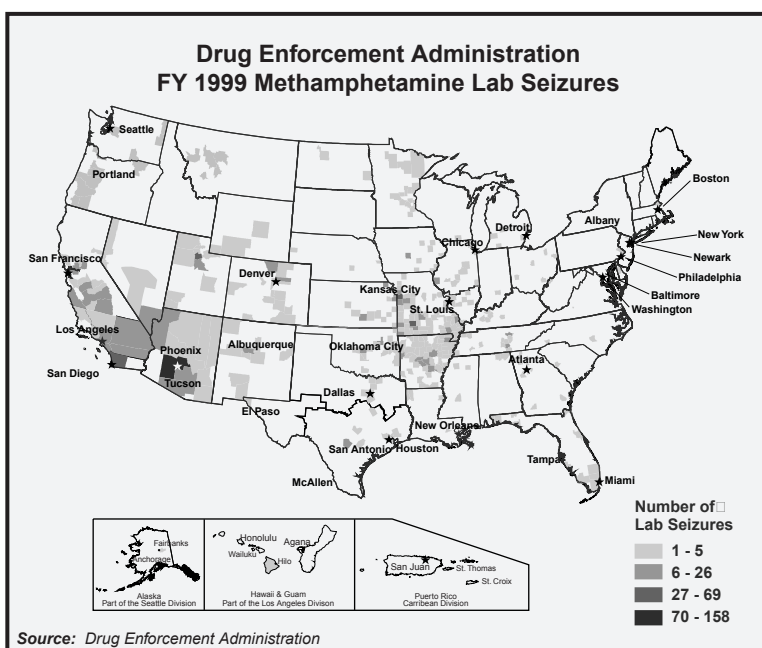


Figure 10

Notwithstanding its impressive accomplishments in 1999, the Department will maintain its stance of vigilantly enforcing drug trafficking laws across this country—as there is much work yet to do. The proliferation of synthetic drugs, for instance, has made the pivotal role of DEA's Office of Diversion Control (OD)

Operation Purple

Operation "Purple" is an international operation conducted with cooperation from the seven major potassium permanganate-producing countries, significant exporting/transshipment countries, and major cocaine-producing countries of the Andean region. It tracks all shipments of the chemical weighing 100 kilograms or more. During 7 months of operation, investigative efforts have far exceeded initial expectations, having a major impact on the trafficker's ability to obtain the chemical to process cocaine. Of 187 shipments tracked worldwide, 24 were seized or halted during transit, accounting for 1.7 million kilograms of potassium permanganate, which could have been used to process up to 17 million kilograms of cocaine.

Performance Goal 1.2.3

Reducing the Production of Illegal Drugs through Enforcement Efforts

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Quantity of marijuana eradicated through the DEA Domestic Cannabis Eradication and Suppression Program (DCE/SP) (DEA)*	241,200,000 plants	134,900,000 plants	Not Projected	64,000,000 plants
(2) Quantity of drugs removed, including: Preliminary Data (DEA)				
Heroin (kgs)	342.4	372.0	Not Projected	374.0
Cocaine (kgs)	39,387.1	32,413.0	Not Projected	37,468.8
Cannabis (kgs)	231,736.0	242,471.6	Not Projected	322,862.2
<i>Marijuana</i>				322,393.6
<i>Hashish</i>				468.7
Methamphetamine (kgs)	1050.7	1,230.2	Not Projected	1,379.7
Amphetamine (kgs)	156.3	367.1	Not Projected	201.9
Other Dangerous Drugs (dosage units)	6,035,452.0	2,183,951.0	Not Projected	5,074,481.0
(3) Number of chemical distributors diverting precursor and essential chemicals investigated and prosecuted (DEA)	103/27	115/33	12	118/36
(4) Number of clandestine laboratories seized, dismantled, and properly disposed of (DEA)	1,288	1,651	Not Projected	2,024

*The DCE/SP program is administered on a calendar, not fiscal year, so the 1999 actual data reflect only three-quarters of the calendar year (CY), from 1/1/99 through 9/30/99. Data for the remaining 3 months of CY 1999 have not yet been compiled.

Data Source: (1) DEA's State and Local Section monthly statistical reports from state and local law enforcement agencies. (2) STRIDE. (3) DEA Field Division Investigative Reports provided to OD. (4) NCLD.

Largest Shared Forfeited Assets Ever

On December 18, 1998, the Attorney General and the Swiss Ambassador to the United States signed a Memorandum of Understanding authorizing the transfer of approximately \$89 million in forfeited drug proceeds to the Government of Switzerland. These funds represent 50 percent of the approximate \$178 million forfeited in the 1995 prosecution of Sheila Arana de Nasser in the southern district of Florida. This forfeiture marks the largest single forfeited assets amount shared with a foreign country.

program—to prevent, detect, and investigate the diversion of controlled substances while also meeting legitimate needs—more keenly recognized than ever. The program's success in diversion activities like Operation "Purple" (see sidebar on previous page) has also brought it more recognition.

PERFORMANCE GOAL 1.2.4

INTERNATIONAL DRUG LAW ENFORCEMENT

DOJ will continue to actively cooperate with foreign governments and enlist their support through technical assistance and training to investigate and prosecute major drug traffickers and their organizations, which threaten U.S. interests.

The support and cooperation of foreign governments is vital to efforts against drug trafficking. To help enlist their support, the Department provides counterdrug training and technical assistance to foreign investigators, prosecutors, judges, and legislators. DEA, for example, conducted 20 schools, training 974 foreign law enforcement officers. The Criminal Division, through its International Criminal Investigative Training Assistance program and Office of Overseas Prosecutorial Development, also provided significant amounts of training for foreign counterparts. As part of this cooperative approach, the Department shared forfeited assets from drug proceeds with other countries (see sidebar).

Performance Goal 1.2.4		International Drug Law Enforcement		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of foreign counterdrug investigators and prosecutors trained (DEA)	2,100	749	NA	974

Data Source: DEA's Office of Training.

PERFORMANCE GOAL 1.2.5

COMPREHENSIVE INVESTIGATIVE INTELLIGENCE PROGRAM TO EFFECTIVELY SUPPORT INVESTIGATIONS AND PROSECUTIONS

DOJ will strengthen its various investigative intelligence programs to expand and foster the collection, analysis, and dissemination of drug-related intelligence to Federal agencies about major national and international drug trafficking organizations.

As stated, interagency cooperation is key to successful drug law enforcement, particularly given the sophisticated, multijurisdictional nature of drug trafficking operations controlled largely by foreign-based criminal organizations. To strengthen its various investigative efforts in this area, the Department must be able to gather and integrate information from all available sources. SOD, NDIC, and the El Paso Intelligence Center (EPIC), together with others, collaborate in collecting drug intelligence information:

- SOD supports ongoing investigations by producing detailed and comprehensive data analyses of the activities of major drug trafficking organizations. It then converts collected information to usable leads that are passed on to domestic field divisions and foreign country offices. SOD supports investigative and enforcement activities directed against major traffickers on a regional, national, or international level.
- NDIC has also greatly improved information sharing, particularly across Federal, state, and local law enforcement agencies. NDIC provides strategic analyses of current trends and activities in the counterdrug community. These products are distributed to law enforcement officials throughout the country.
- EPIC continued to assist international and domestic drug trafficking investigations by providing query access to more than 100 million member agency computer records. State and local law enforcement is a primary contributor to and user of EPIC, and all 50 states are associate members. EPIC can run inquiries on persons, vehicles, aircraft, vessels, businesses, addresses, and telephone numbers. It can also post a variety of alerts and lookouts in the national and worldwide lookout systems of member agencies.

In FY 1999, approximately 194,000 queries and entries were made to EPIC's drug databases, while 160 intelligence analysts received training. Substantial progress in training DEA intelligence analysts will greatly improve the Department's use of intelligence data to support case investigations of major traffickers. Training of analysts will also strengthen investigations by making better use of DEA's automated information system capabilities.

Performance Goal 1.2.5					Comprehensive Investigative Intelligence Program to Effectively Support Investigations and Prosecutions				
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual					
(1) Number of queries and entries to drug databases (DEA)	212,623	205,859	201,696	193,829					
(2) Number of intelligence analysts trained (DEA)	103	115	120	160					
Data Source: (1) EPIC. (2) DEA's Office of Training.									

**DEA:
The MET II Initiative**

The MET II Initiative, started in 1999, helps communities hosting METs develop and implement drug and crime prevention plans to prevent reintroduction of criminal activity. In FY 1999, DEA, along with the Bureau of Justice Assistance and the National Crime Prevention Council, hosted three regional 2-day pilot training seminars for community leaders from 40 MET cities in 23 states. Community leaders learned of strategic drug and crime prevention planning models to help them assess their communities' needs and potential resource partners, apply a disciplined problem-solving process to their challenges, and evaluate their success.

Explanation For Not Meeting Target

(1) The Department's 1999 actual accomplishment of 193,829 queries fell short of the planned target of 201,696 queries, a slight deviation. The shortfall does not reflect a performance problem or issue and poses no negative consequences to the program or its related activities.

PERFORMANCE GOAL 1.2.6

REDUCTION OF DEMAND

DOJ will intensify its demand reduction efforts through educational outreach to communities, schools, employers, and the public. For example, we will continue our use of the Internet to publicize our anti-drug abuse message, and will pursue more interagency and public/private partnership opportunities, including mentoring and other early intervention strategies. DOJ will place a stronger emphasis on the value of education, treatment availability, and volunteerism in drug prevention.

In FY 1999, DEA's Demand Reduction Strategy focused on the following four main objectives: raising public awareness, providing support for parents, educating school-aged children, and establishing drug-free work environments. In each of DEA's 22 field divisions, one special agent serving as the demand reduction coordinator provides leadership and support to local agencies and organizations as they develop drug prevention and education programs. DEA Headquarters also coordinates a number of programs, including the MET II Initiative (see sidebar). In FY 1999, DEA reported that more than 786,000 people and 800 organizations received information on prevention programs.

Performance Goal 1.2.6		Reduction of Demand		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of persons and organizations receiving disseminated information regarding prevention programs (DEA)				
Persons	NA	NA	NA	786,118
Organizations	71	121	150	822

Data Source: DEA's Office of Congressional and Public Affairs.

STRATEGIC GOAL 1.3

Reduce espionage and terrorism when directed at U.S. citizens or institutions.

—Sponsored by foreign or domestic groups in the United States and abroad.

This Strategic Goal focuses on national security issues, specifically espionage and terrorism. The FBI's Foreign Counterintelligence (FCI) program helped protect our national security in FY 1999 by achieving several significant successes (see sidebar).

To deal effectively with international and domestic terrorism, the Department focused efforts on both prevention and response, submitting to Congress on December 31, 1998, a Five-Year Counterterrorism and Technology Crime Plan. The plan offers a baseline strategy for coordinating national policy and operational capabilities to combat terrorism in the United States and against American interests overseas. It contains concrete proposals covering a broad range of topics, including prevention, deterrence, and response to terrorist attacks. It also identifies the Nation's present capacity to respond to terrorism, discusses national preparedness goals for dealing with terrorism, and sets forth specific proposals to achieve these objectives.

Four FY 1999 Performance Goals address the Department's role in preventing terrorist acts, investigating and prosecuting terrorist acts, improving response capabilities to these acts, and protecting our critical infrastructure.

PERFORMANCE GOAL 1.3.1

PREVENTING TERRORIST ACTS

DOJ, working with other Federal agencies such as the Departments of Treasury and State, will improve the Nation's capability to prevent terrorist acts within the United States and abroad by: improving information gathering and analysis capabilities to evaluate threats and provide early detection of potential terrorist acts; investigating the fundraising activities of terrorist organizations; and planning, coordinating, and conducting training exercises.

The goal of the FBI's Counterterrorism (CT) program is to prevent, disrupt, and defeat terrorist operations before they occur. The FBI's strategy requires a state-of-the-art capacity to address terrorist threats by successfully identifying, neutralizing,

Counterintelligence Results In FY 1999

- The FBI arrested David Sheldon Boone, a retired Army Sergeant, on October 10, 1998, and charged him with three counts of espionage. He was sentenced to 24 years and 3 months for working as an agent of the KGB from 1988 to 1991.
- The FBI identified Theresa Marie Squillacote, Kurt Alan Stand, and James Michael Clark as Americans providing information to a former East German intelligence service. They were sentenced to a total of 52 years for violating U.S. criminal espionage statutes.
- On July 13, 1999, Hsu Kai-Lo pled guilty to attempted theft of trade secrets for trying to purchase Taxol, an ovarian cancer drug treatment, for the Yuen Foong Paper Company. Taxol is the proprietary economic property of the Bristol-Myers Squibb Company.

Countering Terrorism with Conviction

In FY 1999:

- Seventeen individuals were indicted in connection with embassy bombings in Kenya and Tanzania, nine of them in custody in the United States and London.
- On June 7, 1999, Usama Bin Ladin was added to the FBI's "Ten Most Wanted" list, with a reward of \$5 million dollars offered by the State Department for information leading to his arrest.
- In October 1998, several self-proclaimed members of "The New Order" were sentenced after being charged with conspiracy and/or illegal weapons

and penetrating targeted domestic and international terrorist organizations. Several significant achievements were credited to the CT program in FY 1999 (see sidebar).

The Department also continued to play a leading role in the U.S. effort to disrupt terrorist financing, a major part of prevention. In FY 1999, working with the Department of State, we participated in the Organization of American States' (OAS') Second Inter-American Specialized Conference on Terrorism in Argentina. The conference produced a new Inter-American Committee for Combating Terrorism and endorsed numerous measures designed to impede the financing of terrorist organizations.

Timely, detailed information is crucial to the effective prevention of and response to terrorist incidents. FBI field offices are working to enhance dissemination of pertinent intelligence information to other U.S. Intelligence Community (USIC) and law enforcement entities. FBI's International Terrorism Operations Section (ITOS) is aggressively pursuing efforts to expand its intelligence base and continues to assess each office's capabilities relative to international terrorism threats regionally, nationally, and globally. Additionally, the Department has set specific international terrorism program priorities, articulated recommended reporting procedures, and enhanced efforts to improve the flow of information within the FBI, the USIC, and appropriate foreign services.

Performance Goal 1.3.1

Preventing Terrorist Acts

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of terrorist acts prevented (FBI)*	15	12	Not Projected	5

*An official "terrorist incident prevented" is a documented instance in which a violent act by a known or suspected terrorist group or individual with the means and a proven propensity for violence is successfully interdicted through investigative activity. A specific objective of the Counterterrorism program is to discover any planned terrorist activity by any terrorist organization and interdict the planned intention before it is executed.

Data Source: FBI's Counterterrorism Division.

charges. They were conspiring to commit terrorist violence against several prominent targets.

- Several members of the North American Militia, based in Michigan, were convicted of weapons violations and other criminal charges relating to their plot to bomb Federal buildings, destroy major road intersections, and kill Federal agents and suspected informants.

PERFORMANCE GOAL 1.3.2

INVESTIGATING AND PROSECUTING TERRORIST ACTS

DOJ will continue its high rate of success in the investigation and prosecution of terrorist acts and conspiracies. We will respond aggressively to all terrorist acts directed against American nationals and interests at home and overseas through the use of well-trained special response capabilities and joint terrorism task forces.

In FY 1999, the Department's enforcement efforts with regard to terrorist acts especially emphasized cases involving Iraq, Iran, and Libya. These three countries pose a continuing threat in terms of nuclear and conventional weapons procurement, chemical and biological weapons use, and efforts to circumvent controls to prevent weapons proliferation. An example of foreign terrorism enforcement in FY 1999 includes the case of a

New Jersey aircraft parts broker who pled guilty to 10 felony counts of conspiracy to sell air-to-air and surface-to-air missile parts to Iran. As part of a Government plea agreement, he will serve 57-71 months and pay approximately \$2.6 million in fines and forfeitures.

The single most important factor in the FBI's effective response to acts of terrorism abroad is the willingness of foreign governments to allow FBI personnel on the scene and to facilitate their investigation once they arrive. Toward this end, the FBI established that it must take proactive steps to improve the probability of receiving timely access to and assistance at potential crime scenes. It has identified foreign security and intelligence services whose assistance may be required in the future, and continues to cultivate friendly, mutually supportive relationships with them.

Performance Goal 1.3.2		Investigating and Prosecuting Terrorist Acts		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of terrorist cases investigated (FBI)	7,125	9,046	Not Projected	10,151
(2) Number of terrorists arrested and convicted (FBI)				
Arrests	181	179*	Not Projected	240*
Convictions	122	160*	Not Projected	157*

*Federal, state, and local figures.

Data Source: (1) MAR. (2) ISRAA.

PERFORMANCE GOAL 1.3.3

IMPROVING RESPONSE CAPABILITIES TO TERRORIST ACTS

DOJ will establish or expand upon partnerships with state, local, and international entities to enhance domestic and international responsiveness to terrorist acts. The FBI will continue its lead responsibility for effectively managing the response to domestic terrorist incidents.

Because the Department has responsibility to help strengthen our Nation's response to terrorist episodes, we are working to establish or expand partnerships with state, local, and international entities to better respond to domestic terrorist acts, cyberattacks, and other threats. To coordinate the Nation's ability to respond to attacks, including those using weapons of mass destruction (WMD), the Department has established within the FBI a National Domestic Preparedness Office (NDPO). This office is responsible for coordinating and facilitating planning, training, and equipment needed to ensure a robust crisis and consequences management infrastructure.

To ensure effective command and control of a WMD incident, personnel from the FBI's CT program continue to work closely with applicable Federal, state, and local agencies to establish the role these agencies will play in WMD incidents. The FBI has

Preemptive Strikes in the Cybercrime War In FY 1999

Within hours of learning about the Melissa virus, the NIPC coordinated with key cyber response components of DOD and the Computer Emergency

Response Team at Carnegie-Mellon University to send out

warning messages, which helped to mitigate damage. Information provided by America Online, and a follow-up investigation with the FBI's Newark Field Office, led to the arrest of David L. Smith on April 1, 1999. In December, Mr. Smith pled guilty to affecting 1 million computer systems. He is awaiting sentencing.

In September 1999, two members of the "Phonemasters"—an international group of criminals who penetrated the computer systems of MCI, Sprint, AT&T, Equifax, and the FBI's National Crime Information Center—were sentenced on charges of theft, possession of unauthorized access devices, and unauthorized access to a Federal interest computer.

also bolstered its rapid deployment capabilities by creating a laboratory response system and by enhancing the capabilities of special agent bomb technicians, Evidence Response Teams, Hostage Rescue Teams, and Special Weapons and Tactics Teams.

To establish a framework for responding to terrorist and other critical incidents in their jurisdictions, U.S. Attorneys will develop and refine their Crisis Management Plans. These plans will provide cross-walks to FBI Crisis Response Plans as well as to similarly focused state, local, and regional emergency response plans. By the close of FY 1999, U.S. Attorneys in 20 districts had submitted Crisis Response Plans, an increase of 8 over last year—and twice the targeted number.

Performance Goal 1.3.3

Improving Response Capabilities to Terrorist Acts

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of additional districts with crisis response plans (CRM)	8	2	5	10

Data Source: Criminal Division, Terrorism and Violent Crimes Section.

PERFORMANCE GOAL 1.3.4

PROTECTION OF CRITICAL INFRASTRUCTURE

DOJ will further its capabilities to coordinate and respond to cyber and physical threats to the Nation's critical infrastructure, including interagency cooperation with the DOD and other responsible Federal agencies. We will identify and eliminate key infrastructure vulnerabilities, provide 24/7 watch and warning capabilities, and improve investigations and protection through training and disseminating information and tools.

Attacks on the Nation's computer infrastructure are a rising threat. The Department is making progress in disrupting and defeating critical infrastructure threats through the work of the National Infrastructure Protection Center (NIPC). In FY 1999, the FBI continued to bring this program up to full capacity, developing procedures and mechanisms to pass both sanitized and unsanitized warning information about cyber attacks to appropriate Federal agencies and the private sector. In FY 1999, the FBI investigated 1,756 (pending and opened) computer intrusions, achieving significant successes in the war on cyber-crime (see sidebar).

Through the key asset program, FBI field agents identify potential key assets in their jurisdictions and consult with the owners about their operations and impact on the localities' critical infrastructure. As each key asset is identified, it is entered into a database from which maps are created that help determine overlapping or secondary key assets that are interlinked.

Performance Goal 1.3.4

Protection of Critical Infrastructure

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Computer intrusions investigated by the FBI (FBI)				
Pending and opened	NA	1,000	Not Projected	1,756
Closed	NA	399	Not Projected	921
(2) Total key assets identified (FBI)*	NA	400	Not Projected	2,745

*Total "key assets identified" indicates the number of assets within the United States that would have a devastating impact were their operations disrupted. Growth in the number of key assets identified—from 400 at the conclusion of FY 1998 to 2,745 at the end of FY 1999—is the result of NIPC's modification of criteria used by field offices to identify and report these assets. Before this modification, only key assets of national significance were reported. The new guidance allows users to identify and report key assets that are significant on a state and regional level, as well as to identify and characterize true interdependencies between key assets—certain to cause their number on a national level to fluctuate.

Data Source: (1) MAR/ACS. (2) NIPC's Key Asset Database.

STRATEGIC GOAL 1.4

Reduce white collar crime, including public corruption and fraud.

The Department's approach to reducing white collar crime is based on the need for a strong deterrent capability to prevent criminals from defrauding and thereby weakening the Nation's industries and institutions. A pervasive problem, white collar crime originates from many different sources and assumes many different forms. Targets of white collar criminals range from public officials open to corruption to computers storing proprietary information to elderly people vulnerable to telemarketing and retirement schemes. This Strategic Goal includes four FY 1999 Performance Goals, which address public corruption; health care fraud; high technology/computer crime; and financial institutions, telemarketing, and other fraud.

PERFORMANCE GOAL 1.4.1

PUBLIC CORRUPTION

DOJ will combat corruption through the investigation of alleged wrongdoing by officials and employees at all levels of government, and will take appropriate prosecutorial action.

Because the investigation of public corruption is often beyond the ability or willingness of state and local law enforcement, the Department, through the FBI, becomes the primary crime-fighting agency in this area. It combats corruption through investigating alleged wrongdoing by officials and employees at all levels of government, prosecuting when appropriate. The Department's strategy focuses on suspicious Federal, state, and local activities involving corrupt members of the legislature, judiciary, and law enforcement. For example in FY 1999:

- I A scheme to steal over \$200,000 from the Federal Highway Administration (FHWA) through the use of unlawful gratuities and bogus invoices resulted in the convictions of a senior FHWA official, a subordinate FHWA employee, and an FHWA contractor. The defendants pled guilty to multiple corruption charges.
- I Former DEA employee David S. Bowman was indicted on numerous counts of mail fraud, theft of government funds, and money laundering for embezzling more than \$6 million from DEA. The Department obtained summary judgment in a civil forfeiture action against the real and personal property purchased by the Bowman family with Government funds. The family forfeited all of the property sought and, in May 1999, the United States obtained an \$18-million judgment against family members.

Other aspects of the Department's public corruption program concentrated on corruption in major metropolitan cities with a history of such behavior and on emerging law enforcement and judicial corruption in areas of entrenched drug activity, particularly along the U.S. southwest border. FY 1999 accomplishments in terms of investigations and reports and related recoveries and restitutions reflect our continued success in combating abuses of the public trust by government officials.

Performance Goal 1.4.1		Public Corruption		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Investigations and convictions in public corruption (FBI)				
FBI reports cases pending, end of FY	1,371	1,582	Not Projected	1,506
FBI reports convictions and pretrial diversions	493	582	Not Projected	537
FBI reports convictions only*	487	536	Not Projected	527
(2) Recoveries and restitutions resulting from investigations and convictions of public corruption (FBI)	\$23,291,000	\$32,311,000	Not Projected	\$25,332,035
*These figures are included in convictions and pretrial diversions and will not be reported separately in future reports.				
Data Source: ISRAA.				

PERFORMANCE GOAL 1.4.2

HEALTH CARE FRAUD

DOJ will work with other Federal agencies to confront the increase in health care fraud by continuing to successfully prosecute and obtain judgments and settlements against providers, carriers, and fiscal intermediaries that defraud Medicare, Medicaid, and other Federal health care programs.

The Department's health care fraud investigations in FY 1999 targeted excessive fraudulent billings to health care insurance programs, notably Medicare, with great success. FBI efforts to address health care fraud led to hundreds of indictments, convictions, and arrests on various Federal and state charges (see sidebar for example). But the greatest impact of health care fraud investigations concerns their ability to create positive change by restraining further fraud and enhancing internal accountability mechanisms in large-scale health organizations.

FBI investigations of clinical laboratory billings, home health agencies, durable medical equipment, and ambulance services uncovered massive fraud and abuse in FY 1999—to the tune of \$1.16 billion in Medicare savings through goods and services targeted for fraudulent billing. This accomplishment exceeds the FY 1999 target by approximately \$746 million.

Education is another effective approach. In the largest nationwide campaign in history to educate senior citizens about health care fraud, the Department joined with the American Association of Retired Persons (AARP) and the Department of Health and Human Services (DHHS) to increase seniors' awareness of this issue. U.S. Attorneys' offices and their campaign partners provided information to thousands of senior citizens around the country on what to do if they suspect Medicare fraud. The Department will continue education and outreach efforts to this population in the coming year.

Health Care Fraud Convictions Net Millions

In FY 1999, the FBI's ongoing Columbia/HCA investigation secured the conviction of two former executives and a pretrial diversion agreement with another defendant. A negotiated settlement with health care provider Beverly Enterprises is pending. Meanwhile, the Department won a \$61 million criminal plea and civil settlement with Olsten Corporation and its subsidiary, Kimberly Home Health Care, Inc. The case resulted from kickbacks and false claims to Medicare.

Performance Goal 1.4.2	Health Care Fraud			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Medicare cost savings for targeted goods and services where egregious fraudulent billing is suspected (FBI)	\$568,000,000	\$1.8 billion	\$413,923,000	\$1.16 billion*
*Data are current as of June 1999 and will not be complete until FY 2001. The FBI no longer depends on the Health Care Financing Administration (HCFA). HCFA has changed computer systems and reports various lags in its data reporting.				
Data Source: HCFA.				

NET Act Snares First Conviction

In July 1999, a 22-year-old senior at the University of Oregon pled guilty to illegally posting computer software programs, musical recordings, entertainment software programs, and digitally recorded movies on his Internet web site, allowing the general public to download and copy them. He was convicted under the 1997 NET Act, enacted to punish Internet copyright piracy. The University of Oregon brought the case to law enforcement officials after it noted a particularly large volume of bandwidth traffic being generated from a web site on its server. An investigation by the FBI and Oregon State Police confirmed that thousands of pirated products were available for downloading from the site.

PERFORMANCE GOAL 1.4.3

HIGH TECHNOLOGY/"COMPUTER CRIME"

DOJ will continue its recent efforts to further develop its capacity to respond to cyber-attacks, computer thefts, and intrusions affecting consumers, businesses, and government. We will continue to increase the number of state and local computer crime task forces and increase the capability of the FBI and DEA to acquire, examine, and present computer evidence, so that we can keep pace with and successfully investigate and prosecute the new breed of high-tech criminals.

In monetary terms, the annual loss to citizens and businesses from intellectual property (IP) theft is conservatively estimated to be in the billions of dollars—not surprising considering the nature of today's businesses and the huge profits they generate. Recent statistics reveal that combined U.S. copyright industries and related businesses account for more than \$433 billion, or about 5.7 percent of our Gross Domestic Product (GDP). Growth in this area over the last 20 years has allowed copyright industry products to surpass agricultural products as the single largest export sector in the Nation's economy. In fact, America's three biggest software companies are now worth more than all of the companies in our steel, automotive, aerospace, chemical, and plastics industries combined.

To help stem the tide of IP theft, the U.S. Attorneys in FY 1999 filed 97 new IP cases charging 132 defendants with criminal IP violations; 121 individuals were convicted, an increase of nearly 30 percent over the previous year's figure (see Appendix B, which contains information provided in response to the statutory mandate that this report contain Department statistics on IP prosecutions). In FY 1999, the Department achieved its first criminal copyright conviction under the No Electronic Theft (NET) Act for unlawful distribution of software on the Internet (see sidebar).

As part of efforts to combat the growing challenge of copyright piracy and trademark counterfeiting, both domestically and internationally, the Attorney General approved the Intellectual Property Enforcement Initiative in August 1999. The Initiative recognizes the explosive growth of the Internet as the primary impetus for increased IP thefts and seeks to counter with increased IP prosecutions. To focus efforts, the Initiative will concentrate on seven districts identified as having the most serious piracy and counterfeiting problems. These districts' efforts will create a "template" for other districts to follow, until the Initiative becomes nationwide. The Department has encouraged all districts to bring meritorious IP cases and, if necessary, to seek the support and assistance of the Criminal Division's Computer Crime and Intellectual Property Section.

To enhance coordination of Internet-related investigations, the FBI recently implemented the Internet Fraud Complaint Center (IFCC), co-sponsored by the FBI and the National White Collar Crime Center. The IFCC is designed as a central repository for Internet fraud complaints. It will identify, track, and facilitate

the prosecution of fraudulent schemes on the Internet on a global level by collecting, analyzing, and disseminating complaints to the appropriate law enforcement agencies. The FBI's White Collar Crime program is developing a new case management system that will track, among other things, the nature of frauds being investigated and the extent to which they involve the use of computers and the Internet. This system will enable future reporting on the success of computer-intensive FBI investigations.

The Department's accomplishments in FY 1999 in training agents and prosecutors to conduct advanced computer fraud investigations were exceptional—with numbers three times greater than the target—and reflect a strong resolve to stop computer crimes.

Performance Goal 1.4.3

High Technology/"Computer Crime"

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of agents and prosecutors trained to conduct advanced computer fraud investigations relating to both Federal crimes and national security (FBI)	NA	180	200	670
(2) Arrests and convictions in computer intrusions [in the National Infrastructure Computer Intrusions program]* (FBI)				
Arrests [and locates]	**NA	71	Not Projected	40
Convictions	NA	***26	Not Projected	50
(3) Number of information technology state and local task forces**** (FBI)	NA	1	4	NA

*This is an NIPC performance measure and will be reported under Performance Goal 1.3.4 in future reports.

**Correction to clerical error in FY 1999 Summary Performance Plan.

***Records have been updated.

****In FY 1999, the performance indicators were consolidated for this performance goal to more accurately reflect Department achievements specific to curtailing and reducing computer crime. As a result, the data for number of IT state and local task forces are no longer available. This measure will be discontinued and not reflected in the FY 2001 Summary Performance Plan.

Data Source: FBI in-service records and ISRAA.

PERFORMANCE GOAL 1.4.4

FINANCIAL INSTITUTIONS, TELEMARKETING, AND OTHER FRAUD

DOJ will continue to identify and target fraud schemes, such as financial institution fraud and telemarketing fraud directed against the elderly.

The advent of on-line banking and e-commerce has enlarged opportunities for financial institution fraud, including industry-wide threats posed by organized criminal groups engaged in a variety of illegal schemes. The elderly are particularly vulnerable to fraud schemes and are frequent targets of telemarketers.

Financial institution fraud still accounts for nearly 40 percent of FBI's white collar crime, with approximately 60 percent of crimes reported by financial institutions now involving external fraud. The Department's efforts to address financial institution fraud in FY 1999 led to the indictment of 4,605 individuals, the conviction of 6,662, and the arrest of 1,607 on various Federal and state charges.

Performance Goal 1.4.4		Financial Institutions, Telemarketing, and Other Fraud			
Performance Indicator		1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Indictments and convictions in white collar crimes (FBI)					
	Indictments	4,060	4,318	Not Projected	4,605
	Convictions	6,520	6,078	Not Projected	6,662
(2) Economic loss to financial institutions due to fraud in targeted cities (FBI)					
	Check fraud	\$ 303 million	\$168 million	10% decrease	\$ 213 million
	Mortgage loan	\$ 26 million	\$ 25 million	10% decrease	\$ 41 million

Data Source: (1) ISRAA. (2) FBI's Suspicious Activity Reports.

Explanation For Not Meeting Target

(2) FBI's investigative efforts identified more crime than originally anticipated.

STRATEGIC GOAL 1.5

Coordinate and integrate Department law enforcement activities.

Criminal conduct extends beyond borders—of cities, of states, and of countries—making cooperation and coordination vital to the success of law enforcement efforts. In addition to identifying how all parts of the system can interact more effectively both at national and local levels, the Department continues to promote the ability of foreign counterparts to aid law enforcement efforts. This Strategic Goal addresses two major Performance Goals aimed at ensuring cooperation with overseas and domestic partners.

PERFORMANCE GOAL 1.5.1

INTERNATIONAL COOPERATION

DOJ, in conjunction with states, will continue to enlist the active cooperation of foreign governments in our law enforcement efforts. We will maintain our overseas presence in areas of critical concern (FBI, DEA, CRM); develop bilateral and multilateral agreements (CRM, FBI); provide training and technical assistance to our foreign counterparts, including assistance in money laundering and asset forfeiture law (CRM); and increase our use of INTERPOL in assisting efforts against international crime, including locating fugitives abroad.

International cooperation is important to the Department of Justice, which is why we have continued a strategy of modernizing the legal framework to more easily accommodate international law enforcement. Through support for U.S. policies and priorities, the Department made it easier for foreign counterparts to investigate offenses effectively, prosecute them competently, and adjudicate them fairly. We continued to enter into new extradition and mutual legal assistance treaties (MLATs) with other countries and took on more than 18,000 INTERPOL (International Criminal Police Organization) cases, exceeding the target by nearly 1,000 cases. The U.S. National Central Bureau facilitates international law enforcement cooperation as the United States' representative with INTERPOL on behalf of the Attorney General.

Performance Goal 1.5.1		International Cooperation		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of new extradition treaties with other countries entering into force, with a view toward the extradition of nationals (CRM)	3	1	10	4
(2) Number of new mutual legal assistance treaties with other countries entering into force (CRM)	4	1	10	8
(3) Number of new INTERPOL cases (INTERPOL)	13,079	14,976	17,200	18,100

Data Source: (1) and (2) CRM electronic case management tracking systems and manual systems to report workload statistics. (3) Envoy.

Explanation For Not Meeting Target

(1), (2) The Department's actual accomplishments in new extradition treaties and new MLATs, 4 and 8 respectively, fell short of the planned targets of 10 new treaties in each category. The Department attempts to provide a best estimate of the number of treaties that will be entered into force during a given fiscal year, with an understanding that many factors can delay that action. One complicating factor is the number of entities—including representatives of foreign governments, the Departments of Justice and State, the White House, and the U.S. Senate—involved in the effort to enter a treaty into force. Actual numbers do not indicate a performance problem or issue, as the shortfall poses no negative consequences to the program or its related activities.

PERFORMANCE GOAL 1.5.2

ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE⁸

DOJ will continue to strengthen the centralized management and coordination of OCDETF activities in order to promote a coordinated drug enforcement effort. Particular emphasis will be placed on coordinating activities among the following entities: OCDETF regions, all Federal drug and drug-related law enforcement agencies, and the U.S. Attorneys' offices, as well as the state and local drug law enforcement and prosecution agencies.

The OCDETF program joins Federal, state, and local law enforcement, in coordination with U.S. Attorneys, in a comprehensive attack against drug trafficking organizations. The program bridges gaps in enforcement between uniquely Federal efforts and those successfully undertaken by state and local authorities. The OCDETF program's role is clearly drawn as one that targets the highest level traffickers and organizations. The program coordinates the collaborative efforts of nine Federal law enforcement agencies working in conjunction with state, tribal, and local agencies.

Infused with participating agencies' commitment to work together to fight drug-related crime, the OCDETF program has seen significant expansion in recent years. In FY 1999, following a record-breaking year in which it more than doubled the number of investigations begun during the previous 2 years combined, OCDETF realized a further 9-percent increase in the number of new investigations. Further, during FY 1999, more than 800 state/local/county agencies participated in the program, and nearly 8,300 state/local/county officers supported OCDETF investigations.

⁸ This performance goal has been changed in the FY 2001 Summary Performance Plan to read as follows:

Performance Goal 1.5.2 — Organized Crime Drug Enforcement Task Force. DOJ will continue its efforts to effect a coordinated, interagency approach to fight drug trafficking organizations. Particular emphasis will be placed on developing and implementing district and regional plans that target the major drug trafficking organizations and those local organizations that traffic in drugs and cause violence in the community. The OCDETF member agencies, as well as state and local law enforcement agencies, participate in developing and implementing these plans.

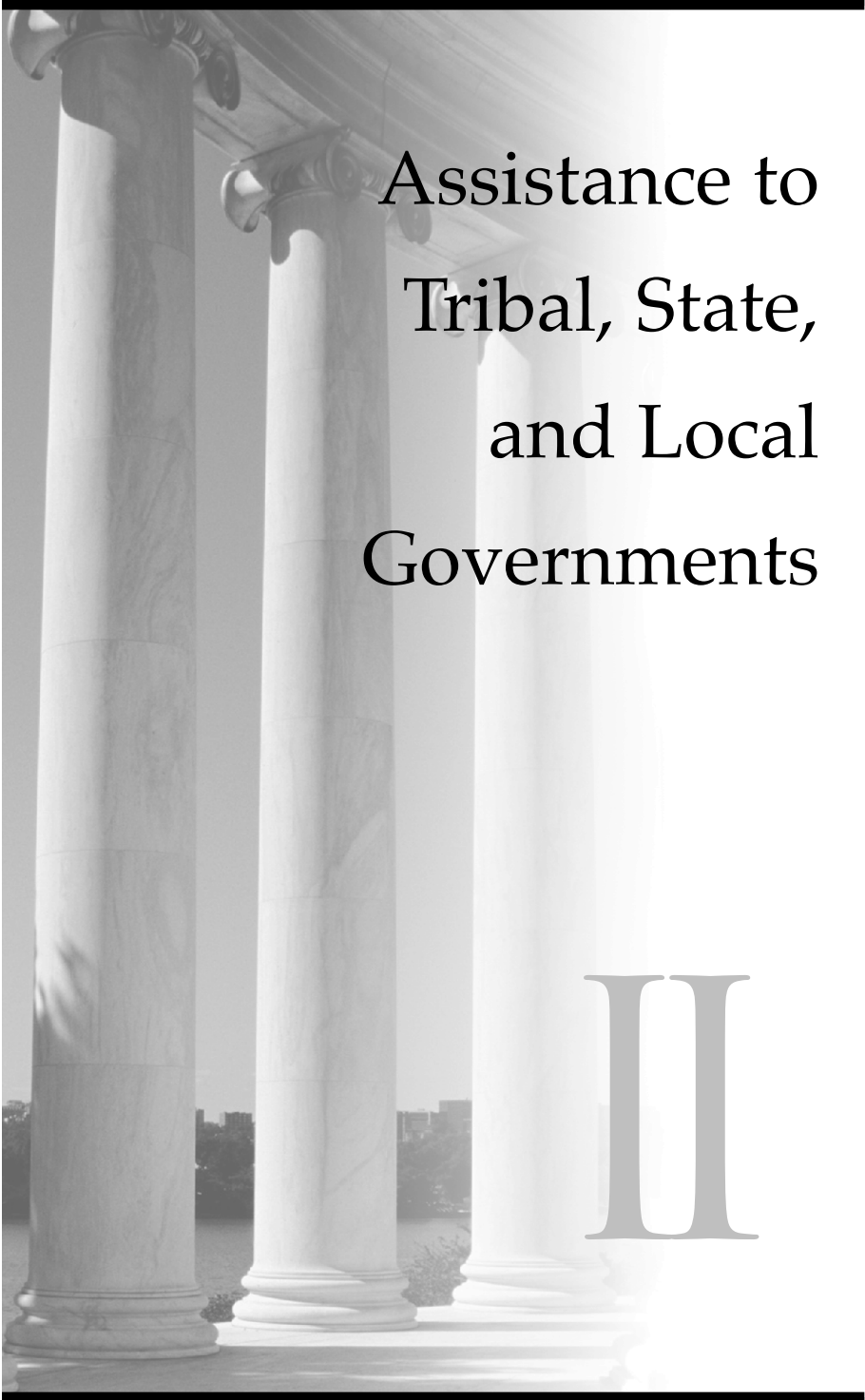
Performance Goal 1.5.2

Organized Crime Drug Enforcement Task Force

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Agency participation in OCDETF investigations resulting in criminal charges* (CRM, OCDETF Exec. Office)				
DEA	1,608 (69%)	2,215 (70%)	Not Projected	2,844 (73%)
FBI	1,082 (46%)	1,530 (48%)	Not Projected	1,763 (46%)
IRS	811 (35%)	1,076 (34%)	Not Projected	1,340 (35%)
USCS	472 (20%)	696 (22%)	Not Projected	951 (25%)
BATF	536 (23%)	866 (27%)	Not Projected	822 (21%)
INS	322 (13%)	525 (17%)	Not Projected	749 (19%)
USCG	29 (1%)	27 (1%)	Not Projected	43 (1%)

*This indicator represents the number of indictments and informations in which each agency participated, either in an investigation or prosecution, with percentages for frequency of participation by each agency. More than one agency is involved in all cases. The USMS and the U.S. Attorneys are assumed to be involved in all cases. These measures will not be included in future reports. The OCDETF Executive Office will only provide this information as a backdrop to new performance measures developed from an OCDETF performance report, to be filed in each investigation closed for FY 2000 onward. These reports will say whether the targeted organization was disrupted or dismantled; if the investigation/prosecution did not result in disruption or dismantlement, the report will detail the circumstances preventing this result. This information is not currently available.

Data Source: OCDETF MIS.



Assistance to
Tribal, State,
and Local
Governments

II

II CORE FUNCTION TWO: Assistance to Tribal, State, and Local Governments



One of the most important roles of the Department of Justice is to provide leadership and support to tribal, state, and local efforts to prevent and control crime. Five Strategic Goals directly related to this key mission are: (1) improving the crime fighting and criminal/juvenile justice



system capabilities of tribal, state, and local government; (2) strengthening community policing; (3) supporting community-based strategies to reduce crime, delinquency, and violence; (4) improving services to crime victims; and (5) reducing violence against women.

STRATEGIC GOAL 2.1

Improve the crime-fighting and criminal/juvenile justice system capabilities of tribal, state, and local governments.

In helping tribal, state, and local governments improve their capacity to prevent and control crime, the Department focuses on efforts to increase understanding of crime and justice issues, to share critical research and statistical information, and to provide needed financial and technical support. FY 1999 Performance Goals specifically addressed research and evaluation activities, financial assistance provided under the Byrne formula grant program, efforts to improve the criminal and juvenile justice systems in Indian Country, assistance in improving state and local preparedness against domestic terrorism, assistance in dealing with white collar crime, and provision of technical support services, such as fingerprint identification and background checks.

PERFORMANCE GOAL 2.1.1

RESEARCH AND EVALUATION

DOJ will expand and improve its research and statistical gathering efforts in order to advance knowledge of, and provide timely and useful information to, state and local governments on major research and evaluation findings about crime and crime control efforts.

In 1999, the Department's Office of Justice Programs (OJP) made a concerted effort to make its research and statistical products more useful, accessible, and readily available over the Internet. For example, when police officers doing community policing wanted to survey community residents about police performance, the Bureau of Justice Statistics (BJS) made available on its web site the Crime Victimization Survey, an innovative desktop survey software package that replicates questions asked of thousands of households by the National Crime Victimization Survey. Police, local governments, and researchers used this new instrument to measure citizen attitudes toward crime, neighborhoods, and local policing services. This cutting-edge software is a major step toward empowering communities to examine crime and its consequences for victims. Other automated tools made available include the 1999 Census of Jails Questionnaires, the Survey of Inmates in Local Jails, and the Police Public Contact Survey. BJS also published an array of data collections and reports in 1999 that addressed such topics as school crime and safety, mental health of inmates and probationers, state sex offender registries, and presale handgun checks.

The Department's research and development arm, the National Institute of Justice (NIJ), engaged in a wide variety of research efforts covering all aspects of crime and the criminal justice system. NIJ is charged with developing knowledge that will reduce crime, enhance public safety, and improve the administration of justice. In FY 1999, NIJ research publications addressed such pressing social issues as appropriate use of security technologies in U.S. schools; postconviction DNA testing; an update on HIV/AIDS, sexually transmitted diseases, and tuberculosis in correctional facilities; and the latest on drug use among adult and juvenile arrestees. All in all, BJS and NIJ provided more than 2 million research, evaluation, and statistical reports to requesters.

Performance Goal 2.1.1	Research and Evaluation			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of research and evaluation efforts, statistical information requests, and reports provided (OJP/NIJ, BJS)	1,573,946	1,927,283	2,359,695	2,072,157
Data Source: JUSTNET, NACJD, and BJS' Criminal Justice Statistics Online.				

Explanation For Not Meeting Target.

The deviation between the targeted and actual number of requests was slight and can be attributed to technical difficulties with the Web tracking software, which resulted in an undercounting of reports and files downloaded. This issue will be resolved by mid-2000.

PERFORMANCE GOAL 2.1.2

INTEGRATION OF TECHNOLOGY

DOJ will expand efforts to promote integration of technology among state and local criminal justice agencies. Efforts will focus on promoting planning efforts among state and local governments to ensure that law enforcement radio systems will be compatible with digital narrowband radio systems used by Federal law enforcement organizations – **Deleted**. This Performance Goal was not funded.

PERFORMANCE GOAL 2.1.3

VIOLENT CRIME PREVENTION

DOJ will continue to emphasize both enforcement and prevention strategies to counter youth violence through targeted programs that provide funding and specialized assistance to states and localities.

The Department encourages states and local entities to adopt promising programs with proven successes, promoting replication of best practices through information dissemination (publications and conferences), training, and financial and technical assistance. Under the Byrne Formula Grant program in 1999, BJA funded 18 grant projects to replicate promising program models to help states develop multiyear plans and improve operations. The Byrne projects had several significant achievements in 1999 (see sidebar).

Select Byrne Project Achievements—1999

- Boys and Girls Clubs expanded to serve 3 million youth in 2,260 clubs nationwide, including clubs for military families and Native American communities.
- "National Night Out" in 1999 involved more than 32 million people in more than 10,000 communities.
- Model court systems were developed for mentally impaired offenders.
- Law enforcement agencies received training to deal with cybercrime issues.
- Alaska Native villages received technical assistance to conduct community analysis and com-

Performance Goal 2.1.3 Byrne Grants to Support Drug Control and Violent Crime Prevention

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of promising Byrne program models/prototypes developed (OJP)	10	13	20	18
(2) Number of successful formula grant projects funded to replicate discretionary grant programs* (OJP)	1300	1500	1500	NA
(3) Number of major program and technical assistance visits conducted under the Byrne Formula program (OJP)	NA	NA	5	6

*OJP has determined that this measurement cannot be validated. OJP anticipates developing a new indicator for the next budget cycle that will more effectively and accurately measure performance.

Data Source: OJP internal files.

Explanation For Not Meeting Target

(1) BJA's awarding of 18 grant projects to replicate promising program models in FY 1999 fell 2 short of its target. Because the performance goal was set at an approximate target level and the deviation is slight, overall program performance was not compromised.

munity problem solving through the Alaska Native Technical Assistance and Resource Center.

CIRCLE Surrounds Public Safety

Included in the overall initiative to improve law enforcement in Indian Country is the CIRCLE (Comprehensive Indian Resources for Community and Law Enforcement) program, which evaluates the most effective ways to address public safety. CIRCLE also promotes intertribal exchange of ideas and experiences and fosters coordination

among tribes for more efficient use of resources. OJP awarded more than \$16 million to three tribes to serve as CIRCLE demonstration sites: the Pueblo of Zuni in Arizona, the Northern Cheyenne Nation in Montana, and the Oglala Sioux Tribe in South Dakota.

PERFORMANCE GOAL 2.1.4

INDIAN COUNTRY

DOJ will focus on criminal and juvenile justice system improvements in Indian Country.

As part of the President's Indian Country Law Enforcement Initiative, the Department provided financial assistance to support law enforcement improvements in tribal communities. Under the Tribal Resources Grant Program, the Office of Community Oriented Policing Services (COPS) awarded \$25 million to 137 different tribal agencies. These grants funded additional law enforcement officers, training, and equipment. Under the Construction of Correctional Facilities in American Indian and Alaska Native Communities Grant Program, OJP provided more than \$24 million to support the construction of detention facilities in Indian Country. Under the Tribal Courts Program, OJP anticipates awarding about 70 grants by mid-2000. A key part of the President's Initiative is to make the most of Indian Country resources by sharing information and coordinating efforts (see sidebar).

Performance Goal 2.1.4			Indian Country	
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of grants provided to tribes (COPS)	68	94	200	189
(2) Number of detention beds constructed on Indian reservations (OJP)	NA	42	NA	NA*

*Grants were awarded in FY 1999 for the construction of detention facilities. These grants are for a 2-year period. We are projecting that 68 detention beds will be constructed by the end of FY 2000.

Data Source: (1) CMS. (2) OJP internal files.

Explanation For Not Meeting Target.

(1) While the target of 200 grants to tribes was not met, the shortfall of 11 grants is considered a slight deviation that does not affect overall program performance. Eleven additional applicants had outstanding compliance issues on previous COPS grants that could not be resolved but that will not adversely affect long-term implementation of the Indian Country Initiative.

PERFORMANCE GOAL 2.1.5

IMPROVE DOMESTIC PREPAREDNESS

DOJ will provide training and grants for the procurement of equipment to improve the Nation's capacity to respond to terrorist incidents involving weapons of mass destruction.

Federal leadership in counterterrorism training and equipment acquisition helps prepare state and local public safety agencies to respond to the increasing threat of chemical and biological attacks related to domestic terrorism. In 1999, dollars aimed at

improving counterterrorism efforts went to several entities (see Figure 11). OJP's Office of State and Local Domestic Preparedness (OSLDPS) made great strides in providing comprehensive training programs for first responders through technical assistance and a basic-level equipment program for states and localities. A unique approach is the Center for Domestic Preparedness (CDP), Fort McClellan, Alabama, which allows OSLDPS to offer advanced-level counterterrorism courses to the full spectrum of first responder personnel, including firefighters, emergency medical personnel, Hazardous Material (HAZMAT) units, and law enforcement officials. The CDP is one of five members of the National Domestic Preparedness Consortium, which brings a unique set of assets to OJP's domestic preparedness initiative (see sidebar).

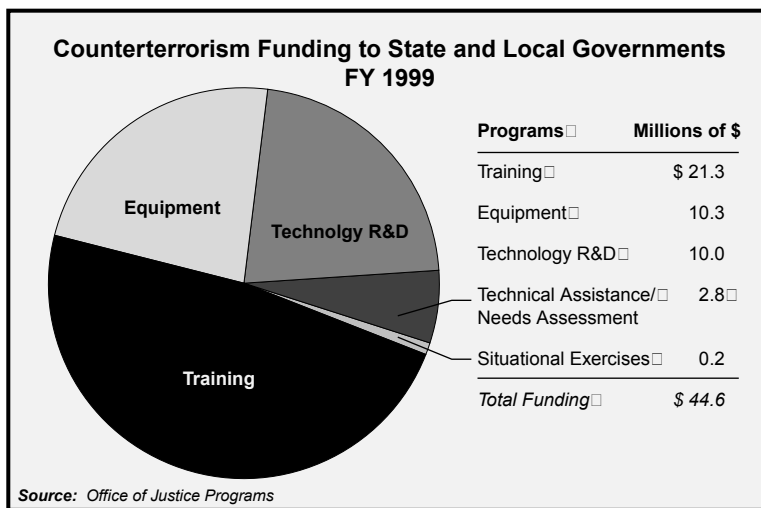


Figure 11

Consortium Formed to Fight Domestic Terrorism

The National Domestic Preparedness Consortium provides an established body of expertise as well as the ability to deliver specialized training to the emergency response community. Consortium members, excluding the CDP, are as follows: New Mexico Institute of Mining and Technology (National Energetic Materials Research and Testing Center), Louisiana State University (National Center for Bio-Medical Research and Training), Texas A&M University (National Emergency Response and Rescue Training Center), and U.S. Department of Energy's Nevada Test Site (National Exercise, Test, and Training Center). In 1999, 1,672 first responders were

Performance Goal 2.1.5		Improve Domestic Preparedness		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of first responder training sessions conducted (OJP)	16	27	63	59
(2) Number of law enforcement officers and trainers trained [CDP only]* (OJP)	986	1,535	1,770	1,156
(3) Number of first responder teams provided basic and advanced level equipment through grants (OJP)	NA	220	819	748

*More than 700 law enforcement officers were trained. The rest were firefighters, emergency medical personnel, and HAZMAT units.

Data Source: OJP internal files.

trained at these four consortium sites. More than 40 percent of these were law enforcement officers and trainers.

Explanation For Not Meeting Target

- (1) The deviation between the targeted and actual number of training sessions conducted was slight and did not affect overall program performance.
- (2) Previously, this indicator included training by other consortium members. This year's figure reflects only CDP training.
- (3) All of the 1999 equipment grants have not yet been awarded because of program development delays. OJP anticipates awarding the remaining 70 equipment grants by June 2000.

PERFORMANCE GOAL 2.1.6

NEW TECHNOLOGIES AND UNUSUAL CRIME PROBLEMS

Support improved criminal and juvenile justice capabilities at the state and local levels by providing high-quality training, research, evaluation, and assistance with new technologies, and, if requested, direct operational support for resolving unusual crime problems.

The development of new technologies, such as the FBI's Integrated Automated Fingerprint Identification System (IAFIS), supports the Department's mission of providing support and assistance to the Nation's law enforcement community and other organizations through high-quality communications, computing, and data storage and retrieval technologies. A significant accomplishment in 1999 was the FBI's successful transition from the old manual fingerprint card system to IAFIS, which processes electronic fingerprint data received directly from the submitting agency and from the FBI's Card Scanning Service. IAFIS has reduced processing time from days to 2 hours for criminal and 24 hours for civil, providing law enforcement and other users with timely information on an individual's criminal history status.

Performance Goal 2.1.6(a)		New Technologies and Unusual Crime Problems			
Performance Indicator 2.1.6(a)	1997 Actual	1998 Actual	1999 Planned	1999 Actual	
(1) Average response times for identifying fingerprints [under IAFIS]* (FBI)					
Criminal	145 days	31 days	30 days	21 days	
Civil	40 days	22 days	15 days	13 days	
<p>*In the 1999 Summary Performance Plan, this indicator was intended to measure response times under the new IAFIS system. However, IAFIS came on-line at the end of July 1999 and was operational for only 2 months during the fiscal year (August and September). As a result, this indicator has been adjusted to reflect planned and actual response time overall. Response times under IAFIS will be reported in FY 2000.</p>					
Data Source: (1) IDAS.					

The Department also supports state and local efforts to prevent, investigate, and prosecute white collar crimes. In 1999, OJP resources trained 1,301 criminal justice and regulatory personnel in computer crime, exceeding the target of 1,200. BJA's National White Collar Crime Center funded 24 multistate investigations, exceeding the 1999 target of 22.

Performance Goal 2.1.6(b)		New Technologies and Unusual Crime Problems		
Performance Indicator 2.1.6(b)	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(2) Number of White Collar Crime investigations supported by grants (OJP)	12	19	22	24
(3) Number of criminal justice and regulatory personnel trained [in computer crime] (OJP)	710	710	1,200	1,301

Data Source: (2) and (3) OJP internal files.

PERFORMANCE GOAL 2.1.7

NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM (NICS)

DOJ will use the NICS to assist state and local law enforcement in performing criminal background checks of prospective firearms purchasers, as provided by the Brady Handgun Violence Prevention Act.

Successfully initiated in November 1998, the National Instant Criminal Background Check System identifies individuals legally prohibited from purchasing firearms, such as people with criminal histories and those served with dishonorable discharges or restraining orders. In FY 1999, FBI NICS checks denied firearm purchases to 62,189 individuals having a disqualifying record. As of October 1, 1999, all states participate in NICS.

To improve the quality, timeliness, and immediate accessibility of criminal history and related records, the National Criminal History Improvement Program (NCHIP) helps states meet Federal and state requirements through funding and technical assistance. Established in 1995, NCHIP also provides funds and technical assistance to support the interface between states and national record systems, including the FBI's NICS, the National Sex Offender Registry (NSOR), and the National Protective Order File, which facilitates compliance with Federal full faith and credit requirements. In 1999, BJS awarded a total of nearly \$43 million under the NCHIP program to all 50 states, plus the District of Columbia, American Samoa, Guam, Puerto Rico, and the Virgin Islands.

Performance Goal 2.1.7**National Instant Criminal Background Check System**

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Estimated number of persons with criminal records prevented from purchasing firearms* (FBI)	NA	NA	133,566	62,189
(2) Number of states [and territories] receiving grants under NCHIP (OJP)	53	51	50	55

*This includes people who were disqualified for having criminal histories, dishonorable discharges, or restraining orders.

Data Source: (1) NICS. (2) OJP internal files.

Explanation For Not Meeting Target

(1) The planned target number of 133,566 persons with criminal records prevented from purchasing firearms assumed the FBI would conduct NICS checks for all states and territories. However, it presently performs these checks for only 27 states and territories and long gun purchases for only 11 states, which explains the significant target shortfall. (The remaining states/territories use the NICS system as well as their own proprietary databases to determine whom to deny the privilege of purchasing a firearm. States must give 30 days notice before choosing to perform these checks on their own.) The FBI is adjusting outyear targets accordingly.

STRATEGIC GOAL 2.2

Strengthen and improve community police services.

In 1999, the COPS Office awarded nearly \$900 million in grants for 18,167 additional officers on the streets, bringing the ranks of community policing officers funded since 1994 to 103,720 officers. The COPS Office, therefore, fulfilled a key element of its mission in FY 1999—funding its 100,000th community policing officer 1 year ahead of schedule. As of April 1999, more than 55,000 COPS-funded law enforcement officers were on the Nation's streets.

The COPS Office worked to ensure that officers hired under its grant programs were properly trained and retained beyond the term of the initial Federal grant, so that quality officers remain on the streets. It also provided technology capabilities to local police departments. This Strategic Goal includes one Performance Goal that addresses several aspects of community policing.

PERFORMANCE GOAL 2.2.1

COMMUNITY POLICING

DOJ, through the COPS program, will advance the implementation of community policing

Working in partnership with OJP and the Departments of Health and Human Services and Education, COPS awarded grants under the presidential-sponsored Safe Schools, Healthy Students Initiative. It developed two grant programs—School-Based Partnerships and Cops-In-Schools—to address school-related crime and school violence. The School-Based Partnerships program provides funds to local law enforcement agencies, schools, and community-based organizations that together use the problem-solving techniques of community policing to address crime in and around schools. The Cops-In-Schools program provides funding for law enforcement agencies to permanently place school resource officers in local schools. In FY 1999, COPS awarded \$196 million through the two programs and funded 1,550 school resource officers.

Training and technical assistance remains critical to helping grantees strengthen and improve community policing. In FY 1999, the Regional Community Policing Institutes (RCPIs) and Community Policing Consortium, both funded by the COPS Office, trained approximately 50,000 citizens and officers on such community policing topics as problem-solving partnerships, organizational change management, strategic implementation, rural community policing and technology, and special populations. In addition, the RCPIs offered specialized courses in cultural diversity, violence prevention, Geographic Information Systems (GIS) and crime mapping, and collaboration with corrections. In FY 1999, the COPS Office asked the RCPIs to develop plans to continue community policing absent Federal funding.

Performance Goal 2.2.1		Community Policing		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of standardized packages of materials developed for grantees to provide guidance and implement community policing* (COPS)	0	10,600	12,000	500
(2) Number of law enforcement agencies that have received COPS' grants* (COPS)	NA	11,075	13,842	11,853
*In the FY 2001 Summary Performance Plan, these indicators are deleted and replaced by (1) the number of officers funded and (2) the number of officers on the street.				
Data Source: COPS Management System.				

Explanation For Not Meeting Target

(1) The goal of distributing 12,000 packages of materials was not achieved because the final production and distribution of a racial profiling training tape was delayed to ensure that it included relevant information generated from the Attorney General's conference (June 1999) on police integrity.

(2) A key factor in not meeting this 1999 target was the withdrawal of some 800 agencies as a result of aggressive program management by the COPS Office. COPS continued to contact agencies that had previously been awarded grants but had not taken action to accept the award or to hire officers. For a variety of reasons, some agencies felt it was preferable to withdraw from the program. Also, throughout the year, COPS found that the majority of applications were from agencies that had already received COPS grants. Consequently, even though the number of grants awarded and officers funded was largely as projected, this circumstance did not translate into new agencies receiving grants. Anecdotal evidence suggests that the \$75,000 maximum per officer may discourage some new agencies with higher salary and benefit costs from applying.

STRATEGIC GOAL 2.3

Support innovative, community-based strategies aimed at reducing crime, delinquency, and violence in our communities.

Through a focus on problem-solving, strong community linkages, and community-based alternatives to crime and justice, the Department is committed to making America's communities safer and better places to live. In 1999, the Department continued to assist state and local governments with community-based initiatives and local strategies that give citizens a real opportunity to solve problems. Strategies to fight crime and reduce racial and ethnic tensions embraced the concept of community justice in an effort to build community capacity, reduce violence, and prevent crime, focusing on bringing together the community's leadership and citizens to make neighborhoods safer. Through the efficient and effective operations of drug courts and community-based programs such as Weed and Seed, the Department fostered community cooperation and provided innovative alternatives to crime and delinquency. This Strategic Goal includes three Performance Goals that address responding to racial and ethnic tensions in communities, community-based approaches to crime and justice, and drug courts.

PERFORMANCE GOAL 2.3.1

RESPONDING TO RACIAL AND ETHNIC TENSIONS IN COMMUNITIES

DOJ will play a more active role in assisting communities to respond to and resolve racial and ethnic tension. Through the Community Relations Service (CRS), DOJ will provide conflict resolution services, conflict prevention and resolution training, and technical assistance to communities.

Through CRS, the Department continues to provide specialized Federal conflict resolution and violence prevention services to state and local officials to help resolve and prevent racial and ethnic conflict, violence, and civil disorder. CRS helps local officials and residents tailor locally defined resolutions when conflict and violence threaten communities. It is the only Federal agency dedicated to preventing and resolving racial and ethnic tensions, incidents, and civil disorders. In FY 1999, CRS assisted state and local governments, private and public organizations, and community groups in resolving conflicts, preventing violence, and restoring community racial stability.

Performance Goal 2.3.1		Responding to Racial and Ethnic Tensions in Communities		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of cases in which the potential for conflict, violence, or civil disorder is reduced or ameliorated due to mediation and/or conciliation services	119	80	147	129
(2) Number of communities which will develop the capacity to respond independently to racial and ethnic tensions	94	251	115	262

Data Source: CRSIS.

Explanation For Not Meeting Target

(1) The actual number of cases ameliorated through mediation and/or conciliation services fell short of the target by 18 cases, a slight deviation. This shortfall did not adversely affect the overall program or its related activities.

PERFORMANCE GOAL 2.3.2

COMMUNITY-BASED APPROACHES TO CRIME AND JUSTICE

DOJ will continue to encourage community-based approaches to crime and justice at the state and local level.

The Department's flagship neighborhood program is Weed and Seed, a community-based, multidisciplinary approach to combating crime. Weed and Seed supports law enforcement initiatives to "weed out" drug dealing, gang activity, and violent offenders in a particular area. Seeding activities range from prevention activities located in Safe Havens to physical

Weed and Seed Secures Shelter for Domestic Violence Victims

In the Eastern District of California, as part of the Weed and Seed initiative, a residential home and real property forfeited in a February 1999 Federal drug case, was transferred to a social service agency that will operate the property as a shelter for women and children victims of domestic violence.

improvements and economic development. Many positive community changes have occurred as part of the Weed and Seed program (see sidebar).

In 1999, Abt Associates, under a grant from NIJ, completed a national evaluation of Weed and Seed that found the program to be a strong stimulant to community coalition building.⁹ It also found varying effectiveness of "weeding and seeding" activities across the eight sites it studied, noting significant favorable effects of Weed and Seed on key outcome measures for some sites and time periods. Although the evidence is modest in terms of its statistical significance, the indicators consistently point in favorable directions. With assistance from NIJ, the Executive Office of Weed and Seed (EOWS) will enhance its data collection and performance assessment capacity so that existing sites can better evaluate the effectiveness of their Weed and Seed strategies.

On the down side, the evaluation noted the limited and tenuous role that many local prosecutors play in the weeding process. A number of local prosecutors reported they simply lack the funding and personnel to conduct enhanced prosecutions generated by more aggressive policing activities. Recognizing the value of Weed and Seed, U.S. Attorneys have stepped up their involvement with Weed and Seed sites in their districts. At the end of FY 1999, 81 districts had used the U.S. Attorneys' Weed and Seed fund to help develop, train, and sponsor community activities associated with the programs in their districts. More than \$3 million has been allocated to the fund since 1996, and more than \$2.7 million has been expended. OJP representatives and U.S. Attorneys on the Attorney General's Advisory Committee met during 1999 to discuss how to further the U.S. Attorneys' role in community efforts such as Weed and Seed.

Performance Goal 2.3.2

Community-Based Approaches to Crime and Justice

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
As indicated by customer surveys, percentage of funded [Weed and Seed] sites that believe community policing efforts and related crime-prevention activities are working to reduce the incidence of crime	90%*	81%	85%	NA**

*The previous 1997 actual of 74% was a clerical error.

**Data for this indicator are based on customer surveys, the results of which will not be available until FY 2000. EOWS is working with NIJ to design a new program element that will provide credible ethnographic documentation of local Weed and Seed experience, which will lead to improvements in performance measurements. At the same time, during 1999, the General Accounting Office (GAO) prepared a report discussing ways the program can improve progress measurement of Weed and Seed sites. As a result, EOWS proposes to (1) help sites improve their capacity to do small-scale evaluations by providing technical assistance and (2) look at 22 different variables, such as household income, truancy rates, new business startups, home ownership, unemployment, out-of-wedlock births, and other measures to get a better sense of the impact Weed and Seed has had at its 200 sites.

Data Source: EOWS.

⁹ U.S. General Accounting Office, *Drug Courts: Overview of Growth, Characteristics and Results* (GAO/GGD 97-106), July 1997.

PERFORMANCE GOAL 2.3.3

DRUG COURTS

DOJ will expand its Drug Courts Initiative. We expect an increase in the number of drug courts participants who will not commit other crimes while participating in the program.

Drug courts are another effective strategy for reducing drug-related crime. By combining supervision with sanctions, drug testing, treatment, and an array of other services, drug courts encourage nonviolent, drug-abusing offenders to stop the cycle of drug use and crime. In addition, drug courts save money by reducing the use of jail space and probation services, as well as the number of drug-addicted babies born to addict mothers. Drug courts achieved several notable outcomes in FY 1999 (see sidebar).

While many courts and treatment providers like the drug court concept, they have little experience with the rethinking and effort required to carry out this approach to managing offenders. Additionally, court administrators and judges have trouble knowing which questions to ask about program impact, as noted in the recent U.S. General Accounting Office (GAO) report on drug courts.¹¹ These issues can best be addressed through training and technical assistance designed to promote and support best practices in developing, implementing, evaluating, and institutionalizing drug courts.

Another issue is that drug courts have generated only limited research and evaluation, both locally and nationally. To address this problem, the Drug Court Program Office (DCPO) and NIJ are conducting research on treatment in drug courts to see whether what appears to be working day to day is actually working over the long term. In 1997, NIJ awarded Drug Court Evaluation Program I grants to study four drug courts—Las Vegas, Nevada; Portland, Oregon; Kansas City, Missouri; and Pensacola, Florida. The purpose was to examine "process" issues, such as the operational features of the courts and the dynamics of program development. In 1999, NIJ awarded Drug Court Evaluation Program II grants to evaluate the 16 drug courts receiving 1995-96 implementation grants from DCPO. This phase will look more closely at program outcomes.

From 1995 through 1999, OJP funded more than 250 drug courts—60 percent of the 415 operational drug courts in the United States. For the first time, all 50 states have a funded drug court, and more than 200 drug courts are in the planning stage.

Drug Courts— Noteworthy Outcomes

Nationwide, for all drug courts:¹⁰

- More than 140,000 offenders enrolled in drug courts to get the supervision and treatment they need to stop abusing drugs and committing crimes.
- More than 4,500 parents have become current in their child support payments after participating in a drug court program.
- More than 850 drug-free babies were reported born to drug court participants in the 415 operational drug courts in the United States. Had these mothers continued to use drugs and given birth to drug-addicted infants, by the time these children turned 18, costs related to hospital care, foster care, and special education could reach \$750,000.

¹¹ These outcomes are based on all drug courts in the country, not just OJP-funded drug courts. The Drug Court Program Office (DCPO) is working with the Drug Court Clearinghouse, funded by DCPO and operated by the American University, to segregate these outcomes for OJP-funded drug courts only.

¹⁰ The National Evaluation of Weed and Seed is available either on-line from NIJ (www.ojp.usdoj.gov/nij) or from the National Criminal Justice Reference Service's web site (www.ncjrs.org).

Performance Goal 2.3.3			Drug Courts	
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of new Drug Courts	51	112	60	108
(2) Percent of Drug Court participants who do not commit other crimes while participating in the program	95%	85%	80%	80%

Data Source: (1) Drug Court Clearinghouse survey of grantees. (2) Drug Court Clearinghouse survey of all operational drug courts.

STRATEGIC GOAL 2.4

Uphold the rights of and improve services to America's crime victims.

One of the key principles of community justice is to protect the rights of all Americans by making the justice system more responsive and fair, stressing victims' rights and the prevention of crime. Accordingly, this Strategic Goal includes two Performance Goals that address Crime Victims Fund (CVF) programs and crime victimization and prevention programs.

PERFORMANCE GOAL 2.4.1

CRIME VICTIMS FUND PROGRAMS

DOJ will continue full implementation of programs supported through the Crime Victims' Fund, as well as other initiatives designed to ensure the safety of, and assistance to, all victims and witnesses.

In 1999, the Department's focus on victim services in the correctional field continued to emphasize development and replication of promising practices through support for long-term demonstration projects and promotion of promising victim services programs already in place. Overall, correctional agencies adopted 10 promising practices related to victim/witness assistance, meeting the 1999 target for this indicator.

Performance Goal 2.4.1			Crime Victims Fund Programs	
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of victim/witness assistance promising practices adopted* (OJP)	10	10	10	10
(2) Percent of states that develop long-range 10% funding strategies for victims' programs** (OJP)	85%	90%	84%	
(3) Percent of states that implement needs assessments to identify gaps in victim services** (OJP)	10%	85%	90%	84%

*This indicator has been discontinued and will not appear in subsequent reports.

**Information for these indicators is from the National Evaluation of Victims of Crime Act Compensation and Assistance Program, The Urban Institute.

Data Source: Grantee progress reports.

Explanation For Not Meeting Target

An evaluation by the Urban Institute shows that 84 percent of states developed long-range funding strategies for victims' programs in 1999, and 84 percent implemented needs assessments to identify gaps in victim services. Although these results fell slightly short of 1999 targets, overall program and activity performance was not affected. In fact, since 1997, overall progress by states in implementing these two major reforms has been dramatic and is due largely to Federal leadership and training and to technical assistance programs sponsored by OJP.

PERFORMANCE GOAL 2.4.2

CHILD VICTIMIZATION AND PREVENTION PROGRAMS

DOJ will expand child victimization prevention programs, such as the Missing Children's Program and the Court Appointed Special Advocates (CASA) program.

The Missing and Exploited Children's program of OJP's Office of Juvenile Justice and Delinquency Prevention (OJJDP) strives to reduce crimes against children, particularly kidnapping and sexual exploitation, and to improve the criminal justice, social services, and treatment systems responsible for dealing with these crimes. According to the National Center for Missing and Exploited Children (NCMEC), each year in America approximately 900,000 children are reported missing. To report a missing child and to get help in their search, families and law enforcement agencies use the NCMEC hotline, which operates around the clock in the United States, Canada, and Mexico. Many missing children are runaways, while others are taken by noncustodial parents and often used as pawns in custody battles; some wander away and are unable to find their way home, and others are victims of child predators. In 1999, approximately 47,400 law enforcement and other personnel received training in missing and exploited children's issues, well above the 1999 target of 40,000 trainees.

The Department also surpassed goals for all indicators under the CASA program in 1999. The CASA program is a national program that supports volunteer advocates who represent abused and neglected children's interests in court. In 1999, CASA served 906 jurisdictions across the United States. This number reflects a significant increase from the 810 jurisdictions served in 1998. CASA programs are now established in jurisdictions where 72 percent of the U.S. population resides. Similarly, the number of children served increased by more than 10,000 in 1999. These two program outcomes, along with a greater number of state and local CASA programs, demonstrate CASA's significant national impact.

Performance Goal 2.4.2

Child Victimization and Prevention Programs

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of law enforcement and other personnel trained (OJP)	39,600	46,543	40,000	47,412
(2) Number of hot line calls (OJP)	129,000	133,732	135,000	125,169
(3) Number of children and jurisdictions served by the CASA Program* (OJP)				
Jurisdictions	745	810	840	906
Children	164,010	172,000	180,000	183,339
(4) Number of statewide and local CASA programs (OJP)	751	814	850	888

*The FY 1999 Summary Performance Plan mistakenly referred to the Missing Children's program in this indicator.

Data Source: (1) Fox Valley Technical College. (2) NCMEC, per MCI-WorldCom reports. (3) and (4) Results of CASA programs survey for that year.

Prison Term for Batterer Crossing State Lines

In the District of Idaho, a defendant became the first Idahoan sentenced for interstate travel to commit domestic violence under the 1994 Violence Against Women Act. The defendant was sentenced to 2 years and 6 months in prison, 3 years of supervised release, and a \$2,000 fine after he pled guilty to charges of battering his domestic partner and burglary with intent to commit assault with a deadly weapon. The defendant was charged under VAWA because he crossed Indian Country boundaries with the intent to commit battery.

Explanation For Not Meeting Target

(2) NCMEC received 125,169 hotline calls in FY 1999, 10 percent fewer than the goal. This shortfall stems from the fact that the number of hotline calls depends on uncontrollable external factors, such as citizen and law enforcement reports and requests for technical assistance.

STRATEGIC GOAL 2.5

Reduce the incidence of violence against women.

Domestic violence is a continuing threat to the fabric of America's families. And the statistics are staggering. Of women who reported being raped or physically assaulted since the age of 18, three-quarters were victimized by a current or former husband, cohabitating partner, date, or boyfriend.¹² Forty percent of girls age 14 to 17 report knowing someone their age who has been hit or beaten by a boyfriend,¹³ and husbands or boyfriends were identified as the murderers of 32 percent of female victims slain in 1998.¹⁴ Sadly, children are present in nearly half of reported incidents of domestic violence. These statistics and the devastation that domestic violence brings to families call for continued vigilance in pursuing the assailants and bringing them to justice.

In this vein, the U.S. Attorneys' offices continued their aggressive training and education efforts in 1999, focusing on Federal domestic violence laws, such as the 1994 Violence Against Women Act (VAWA) (see sidebar). Districts hosted district-

¹² *Prevalence, Incidence, and Consequences of Violence Against Women: Findings from the National Violence Against Women Survey*, U.S. Department of Justice, November 1998.

¹³ Children Now/Kaiser Permanente poll, December 1995.

¹⁴ *Crime in the United States 1998, Uniform Crime Reports*; U.S. Department of Justice, Federal Bureau of Investigation, October 17, 1999.

specific and multidistrict conferences to ensure the availability of Federal domestic violence laws as a tool. These efforts have resulted in more than 200 indictments and 140 convictions to date. The partnership between Federal, state, local, and tribal components remains a critical element in the effort to stem this nationwide crime problem.

This Strategic Goal includes just one Performance Goal addressing the formidable problem of family violence in this Nation.

PERFORMANCE GOAL 2.5.1

FAMILY VIOLENCE

DOJ will continue to develop and expand programs and services that target the reduction of the incidence and consequences of family violence, including domestic violence and child victimization.

OJP's Violence Against Women Office (VAWO) helps communities improve their response to violence against women—domestic violence, stalking, and domestic assault. Under the STOP (Services, Training, Officers, Prosecutors) formula grant program, funds are provided to state governments for use by governmental and nonprofit agencies to improve victim services and to develop and strengthen law enforcement strategies. A recent report by the Urban Institute found that STOP monies have a positive impact on the experience of women victims of violence in the criminal and other service systems. It also found that these monies foster cohesion and collaboration among service providers. According to subgrantees interviewed by the Urban Institute evaluators, victims are now safer, better supported, and better treated. VAWO also provides discretionary STOP funds to help tribal governments. The Northern Cheyenne Special Prosecutors Unit illustrates the work they are doing (see sidebar). In 1999, a total of 137 states, localities, and Indian tribal governments introduced coordinated justice approaches addressing violent crimes against women.

In FY 1999, OJP/VAWO grant programs addressed family violence issues by encouraging coordinated community responses and by reaching out to underserved populations. For example:

- The Grants to Encourage Arrest Policies program encourages jurisdictions to implement mandatory or proarrest policies as part of a coordinated community response to domestic violence. In 1999, 52 new grantees received funding, leading to several outstanding projects with notable success at the local level.
- The Rural Domestic Violence and Child Victimization Enforcement grant program funds projects to improve and increase services available to women and children and to encourage community involvement in responding to domestic violence and mistreatment of children. In 1999, 68 new jurisdictions received funding to provide services to previously underserved populations in rural communities (see sidebar, next page, for sample program).

Tribal Governments Make Strides in Curbing Domestic Violence

The Northern Cheyenne Special Prosecutors Unit has a 90-percent conviction rate and is responsible for sharp declines in domestic violence incidents among a population of 6,000 people. The success of this unit can be attributed in part to the following:

- Revision of the Tribal Code, fundamental to increasing prosecutions.
- Training of personnel to properly handle domestic violence cases.
- Adoption of a pro-prosecution policy, which is also changing social tolerance of domestic violence.
- Coordination with the Bureau of Indian Affairs and the U.S. Attorney's office, crucial to the successful transfer of cases.

Performance Goal 2.5.1

Family Violence

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of states, localities, and Indian tribal governments that introduce coordinated justice approaches to address violent crimes against women (OJP/VAWO)	92	117	137	137
(2) Number of grantees that implement mandatory or proarrest policies as part of a coordinated response to violence against women (OJP/VAWO)	45	115	60	52
(3) Number of jurisdictions that provide services to previously underserved populations in rural communities (OJP/VAWO)	20	49	60	68
(4) Number of jurisdictions that implement new policies and procedures to supervise and manage cases involving release of sex offenders* (OJP/VAWO)	NA	30	50	28

*This indicator has been discontinued and will not appear in subsequent reports.

Data Source: VAWO internal files.

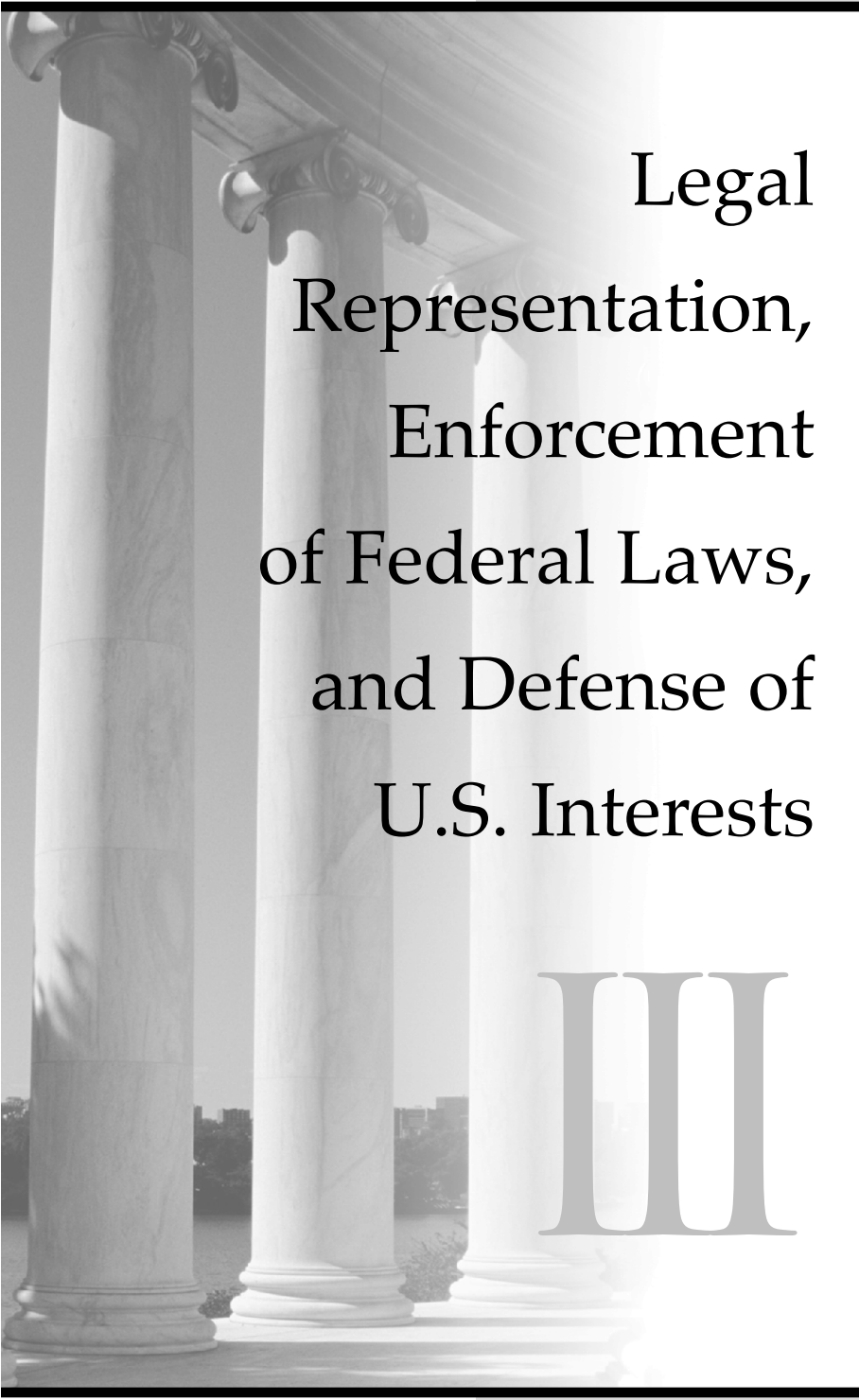
Rural Victim Assistance Program Targets Ethnic Communities

Missoula County, Montana, supports a victim assistance satellite program in isolated Seeley Lake, educating the public and providing legal advocacy, crisis counseling, and transportation to victims of domestic violence. In 1999, Missoula expanded its rural program by reaching out to people in the Hmong and Russian communities, using this same grassroots model. The project team is translating and developing materials, teaching domestic violence classes, talking with community members and elders, and providing direct services to battered women and their children.

Also in 1999, 28 new jurisdictions received funding to implement new policies and procedures on sex offender management. VAWO is developing a comprehensive training curriculum for managing sex offenders in communities and is providing technical assistance to two tribal resource sites: the Navajo Nation in Arizona and the Yankton-Sioux Tribe in South Dakota, which are now providing services to other tribes.

Explanation For Not Meeting Target

(2) and (4) Grant programs created by VAWA require that changes be made and institutionalized throughout local and state criminal justice systems (e.g., creation of special units within police departments, enhanced victims' services, domestic violence courts, and new information systems to gather cumulative data on the impact of VAWA). These changes cannot be accomplished in 1 or even 2 year's time. Most jurisdictions requested continuation funds for 2 and 3 years running to let them sustain and enhance the systemic change that the grant programs require.



Legal
Representation,
Enforcement
of Federal Laws,
and Defense of
U.S. Interests

III

PERFORMANCE GOAL 3.1.1

HATE CRIMES

DOJ will continue to develop increased attention to hate crime cases, with the Civil Rights Division (CRT), the Federal Bureau of Investigation (FBI), U.S. Attorneys, the Office of Justice Prevention/Bureau of Justice Statistics (OJP/BJS), and the Community Relations Service (CRS) working to implement a coordinated plan to improve the Federal response to hate crimes.

DOJ officials will work closely with other Federal law enforcement entities including the Bureau of Alcohol, Tobacco and Firearms (ATF), state and local prosecutors, law enforcement, and community groups, to effectuate a comprehensive approach to hate crime enforcement. Efforts will be undertaken to further the development of procedures to (1) expand education and training in the area of hate crimes; (2) improve the quality and accuracy of hate crime statistics; (3) improve the geographic coverage of hate crime statistics; and (4) implement procedures that will result in reliable hate crime trend data.

In response to growing concern about hate crimes, the Department continued vigorous efforts to investigate and prosecute hate crime incidents. For example, it is conducting an intensive investigation into the August 10, 1999, fatal shooting of an Asian-American postal worker in Los Angeles and the shooting into a Jewish community center there that injured five people. Several Justice components continued to play a critical role in the Hate Crimes Initiative, which established community-based hate crime working groups and training initiatives through U.S. Attorney's offices around the country. These working groups—the centerpiece of the Department's hate crimes strategy—developed enforcement strategies, shared best practices, and educated the public about hate crimes.

In addition, the Department worked to combat arson and the desecration of our Nation's houses of worship resulting from racial and ethnic biases. Through the efforts of the National Church Arson Task Force (NCATF)—created in 1996 by the President and the Attorney General—church fires in this country are on the decline. The 35-percent rate of arrest in NCATF arson cases is more than double the 16-percent rate nationwide.

In FY 1999, hate crime investigations were up by about 33 percent, to 615, exceeding the target number by 116 investigations. Hate crime prosecutions were up about 83 percent from 1998, slightly exceeding the target number.

Performance Goal 3.1.1			Hate Crimes	
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of investigations and prosecutions of hate crimes, and cooperative efforts made with state attorneys general, local prosecutors and law enforcement officials, and community groups (CRT information only)				
Hate crime investigations	366	464	499	615
Hate crime prosecutions	21	17	28	31

Data Source: EOUSA, FBI, and CRT case management systems and manual records.

PERFORMANCE GOAL 3.1.2

PATTERN OR PRACTICE CIVIL RIGHTS VIOLATIONS

DOJ will devote increased attention to pattern or practice violations in civil rights cases, including fair housing, fair lending, employment discrimination, disability, and police misconduct matters.

Pattern or practice civil rights violations cases involved important matters of alleged discrimination on the basis of race, national origin, or other reasons, and required extensive use of litigation and alternative dispute resolution (ADR) approaches. Specific areas addressed police misconduct, rights for people with disabilities, fair housing rights, employment and education, rights for persons in institutions, and worker exploitation. Efforts in these various categories are summarized in the paragraphs below.

Police Misconduct. The Department continued to prosecute law enforcement officials who used their positions to deprive people of constitutional rights, such as the right to be free from unwarranted assaults, illegal arrests and searches, and deprivation of property without due process of law. The Department also authorized civil lawsuits against:

- I The City of Columbus, Ohio, to remedy police misconduct there. Additionally, the Department monitored compliance with two consent decrees to remedy misconduct in police departments in Pittsburgh, Pennsylvania, and Steubenville, Ohio.
- I The New Jersey State Police for racial profiling in traffic stops on the New Jersey Turnpike. The Department entered discussions to resolve the matter.

Clinic Access. Pursuant to its authority under the Freedom of Access to Clinic Entrances (FACE) Act, the Department continued to protect the rights of patients and health care providers against threats of force and physical obstruction of reproductive health facilities. Following the shooting of Dr. Barnett Slepian in New York, the Attorney General in November 1998 announced a National Task Force on Violence against Health Care Providers. The task force has participated

Decisions Open Up Mainstream of Life for People with Disabilities

In *Cedar Rapids Community School District v. Garrett F.*, the Supreme Court agreed with the Solicitor General's position as a "friend of the court" that the Individuals with Disabilities Education Act requires a school district to provide a student who is paralyzed from the neck down and breathes with the use of an electric ventilator with the services needed to benefit from special education. In *Olmstead v. L.C.*, the Supreme Court, agreeing with the Solicitor General, held that a state violates the ADA if it institutionalizes people with disabilities without first seeing whether they could get the services they need in a community setting. The Court held that states must place persons with mental disabilities in community settings when such placement can be reasonably accommodated.

in investigations and prosecutions of FACE violations, including the investigation of the killing of Dr. Slepian.

Rights for Persons with Disabilities. The Department continued its comprehensive program under the Americans with Disabilities Act (ADA) to open up the mainstream of American life to people with disabilities. This effort includes ensuring that students with disabilities receive services to allow them to benefit from special education and that unjustified institutionalization of individuals with disabilities is prohibited (see sidebar). The Department also struck an agreement with Greyhound Lines, Inc., to improve the availability and quality of bus service for persons with disabilities. In addition to paying nearly \$20,000 in damages, Greyhound agreed that on 48 hours notice, it will make reasonable efforts to provide an accessible bus between any of its approximately 2,600 points of service.

Fair Housing and Lending Rights. In 1999, the Department continued to make fair housing and lending enforcement a high priority. Of 41 new cases filed to enforce the Fair Housing Act, 17 were resolved through consent decrees or settlement agreements. Settlements were reached in 26 cases filed in previous years. Nine of the recent case filings seek to enforce the Act's requirement that new multifamily housing units be built with accessible features for persons with disabilities.

Employment and Education. In 1999, the Department continued to investigate and pursue cases alleging both individual and patterns or practices of employment discrimination. For example, in *United States v. Southeastern Pennsylvania Transit Authority*, the Court of Appeals for the Third Circuit held that the employer could not use a physical performance test that effectively excluded women from becoming police officers, without demonstrating that the pass point on the test represented the minimum qualifications required for successful job performance.

The Department also enforced laws designed to ensure that public schools do not discriminate against students on the basis of race, gender, disabilities, and other factors. Highlights from 1999 include the U.S. Supreme Court's agreeing with the Department's argument that an educational institution may be held liable for damages under Title IX if it responds with deliberate indifference to known acts of student-on-student harassment in its programs or activities (see sidebar, next page). The United States also continued to monitor the assimilation of women at the Virginia Military Institute (VMI) in *United States v. Virginia* and at the Citadel in *United States and Mellette v. Jones*. The Department successfully defended against VMI's efforts to have the case dismissed, arguing the need for further monitoring.

Rights for Persons in Institutions. In 1999, the Department continued efforts to secure basic constitutional rights for persons in institutions. For example, the Department settled two

major sexual misconduct suits against Arizona and Michigan. Under the agreements, the two states will take a broad range of measures to minimize sexual misconduct and unlawful invasion of privacy by corrections staff against inmates at five Arizona women's prisons and two Michigan women's prisons. In addition, to continue efforts to protect the rights of incarcerated juveniles, the Department filed suit against Louisiana over conditions at four secure juvenile facilities and continued to monitor compliance with settlement agreements covering all the secure juvenile correctional facilities in Georgia, Kentucky, and Puerto Rico.

Worker Exploitation. In FY 1999, the Department continued efforts to combat worker exploitation through active participation on the interagency Worker Exploitation Task Force, co-chaired by the Acting Assistant Attorney General for Civil Rights and designed to let investigators and prosecutors share information and coordinate enforcement efforts. In December 1998, the Attorney General announced the creation of Regional Worker Exploitation Task Forces by the Departments of Labor and Justice, and in January 1999, the U.S. Attorneys designated representatives from their offices to participate on them.

While the total of 76 cases fell slightly short of the target of 80 cases for FY 1999, increases in total number of pattern or practice cases was up 3 percent from last year.

School Board Can Be Held Liable for Bullies

In *Davis v. Monroe County Board of Education*, the Supreme Court, agreeing with the Solicitor General's position, held that an individual victimized by severe, pervasive, and objectively offensive student-on-student harassment could bring a private action against a school board for damages. Title IX of the Education Amendments of 1972 would govern the action, where the school board had actual knowledge of the harassment and reacted with deliberate indifference.

Performance Goal 3.1.2

Pattern or Practice Civil Rights Violations

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of and percent increase in pattern or practice cases (CRT)	(baseline) 67	74 (10%)	80 (8%)	76 (3%)

Data Source: CRT case management systems and manual records.

Explanation For Not Meeting Target

These cases involved important matters of alleged discrimination on the basis of race, national origin, or other reasons, and required extensive use of such time-consuming approaches as ADR, pretrial preparation, and extended litigation. In addition, in pursuing certain cases related to the accessibility requirements of the Fair Housing Act, CRT has had to rely on outside experts to review blueprints. The planned hiring of an in-house architect should help expedite the conclusions of these investigations and the filing or resolution of these cases.

PERFORMANCE GOAL 3.1.3

PROTECTION OF VOTING RIGHTS

DOJ will devote increased attention to the enforcement of the Voting Rights Act and the review of electoral redistricting plans within the statutory 60-day requirement.

In FY 1999, the Department continued efforts under the Voting Rights Act of 1965 to ensure that minorities are not denied a fair opportunity to participate in the political process and to elect candidates of their choice. Examples of 1999 accomplishments include successfully defending a single-member district electoral system drawn in consideration of voters' race (among other factors) by the City of Cocoa, Florida. This was an important, precedent-setting case, in which CRT served as a friend of the court. Targets both for reviewing such redistricting plans and for successfully litigating complex voting cases were met at 100 percent in 1999.

Performance Goal 3.1.3		Protection of Voting Rights		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Percent of redistricting plans reviewed within statutory guidelines (CRT)	100%	100%	100%	100%
Number of complex voting cases successfully litigated (CRT)	4	3	3	3

Data Source: STAPS.

STRATEGIC GOAL 3.2

Safeguard America's environment and natural resources.

Environmental enforcement and protection is a high priority of this Administration. In 1999, the Department continued to safeguard America's environment and natural resources and to enhance the health of all Americans by vigorously pursuing violators of environmental laws. The Environmental and Natural Resources Division (ENRD), U.S. Attorneys' offices, and the FBI joined forces with state and local governments, as well as with other Federal agencies—most notably the Environmental Protection Agency (EPA)—to strengthen civil and criminal enforcement efforts. We also worked with the Department of the Interior (DOI) and various Indian tribes to defend and preserve public lands, natural resources, and tribal sovereignty. Along with prosecuting landmark cases, the Department provided extensive training for agents and prosecutors, including tribal prosecutors. This Strategic Goal addresses the Department's enforcement of natural resources laws.

PERFORMANCE GOAL 3.2.1

ENFORCEMENT OF NATURAL RESOURCE LAWS

DOJ attorneys and investigators will continue efforts to ensure the vigorous pursuit of violators of environmental laws, thereby enhancing the health of all Americans. DOJ will increase efforts to enforce Federal agency regulations implemented to effectuate the goals of the Administration's Clean Water Action Plan and the defense of the Federal Government's use, transportation, and storage of hazardous materials. In addition, DOJ will cooperatively participate in activities and lead toward the effective protection of tribal sovereignty, lands, and natural resources.

Successful enforcement of environmental laws in FY 1999 resulted in \$3.2 billion in fines, penalties, restitutions, and injunctive relief that will undo past harm and prevent future damage to the environment. This is a 54-percent increase over FY 1998. In FY 1999, the Department actively pursued environmental violators and penalties and engaged in protection activities at sites all across the country. Brief summaries of these efforts follow.

Prosecuting Violators of Environmental Laws. During 1999, the Department worked extensively with other Federal agencies, state and local governments, and international entities to strengthen prosecution of environmental crimes, such as preventing the pollution of oceans and inland waters by ships (see sidebar). Other highlights include the following:

- I Chlorofluorocarbon (CFC) smuggling. CFCs, used in automobile air conditioners, destroy the protective ozone layer in the atmosphere. Following a ban on their importation in 1996, a black market in illegally imported CFCs developed in the United States. As of September 1999, the Department secured more than 80 convictions in CFC smuggling cases, resulting in more than 51 years of incarceration, \$50 million in fines, and \$30 million in restitutions.
- I Oil drilling operations. The U.S. subsidiary of the third largest oil company in the world admitted that it failed to report the release of hazardous substances into the environment on the north slope of Alaska. As part of its probation, the company agreed to implement, at a cost of \$15 million, a nationwide environmental management system at all of its U.S. facilities engaged in oil exploration, drilling, and production.
- I Wildlife protection. The world's threatened coral reefs are the "tropical rain forests" of the oceans; trafficking in protected corals harms other species dependent upon them. In FY 1999, the Department obtained the first convictions in this country for illegal importation of protected corals and continued to crack down on international reptile smuggling.

Department Secures Record Fine Against Cruise Ship

The Department obtained the largest criminal fine ever in a vessel pollution case when one of the world's largest cruise ship lines pled guilty to 21 felony counts in six districts for illegally dumping waste oil and chemicals and for making false statements to the U.S. Coast Guard. The company agreed to pay \$18 million in criminal fines, in addition to \$8 million in fines paid the previous year. Along with the record penalty, the cruise ship line agreed to operate for the next 5 years under a court-supervised environmental compliance plan.

Conducting Civil Enforcement. In 1999, the Department obtained extensive injunctive relief and had a record-setting year in recovering monies for hazardous waste site cleanup. Through enforcement of pollution laws, responsible parties and not the public bear the burden of paying for environmental cleanups across the country. One area of focus was to improve the Nation's water quality—part of efforts to carry out the Administration's Clean Water Action Plan. The Department reached settlements with the Cities of Atlanta and Baltimore requiring them to repair aging municipal sewer and water systems and to pay civil penalties of \$3.2 million and \$1 million, respectively. The Department also brought action against a Missouri animal feeding operation for polluting water through discharge and runoff of wastes from 1 million animals.

The Department is also working closely with EPA, among other agencies, on the Mississippi River Basin Initiative—a comprehensive Federal effort to keep pollution out of the river and restore it and surrounding communities to their historical grandeur.

Other major civil enforcement successes included the following in 1999:

- A settlement involving seven heavy-duty diesel engine manufacturers that will prevent 75 million tons of nitrous oxide (NO_x) air pollution over the next 27 years, reduce by one-third the total NO_x emissions from diesel engines by 2003, and provide for an \$83.4 million civil penalty—the largest Clean Air Act penalty ever.
- The largest civil penalty ever under the Resource Conservation and Recovery Act—\$11.8 million—for violations involving mismanagement of dangerous phosphorus wastes in ponds on an Idaho Indian reservation. The defendant agreed to build a \$40-million waste treatment plant and to participate in more than a dozen supplemental environmental projects to improve air quality in the Pocatello area.

Preserving Natural Resources and Public Lands. The Department was instrumental in protecting important ecosystems and public lands in the United States in 1999, working with Federal agencies such as DOI and local governments. Responsibilities in this area included acquiring land—either by direct purchase or through condemnation proceedings—for purposes of preserving environmentally sensitive areas. In FY 1999, the Department:

- Reached an agreement with the State of California to permanently protect the world's largest remaining privately held old growth redwood grove in the "Headwaters" area of Northern California.
- Assisted with the purchase of 50,000 acres of an Everglades sugar plantation and *is assisting* in land acquisition to expand Everglades National Park and

Big Cypress National Preserve. This action will substantially help to restore the Everglades.

- Helped to protect crucial wintering habitat for bald eagles in California.

Defending Environmental Programs. Another important aspect of the Department's work in the environmental arena is the defense of Federal programs in lawsuits involving environmental issues. Money saved by the Government in favorable outcomes from defensive litigation amounted to approximately \$2.4 billion—a 60-percent increase over FY 1998. For example, in FY 1999, the Department:

- Overcame challenges to flood control projects in the lower Mississippi River Valley and in the Los Angeles Basin, protecting these areas from catastrophic flooding.
- Defended Government programs for safe disposal of the Nation's stockpile of chemical weapons and radioactive wastes.
- Protected the American people's right to know about toxic releases in their neighborhoods by defeating a challenge to EPA's effort to expand the number of facilities required to report such releases.

Promoting Partnerships with Indian Tribes. The Department also continued to protect and defend Indian hunting and fishing rights in several cases, including where the Supreme Court upheld the treaty rights of the Mille Lacs Band of Chippewa Indians to hunt, fish, and gather wild rice on off-reservation lands in Minnesota. In other cases, the Department:

- Successfully defended the Jicarilla Apache Tribe's water rights settlement from litigation challenges by a coalition of non-Indian water users of the San Juan River in New Mexico.
- Collected more than \$1 million for the Confederated Salish and Kootenai Tribes for damage to their lands in Montana from forest fires.
- Resolved two of the remaining five Indian Claims Commission (ICC) cases originally filed in the 1950s, one with the Minnesota Band of Chippewas and the other with the Menominee Tribe. These cases grew out of a law directing the U.S. Government to sell the tribes' lands and other assets to establish and manage a fund for tribal purposes. Although these actions resulted in numerous claims for compensation by many different Indian tribes, only three ICC cases remain.

Performance Goal 3.2.1

Enforcement of Natural Resource Laws

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of convictions in criminal environmental and wildlife cases (ENRD, USAs)*	383	431	NA	432
(2) Number and percent of affirmative cases resolved successfully (ENRD, USAs)*	698 (98%)	691 (98%)	NA	695 (98%)
(3) Percent of amount at issue saved in Land Acquisition cases (ENRD)**	76%	67%	NA	NA
(4) Dollar value of fines, penalties, injunctive relief, supplemental environmental projects, and natural resources damages (ENRD)*	\$1.817 billion	\$2.188 billion	NA	\$3.801 billion

*Actual numbers for 1997 and 1998 were adjusted to reflect corrections in the counting of cases between ENRD and USAs. These numbers were adjusted to include Superfund dollars, for consistency with other GPRA indicators.

**This indicator was discontinued during 1999 because it was too subjective and not statistically valid. It has been replaced by a new performance indicator, "Amount of money saved by the Government in ENRD defensive environmental cases," which will be reported on in future reports.

Data Source: ENRD CMS.

STRATEGIC GOAL 3.3

Promote competition in the U.S. economy through enforcement of, improvements to, and education about antitrust laws and principles.

The Antitrust Division saves U.S. consumers and businesses billions of dollars annually by enforcing Federal civil and criminal antitrust laws that promote and maintain competitive markets. In FY 1999, the Department intensified its focus on detecting and prosecuting criminal antitrust conspiracies and on reviewing increasingly complex merger transactions for competitive issues. The Department successfully challenged anticompetitive practices in 1999 and expanded cooperative efforts with international enforcement authorities. This Strategic Goal's specific Performance Goal addresses the many aspects of promoting competition.

PERFORMANCE GOAL 3.3.1

PROMOTION OF COMPETITION

DOJ will review the growing number of increasingly complex and international merger transactions for potential competitive issues, successfully challenge anticompetitive practices in the civil nonmerger area, intensify the focus on detecting and successfully prosecuting massive criminal antitrust conspiracies, expand cooperative efforts with international enforcement authorities, and increase the dollar value of savings to the consumer from its enforcement actions.

Merger enforcement is extremely important to promoting competition, particularly given the present economic expansion and

the increasing number of mergers taking place—especially strategic and transnational mergers. Between FY 1995 and FY 1999, the number of pre-merger filings rose 65 percent to 4,642 filings, and the value of U.S. merger activity rose 257 percent, to \$1.79 trillion. The 97-percent success rate for merger transactions challenged exceeded the target number. This unparalleled trend of merger transactions is expected to continue.

The success rate in civil nonmerger matters was 100 percent in FY 1999. The Antitrust Division also pursued major investigations and trials involving alleged anticompetitive practices in various sectors. These included high technology (Microsoft), financial services (Visa-MasterCard), transportation (American Airlines), and health care (Dentsply and Federation of Physicians and Dentists). The current level of civil nonmerger investigation and litigation is unprecedented in the last 20 years.

Responding to increasing economic globalization, the Department's criminal enforcement strategy also targeted the growing number of international cartels affecting American consumers and businesses. Between FY 1991 and FY 1999, the percentage of foreign corporate defendants has grown from roughly 1 percent to 50 percent. In FY 1999, the Antitrust Division obtained more than \$1 billion in criminal antitrust fines associated with international cartels, a significant increase over prior years and a new record. Indeed, the Antitrust Division secured more criminal fines than in the entire 109-year

Performance Goal 3.3.1

Promotion of Competition

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Success rate for merger transactions challenged (ATR)	94%	98%	90%	97%
(2) Success rate for civil nonmerger matters where Antitrust Division expressed concern (ATR)	NA	93%	90%	100%
(3) Dollar amount of [U.S.] commerce affected in relevant markets where positive outcome was achieved in criminal matters* (ATR)	NA	\$2.32 billion	NA	\$2.45 billion
(4) Number of Division requests for assistance from international antitrust enforcement authorities (ATR)	15	11	15-20	12

*The dollar amount of U.S. commerce affected in criminal matters is estimated by the Antitrust Division based on the best available information from investigative and public sources. It serves as a proxy for the potential effect of anticompetitive behavior. Suspect conspiracies usually are more extensive, sometimes far more extensive, than are formally charged in an indictment; therefore, the dollar amount of commerce affected is likely to be significantly understated. These values are estimates for the specific fiscal year and reflect only U.S. commerce. Previously reported data (for 1997 actual, 1998 actual, and 1999 planned) included estimates of the dollar amount of commerce affected over the duration of the conspiracy and included global commerce. ATR changed its methodology for estimating the dollar amount of commerce affected in criminal matters to be consistent with calculations for dollar amount of commerce affected in merger and civil nonmerger matters. The "NA" for 1997 actual and 1999 planned stems from this change, as we lack revised data for 1997.

Data Source: MTS and ATR staff.

history of Sherman Act enforcement, including the largest fine ever obtained by the Department—a \$500 million fine paid by one defendant for its part in a vitamin conspiracy.

Explanation For Not Meeting Target

(4) The decline in Antitrust Division requests for assistance in FY 1999 was due in part to an increase in the use of its Corporate Leniency program. Instituted in 1993, this program accords leniency to corporations reporting their illegal antitrust activities directly to the Division at an early stage, if certain conditions are met. The majority of international matters had one or more conspirators use this program in FY 1999, with the practical effect of reducing the number of Division requests for assistance from foreign government authorities—as the Division was able to work closely and cooperatively with many of the identified conspirators.

STRATEGIC GOAL 3.4

Promote the fair, correct, and uniform enforcement of Federal tax laws and the collection of tax debts.

In 1999, Department attorneys emphasized promoting compliance with U.S. and foreign tax laws, guided by the principles of fair and uniform treatment for all categories of taxpayers. Through heightened cooperation with U.S. Attorneys and the Internal Revenue Service (IRS), the Department furthered efforts to fairly pursue civil and criminal tax violators, focusing especially on illegal tax protests aimed at undermining compliance with the Internal Revenue Code and at evading payment of Federal income taxes. The Tax Division's 1999 accomplishments include successfully prosecuting criminal tax cases ranging from large corporations to individuals who attempt to defraud the United States. Specifically, this Strategic Goal includes two Performance Goals that address fair and uniform enforcement of tax laws and international tax compliance.

PERFORMANCE GOAL 3.4.1

FAIR AND UNIFORM ENFORCEMENT OF TAX LAWS

DOJ will further efforts to fairly pursue civil and criminal violators of our tax laws, focusing particularly on illegal tax protest efforts to undermine compliance with the IRS code and evade or avoid Federal income taxes.

Members of the Tax Division, the U.S. Attorneys' offices, and the IRS work closely to achieve joint goals and objectives. Various cross-cutting initiatives (e.g., Tax Gap Project, Illegal Tax Protest Initiative, International Compliance Initiative, Abusive Trust Initiative, and Workforce Restructuring) focus on mutually desired outcomes and results by promoting the deterrence of tax fraud, encouraging voluntary payment of taxes, collecting tax debts, and managing these programs efficiently and effectively.

With the recent IRS Restructuring and Reform Act of 1998 (RRA98), radical adjustments have been made to the functions of the IRS, the Tax Division's principal client agency. The Tax Division has been applying significant resources to interpret RRA98's numerous new provisions, whose full effect is not yet known. It is working with the IRS to arrive at consistent and fair positions and to train litigation staff to handle court cases involving these provisions. The IRS' much publicized shift in resources away from audit and collection to new legislation and customer service has reduced the number of case receipts in the Tax Division, but the cases received have been larger and more complex. This circumstance partly accounts for the fewer number of successfully resolved cases in 1999, compared to the year before; however, successfully resolved taxpayer appeals are up.

Performance Goal 3.4.1

Fair and Uniform Enforcement of Tax Laws

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Taxpayer appeals (civil) successfully resolved, at least in part, by the government (TAX)	418	376	NA	392
(2) Number of successfully resolved civil cases (TAX)	NA*	3,582	NA	3,078
(3) Level of voluntary compliance rate (TAX)**	82%	82%	82%	Discontinued

*The Tax Division previously reported 564 successfully resolved civil cases, but changed this number to "NA" because it lacks statistics for 1997. The earlier version indicated that the 564 cases were U.S. Attorney cases for this period.

**This performance indicator has been discontinued. The 82-percent figure shown is an IRS statistic that the Tax Division can neither corroborate nor defend. Missing a way to statistically identify the Division's impact on the rate of voluntary compliance makes this indicator unmeaningful.

Data Source: Manual methods for recording and retrieving performance data and Tax Doc.

PERFORMANCE GOAL 3.4.2

INTERNATIONAL TAX COMPLIANCE

DOJ attorneys will place special emphasis on promoting compliance with U.S. and foreign tax laws through appropriate litigation in the Nation's trial and appellate courts.

The use of tax haven countries as well as other offshore countries to evade U.S. taxes has been a longstanding concern. And the problem is intensifying. Some of the growth stems from the decreased attractiveness of more traditional domestic tax shelters occasioned by 1986 tax law changes. Also, use of the Internet and other electronic technology makes the promotion and use of foreign trusts and other offshore schemes easier to accomplish and more popular—as well as more difficult to detect. The common thread in all these schemes is use of tax haven countries that impose little or no tax, offer strict bank secrecy laws not covered by treaty provisions, and refuse to extradite fugitives charged with tax crimes.

In 1999, the Tax Division was able to exceed requests for litigation and investigation advice by 11 percent for international tax compliance. Joint criminal enforcement and civil litigation efforts helped the Tax Division successfully meet its goal.

Performance Goal 3.4.2

International Tax Compliance

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Requests for litigation advice in international matters (TAX)	NA	175	175	196
(2) Percent of requests for litigation and investigative advice honored in international matters (TAX)	NA	95%	95%	100%

Data Source: Manual methods for recording and retrieving performance data and Tax Doc.

STRATEGIC GOAL 3.5

Represent the United States in all civil matters for which the Department has jurisdiction.

The Civil Division represents the United States in any civil or criminal matter within its scope of responsibility—protecting the public fisc, ensuring legal consistency by the Federal Government, preserving the intent of Congress, and advancing the credibility of the Government before the courts. Civil cases have a major impact on the regulated community and advance client agencies' goals for program integrity, thereby protecting the public's interest and finances. An example is the Civil Division's success in several appeals affirming the Government's role as official overseer of competition in local telephone service. U.S. Attorneys also represent the United States, both as defendant and plaintiff in civil matters. The Affirmative Civil Enforcement (ACE) program allows the U.S. Attorneys to actively fight fraud, waste, and abuse inflicted upon the United States, including health care fraud, defense, or other procurement fraud, financial institution fraud, and Government program or grant fraud.

This Strategic Goal includes three Performance Goals that address protecting the public fisc, civil enforcement, and alternative dispute resolution (ADR).

PERFORMANCE GOAL 3.5.1

PROTECTING THE PUBLIC FISC

DOJ will protect the public fisc by recovering money owed to the Government and by defeating unmeritorious monetary claims against the Government in civil cases. DOJ will successfully resolve challenges to congressional enactments, Federal programs, and policy initiatives.

When it comes to litigation and collection of civil debts owed to other Federal agencies, the Department of Justice serves as the Federal Government's "collector of last resort." We also enforce

collection of fines and restitutions imposed by the U.S. courts in criminal cases. In FY 1999, recovery of both criminal and civil debts was nearly \$1.5 billion—making this the sixth consecutive year of exceeding a billion dollars in cash collections. This amount is the third highest cash collection figure recorded by the Department for a fiscal year.

In FY 1999, the Civil Division worked to ensure payment only of meritorious claims and to achieve maximum monetary recoveries: nearly \$7 billion in unwarranted claims were defeated in 1999, with nearly \$529 million secured in judgments and settlements stemming from the Government's claims. For instance, the Civil Division continued to protect the public fisc in the massive Winstar litigation. This lawsuit was spawned by the Financial Institutions Reform and Recovery Enforcement Act (FIRREA), enacted to address the savings and loan crisis. Four trials were completed in 1999: *Glendale* (\$909 million awarded out of \$2.1 billion sought), *Calfed* (\$23 million awarded out of \$1.5 billion sought), *La Salle* (\$5 million awarded out of \$1.2 billion sought), and *Suess* (damages not yet determined). Additionally, the Department reached two highly favorable settlements in that *Maco* and *Vermont Federal* were held to \$1 million, a fraction of the almost \$300 million in claimed damages. In total, the Department collected approximately \$1.4 billion from affirmative civil actions and prevailed in 93 percent of defensive civil monetary cases.

Performance Goal 3.5.1

Protecting the Public Fisc

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Dollar amount collected from affirmative civil cases (JMD)	\$1.830 billion	\$1.123 billion	NA	\$1.377 billion
(2) Percent of favorable resolutions in defensive civil monetary cases (CIV)	91%	94%	NA	93%

Data Source: (1) JMD internal files. (2) CASES.

PERFORMANCE GOAL 3.5.2

CIVIL ENFORCEMENT

DOJ efforts will focus on (1) continuing to combat health care fraud against federally funded programs in concert with Federal and state law enforcement programs; (2) aggressively pursuing fraud against financial institutions and pension funds; and (3) continuing to combat terrorism, seeking to remove criminal aliens and enforcing the Nation's immigration laws by defending administrative decisions and INS programs and policies.

In 1999 alone, the Civil Division represented the Government's interests in 28,000 cases challenging the laws and policies of the United States. It helped recover millions of taxpayer dollars lost through fraud, such as health care fraud and fraud against financial institutions. The Division also defended administrative decisions related to immigration and filed suit against nine tobacco companies.

In defending immigration laws and policies and administrative judgments regarding alien removal, the Civil Division upholds the intent of Congress and secures the combined efforts of immigration agencies. Two significant decisions were obtained in 1999: The Supreme Court unanimously sustained the Attorney General's denial of asylum to violent criminals in *Aguirre-Aguirre*, and also upheld the Attorney General's rejection of a selective prosecution defense raised by alien supporters of a foreign terrorist organization in *American-Arab Anti-Discrimination Committee*. The Department obtained favorable resolutions in 90 percent of civil immigration cases in 1999.

The Department was successful in *all* its civil health care fraud cases in 1999, attaining favorable settlements in 100 percent of cases. In the first courtroom test of the ongoing investigation of Columbia/HCA, the largest health care fraud case ever undertaken by the Government, two Columbia executives were found guilty of six criminal counts of defrauding Medicare and other federally funded health insurance programs. They now face up to 5 years in prison and a \$250,000 fine on each count. The Civil Division also obtained a \$51-million civil settlement and more than \$10 million in criminal fines from Olsten Corporation and a subsidiary, Kimberly Home Health Care. These actions resolved allegations related to sales of home health agencies to Columbia/HCA and subsequent management arrangements. As part of the settlement, Olsten agreed to cooperate fully in the Government's continuing investigation. Total favorable resolutions in all civil cases totaled 82 percent.

Performance Goal 3.5.2		Civil Enforcement		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Percent of favorable resolutions in civil immigration cases (CIV, USAs)	NA	93%	85%	90%
(2) Percent of favorable resolutions in civil health care fraud cases (CIV)	NA	100%	85%	100%
(3) Percent of favorable resolutions in civil cases (CIV, USAs)	NA	83%	80%	82%

Data Source: (1) and (3) CIV: CASES. USAs: LIONS. (2) CASES.

PERFORMANCE GOAL 3.5.3

ALTERNATIVE DISPUTE RESOLUTION

DOJ attorneys will increase efforts to employ ADR, including mediation, negotiation, and other litigation-streamlining techniques in appropriate civil cases.

During FY 1999, the Office of Dispute Resolution (ODR) continued its vigorous promotion of dispute resolution in the Department by training more than 400 Department attorneys in effective dispute resolution advocacy; providing advice and guidance to Department attorneys on the use of these processes;

maintaining an outreach program with businesses, professional communities, and the courts about using dispute resolution; and working with client agencies to get buy-in for using dispute resolution processes to settle litigation involving them. In addition, ODR assisted the Attorney General in her role as chair of the Interagency ADR Working Group, a presidentially established organization of more than 60 Federal agencies. It was formed to create dispute resolution programs throughout the Federal Government to address issues related to workplace disputes, contract and procurement disputes, monetary claims against the Government, and civil enforcement programs.

Performance Goal 3.5.3

Alternative Dispute Resolution

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of cases in which ADR was used (ODR)	1,579	1,805	2,000	NA*

*1999 figures were not available by publication time. We will report these figures next year.

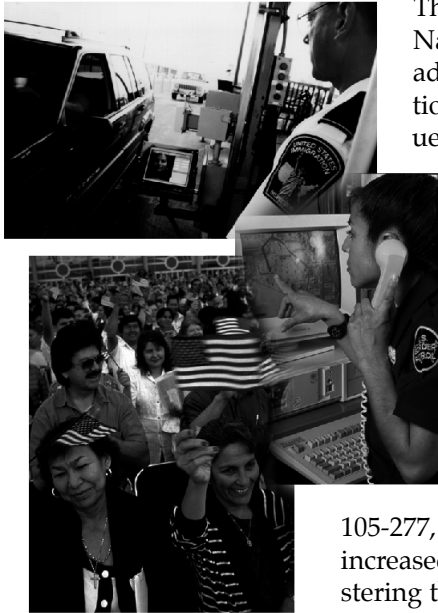
Data Source: Component reporting to ODR.



Immigration

IV

IV CORE FUNCTION FOUR: Immigration



The Immigration and Naturalization Service (INS) administers the Nation's immigration laws. In FY 1999, INS continued its steady progress toward achieving ambitious enforcement and service delivery goals, even in the face of unprecedented growth and significantly expanded workload responsibilities. In the past 5 years, its budget more than doubled, reaching an appropriated and fee-funded budget totalling approximately \$3.9 billion in FY 1999 (P.L.

105-277, 106-31), as the overall workforce increased to more than 28,000. Administering the Nation's laws depends on the coordinated efforts of several Department

components, including the INS, the Executive Office for Immigration Review (EOIR), the Civil Division, and the U.S. Attorneys' offices. Through the work of these agencies, the Department accomplished its Strategic Goals of (1) increasing data availability and accuracy through automated technologies, (2) improving service delivery to the public, (3) securing U.S. borders against illegal migration, (4) facilitating lawful travel and commerce, (5) deterring unlawful migration, (6) expediting the removal of illegal aliens, and (7) expanding community outreach initiatives.

Management Challenge

INS Organizational and Management Issues

In 1997, the U.S. General Accounting Office (GAO) identified a number of long-standing management problems at INS. INS has taken steps to address these problems, including analyzing roles, responsibilities, and communication among its component offices. Based on this analysis, and in conjunction with the INS restructuring initiative, plans are under way to clarify and realign the current organizational structure to create clear lines of authority and accountability at all levels. INS has updated and electronically promulgated its Administrative Manual to serve as an easily accessible, central repository of administrative policy. INS is also in the process of rewriting all of its field manuals containing policies and procedures on how to implement immigration laws. These updated manuals are being distributed electronically to serve as an accessible, central repository of field guidance.

STRATEGIC GOAL 4.1

Enhance the integrity and integration of data and data systems operated by the INS in order to establish fully integrated data systems supporting the enforcement and service functions of the INS; enhance the sharing of relevant data with other Federal agencies; and support INS management and decision-making processes.

INS continues to reinvent its organizational and management processes to knit together the agency's major functions and interrelationships. It continues to reengineer its data systems to better handle records and information, to improve decision-making, and to share relevant data with other Federal and state agencies. Through modernized financial management systems and state-of-the-art identification technologies and other automated processes, INS is improving performance in many functional areas. It has better control of resources and is getting information to the public in a more timely manner. It is also expediting the arrival of legal entrants while better detecting and deterring illegal ones. The Performance Goals under this Strategic Goal reflect these priorities as they address data and systems integrity and data systems usage in INS.

PERFORMANCE GOAL 4.1.1

DATA AND SYSTEMS INTEGRITY

INS will continue efforts to improve the accuracy and timely availability of data used to provide information to the public and to ensure that immigration-related benefits and enforcement actions are based on correct and complete information. Specifically, INS will increase the integrity of mission-critical data in its key information systems, will increase the effective use of automation in the processing of benefits applications and Service actions; will provide automated data processing (ADP) technical training and assistance to users; and will modernize and increase the integrity of alien file (A-file) records and information.

INS is working toward full implementation and deployment of a new financial management system that will replace a 20-year-old system unable to meet current needs. The new financial management system will provide INS with proper funds control and accountability over financial resources and processes. In FY 1999, INS began to build interfaces to legacy systems that the Federal Financial Management System (FFMS) will eventually replace, enabling the agency to collect all financial data for control and reporting purposes. In FY 1999, INS achieved its goal of receiving a qualified audit opinion, certified by an independent accounting firm.

During FY 1999, INS continued to deploy enabling technologies to support its enforcement and service missions. The agency's technology infrastructure project has now reached more than 800 sites, 97 percent of the total sites to be addressed. The infrastructure project provides a full suite of office automation capabilities and electronic mail services to more than 30,000 INS

employees and support contractors. This infrastructure provides common automation tools and consistent platforms on which to introduce new enforcement and benefits systems.

Performance Goal 4.1.1

Data and Systems Integrity

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Auditor findings on new Financial Management System (FFMS) (INS)	Material Weakness	Material Weakness	Qualified Opinion	Material Weakness
(2) Number of employees trained* (INS)	28,806	31,374	10,000	12,606
(3) [Cumulative] number of sites receiving ADP office automation installations or upgrades (INS)	NA**	760**	18 (additional)	808 (total) 48 (additional)

*This measure has been revised to "Number of hardware/software training incidents" for future reports, because training is more accurately tracked as training "interventions" or "incidents," as one employee may receive more than one training incident.

**These figures have been changed to correct errors in the FY 1999 Summary Performance Plan.

Data Source: (1) Independent auditor's report. (2) and (3) INS Office of Information Resources Management project reports and training data.

Management Challenge

Management of Automation Programs

INS has had difficulty with timely and accurate information about its information technology (IT) activities, especially significant given its sizable capital commitment to IT. However, INS has made substantial progress since the 1998 report. For instance, it has established an IT Investment Review Board (IRB) to oversee the selection, evaluation, and control of its IT investments, as well as an Executive Steering Committee to review and prioritize proposed investments. Automated systems are used to track contract funding and project expenditures, and program area portfolio managers are responsible for managing systems within a business-aligned portfolio. Senior management and the IRB approve the IT annual budget, which is managed by INS' IT organization. An operational assessment of IT business practices is complete, and those the existing IT organization can support are being implemented (e.g., multi-year project plans and consistent reporting of cost, schedule, and performance by project). INS has formed a user group to evaluate project management requirements and is defining project manager training requirements (expected to be consistent with DOJ guidance). Standard operating procedures for these improvements should be completed by September 2000.

PERFORMANCE GOAL 4.1.2

DATA SYSTEMS DEPLOYMENT AND USAGE

INS will maintain major data systems that support immigration-related enforcement and benefits functions (ENFORCE, CLAIMS, and IDENT); strive for high usage rates of these systems by INS enforcement employees; and increase the impacts resulting from increased deployment and use.

In FY 1999, INS continued to bring systems on-line to speed up processing time, improve the quality of case adjudications, and make data more readily available. These systems include ENFORCE, IDENT, and CLAIMS, all of which saw increased deployment and use in FY 1999:

- Deployment of the ENFORCE system, which provides initial processing information on apprehended individuals, now includes full coverage of Border Patrol sectors on the southwest border. INS upgraded ENFORCE software at all southwest border sites, where it was used to process 91 percent of all cases.
- The IDENT system can identify individuals through biometric information. Where it was available, IDENT was integrated into daily operations so that by the end of FY 1999, 84 percent of apprehensions were entered into the IDENT system.
- CLAIMS 4.0, an automated system that supports application processing for immigration benefits, provides increased uniformity and process consistency, which allow better case tracking and resolution. As CLAIMS 4.0 is deployed, it will complement INS' other reengineering and backlog reduction efforts. During FY 1999, INS deployed the CLAIMS 4.0 naturalization case module to 27 additional sites—for a total of 38 out of a targeted 60 sites. The sites receiving systems installations represented 54 percent of all new naturalization cases being processed.

Performance Goal 4.1.2	Data Systems Deployment and Usage			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) [Cumulative] number of INS locations to which designated mission-critical systems are deployed (INS)				
ENFORCE/IDENT	244	370	423	433
CLAIMS	0	11	60	38
(2) Usage of designated mission-critical systems where deployed (INS)				
ENFORCE (% of cases)	NA	80%	85%	91%
IDENT (% of apprehensions)	56.4%	85%	88%	84%
CLAIMS (% of applications)	NA	36%	58%	54%
Data Source: (1) Contractor listings. (2) Combined data from INS ENFORCE/IDENT, CLAIMS transaction databases, and PAS.				

Explanation For Not Meeting Target

(1) and (2) For FY 1999, deviation from planned performance targets for IDENT and CLAIMS was slight. For CLAIMS deployments, the original target was reduced so funds could be redirected to aid other naturalization backlog efforts. There was no effect on overall activity or performance.

Management Challenge

Delivery Bonds

Either an eligible alien, or someone acting on his or her behalf, may post a delivery bond to secure release from detention. The bond obligor agrees, upon receipt of a timely demand, to surrender the alien at a specified time, date, and place. Failure to fulfill this obligation results in a "breach" of the bond and a forfeiture of the penal amount. Collection of these moneys is relatively simple for cash and Treasury bonds, as the Government holds full collateral and a power of attorney to execute on that collateral. For years, however, INS has had difficulty collecting amounts due for breaches of surety bonds. Multiple reasons account for this difficulty, but INS itself is responsible for a significant percentage of them. To address this problem, INS has conducted training in its largest district offices to ensure that detention and deportation officers know how to handle breached bonds. INS' largest district offices have designated bond control specialists (and a backup) to resolve breach problems early in the process. INS has established better communication with the Surety Bond Branch of the Department of the Treasury, which regulates surety companies, and has redesigned and implemented a new bond contract for clarity and conformity to the new laws. Finally, with improvements to the new financial management system, INS will be able to track bonds and automatically bill companies when bonds are breached.

STRATEGIC GOAL 4.2

Deliver services to the public in a timely, consistent, fair, and high-quality manner.

In its dealings with the public, INS is mindful that every application it touches can determine a person's future. To increase its overall effectiveness and to provide better service to its varied customers, INS has directed efforts toward improving district office processes and productivity. Through reengineering major processes, training and empowering field staff to improve service delivery, and continuing to set and achieve customer service goals, INS will continue to bring positive changes to the areas of public information, worksite verification, inspections, and naturalization. This Strategic Goal looks at two Performance Goals dealing with reengineering immigration services and providing services to Federal, state, and local governments.

PERFORMANCE GOAL 4.2.1

REENGINEERING IMMIGRATION SERVICES

DOJ will support INS' continuing reengineering efforts aimed at improving program integrity and delivering benefits services that are timely, consistent, fair, and of high quality, especially in the area of naturalization case-work, by improving current processing times for these services to 6 months.

INS continued reengineering efforts to improve the way services are delivered to customers (see Figure 12). In FY 1999, 872,000 people were sworn in as new, naturalized U.S. citizens (see figure 13). INS met its target of a 12-month average for processing naturalization cases, down from 27 months in FY 1998, while maintaining rigorous quality control procedures for 99 percent of cases. In FY 1999, INS met its goals for:

- Completing 1.2 million naturalization cases and reducing case processing time to 12 months.
- Responding to customer requests for forms within 5 days.
- Implementing additional naturalization quality procedures, along with appropriate oversight provisions, to further ensure integrity.

By year's end, INS completed a nationwide review of A-file records, and established, built out, and staffed a new National Records Center. Historical A-files from archive centers around the Nation were also centralized into a facility adjacent to the new INS National Record Center. Improvements in accessibility of A-file information, both from hardcopy files and from more timely, updated, and complete automated files, will significantly support the benefits application process and the timely provision of information to INS customers.

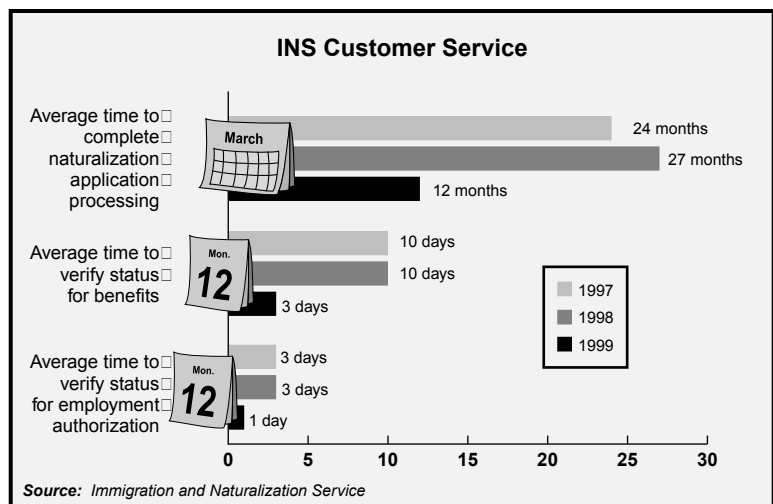


Figure 12

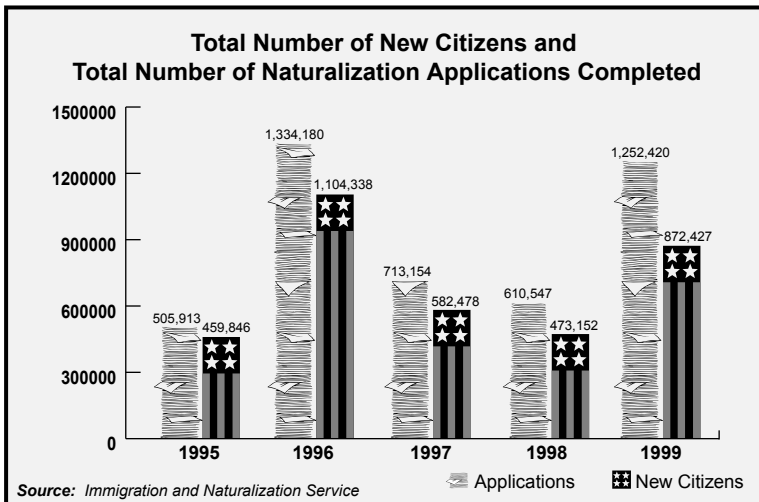


Figure 13

Performance Goal 4.2.1		Reengineering Immigration Services		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) [Average prospective case processing time (Naturalization)]* (INS)	24 months	27 months	12 months	12 months
(2) Average time to respond to customers' requests for forms (INS)	6 days	6 days	5 days	5 days

*Projected processing times are computed based on the current level of pending applications and the average level of completions during the last 3 months. Because projected processing times are computed based on past completion levels and do not consider the effect of planned improvements, this measure may not correlate to waiting times actually experienced by applicants in the future. In FY 1999, average processing time was reduced by 15 months while INS completed more than 1.2 million cases. New high-level quality controls were met in over 99 percent of the cases worked.

Data Source: (1) G-22.3 and .3 Report of Field Operations, Examinations Activity Report, PAS, and IDMS. (2) INS telephone system data.

Management Challenge
Monitoring Alien Overstays

Nonimmigrants required to depart the United States upon the expiration of their authorized period of stay but fail to do so are termed "overstayers." Since 1983, INS has collected information on numbers of nonimmigrant arrivals and departures and matched up individual records to estimate the number of overstayers. Despite a system redesign in 1996, INS is still not able to produce reliable overstay estimates. It has implemented an automated Arrival Departure Information System, which is a database specifically designed as a repository for automated arrival/departure records, to augment the data collection component of the existing manual process. Initial indications show the automated system to be more reliable. It will help to alleviate data entry errors and should enhance collection of complete records. When the automated system is fully deployed, INS anticipates that the collection of reliable, complete arrival and departure data will become increasingly possible. Although the system will be fully capable of providing reliable data, INS will

still rely heavily on the cooperation and participation of the airlines. Without their commitment to ensuring accurate arrival data at check-in and to collecting and promptly providing departure records, INS cannot ensure data integrity. Also, this system will only provide data on individuals who arrive and depart by air; those who arrive or depart by either land or sea will not have complete records. Additional improvements in coordinating with the State Department's visa issuance process are still needed to fully address the alien overstay problem.

PERFORMANCE GOAL 4.2.2

SERVICE TO FEDERAL, STATE, AND LOCAL GOVERNMENTS

Consistent with DOJ's efforts to provide high-quality services to its customers, INS will improve the effectiveness and timeliness of its alien status verification services for other Federal, state, and local governments, and for employers, and will maintain the number of verification pilot projects mandated by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 at 5,500 employers, while improving response time for the verification of employment authorizations.

INS is the sole repository of status information on aliens and is called upon to provide status verification for aliens seeking benefits or employment. In FY 1999, INS responded to congressional requirements to pilot verification support for employers. It also continued to meet goals for timely processing and enhanced services for government entities needing information to determine eligibility for their benefit programs (see Figure 12). In FY 1999, INS achieved average response times of 3 days for status verification and 1 day for benefits and employment authorization.

In response to a mandate in the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, INS initiated a Citizen Attestation pilot program in Arizona, Maryland, Massachusetts, Michigan, and Virginia. The intent is to test the viability of a status verification program in which job applicants attest to their U.S. citizenship.

Performance Goal 4.2.2		Service to Federal, State, and Local Governments			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual	
(1) Average response time for status for verification for benefits (INS)	10 days	10 days	3 days	3 days	
(2) Average response time for status for verification of employment authorization (INS)	3 days	3 days	1 day	1 day	

Data Source: (1) ASVI. (2) Pilot Tracking System database.

STRATEGIC GOAL 4.3

Secure the land borders, ports-of-entry (POEs), and coasts of the United States against illegal migration through effective use of technology and personnel resources focused on enhancing the deterrence to entry and apprehending and removing those who attempt to enter illegally.

Enforcement activities between the POEs are fully integrated with those taking place in the ports themselves. This approach supports the Nation's economy and safeguards potential entry points against criminals and contraband. At the same time, INS has been able to dramatically reduce wait times for those trying to cross the border legally. This Strategic Goal includes two Performance Goals that address INS efforts to control the border and efforts to hamper border and international smuggling.

PERFORMANCE GOAL 4.3.1

CONTROLLING THE BORDER

DOJ will continue supporting and implementing the INS' Border Patrol Strategic Plan. Specifically, INS will maintain control in areas where deterrence strategies have been successfully implemented and increase its flexibility to respond to new areas of concern. It will also increase the level of operational effectiveness within identified zones of the southwest border with regard to illegal alien border crossing and drug interdiction.

The Department's multiyear immigration enforcement strategy treats the entire 2,000-mile southwest border as a single, seamless entity. Several multiyear INS operations enhance border enforcement efforts. These include Operation "Gatekeeper" in San Diego, California; Operation "Hold the Line" in El Paso, Texas; Operation "Rio Grande" in McAllen, Texas; and Operation "Safeguard" in Tucson, Arizona. The initial phases of these operations typically result in increased apprehensions, reflecting the use of more agents and enhanced technology. Then as an operation takes hold over an area and causes a deterrent effect, the numbers of apprehensions decline. This effect has occurred in a major portion of the San Diego Sector, as well as in Nogales, Arizona, and at El Paso and Brownsville, Texas. To illustrate, from FY 1993 to FY 1999, apprehensions, as a percent of all of the southwest border, went from 44 percent to 12 percent in the San Diego Sector, and from 24 percent to 7 percent in El Paso. Total apprehensions along the southwest border exceeded 1.5 million in FY 1999, a small increase over FY 1998.

Also apprehended were vast quantities of drugs. In FY 1999, along the southwest border, Border Patrol agents seized nearly 1.2 million pounds of all drugs (marijuana, cocaine, and heroin), compared to approximately 880,000 pounds seized in FY 1998—an increase of 35 percent. Further, in keeping with the INS Border Safety Initiative intended to prevent loss of life in the high-risk crossing corridors, Border Patrol rescuers saved more than 1,000 people in 200 rescue incidents. Data compiled from

the last 2 years revealed a 12-percent decrease in migrant deaths. Finally, continuing the hiring program begun in FY 1994, INS increased its on-board strength by 369 Border Patrol agents in FY 1999.

Performance Goal 4.3.1		Controlling the Border		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Level of operational effectiveness in targeted "zones" along the Southwest border (INS)	NA	Zones identified	Baseline to be established	Baseline being established*
*INS is reviewing and analyzing the data.				
Data Source: Manual reports from INS sectors.				

PERFORMANCE GOAL 4.3.2

HAMPERING BORDER AND INTERNATIONAL SMUGGLING

DOJ will continue to strengthen INS' capability to apprehend and deter persons attempting illegal entry by hampering the efforts of alien smugglers and drug carriers.

To prevent illegal entry by malafide travelers, INS uses the assistance of overseas offices, which help identify illegal migrants before they arrive in the United States. The detection of fraudulent documents by INS employees, airline personnel, and foreign immigration officers is an important deterrent. In 1999, INS intercepted more than 9,100 malafide travelers and offshore migrants on their way to the United States, exceeding the target by 11 percent. INS also assisted 119 offshore prosecutions through fraudulent document detection and profiling training, exceeding the 1999 target by 12 percent.

Performance Goal 4.3.2		Hampering Border and International Smuggling		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Increase in malafide travelers and offshore migrants intercepted on route to the United States. Deter illegal immigration by increasing the number of interceptions of malafide travelers and offshore migrants en route to the United States.]* (INS)	NA**	8,120	8,201	9,124
(2) Offshore prosecutions assisted by INS [personnel and supported by fraudulent document detection and malafide traveler profiling training] (INS)	105	105	106	119
*This indicator has been reworded to clarify its meaning.				
**Correction of clerical error in FY 1997 report.				
Data Source: (1) and (2) G-23.34 Report of Field Operations, Foreign Office Report, PAS, and IDMS.				

STRATEGIC GOAL 4.4

Facilitate lawful travel and commerce across the borders of the United States.

Over the last year, INS helped to facilitate traffic through increased use of prescreening approaches for passenger and vehicle traffic and through automated information and other technologies. INS also continued to improve customer service at land borders and international airports through strengthening partnerships with other Federal agencies to create a seamless inspections process.

PERFORMANCE GOAL 4.4.1

FACILITATION OF PORT TRAFFIC

DOJ, in cooperation with other Federal agencies servicing POEs, will reduce waiting times at airports and land POEs. The targets are to clear 72 percent of commercial air flights through primary inspection in 30 minutes or less and, 80 percent of the time that land border POEs are open, to have wait times not exceed 20 minutes.

AND¹⁵

PERFORMANCE GOAL 4.4.2

PORT AUTOMATION

DOJ will also support INS efforts to increase its use of automated facilitation technologies (e.g., INSPASS, dedicated commuter/SENTRI lanes).

INS has adopted a balanced, integrated enforcement approach that combines the complementary efforts of several agencies to expedite the identification, apprehension, and removal of illegal aliens, while facilitating the entry of legal crossers. Through cooperative approaches to passenger inspections, aided by new technologies and automated processes, legitimate travelers—such as commuters and business people—enter the country without protracted waits. Security is not compromised, however, because the new systems, designed to ease the burden for low-risk entrants, also identify and intercept illegal ones. Two major INS programs—one for airports and one for land borders—continued to improve the U.S. inspections process in FY 1999 and called on the cooperative efforts of INS, the U.S. Customs Service (USCS), the State Department, and the Animal and Plant Health Inspection Service (APHIS) at both air and land POEs—without compromising safety.

In FY 1999, INS worked jointly with the State Department to share visa and application information to better identify fraudulent information and improve the visa issuance process in general. At the airports, advanced biographical information was obtained on international air passengers through the use of a technology called Advance Passenger Information Systems (APIS). APIS, a joint project involving INS, USCS, and APHIS,

¹⁵ These two performance goals have been combined for reporting purposes.

greatly expedites passenger processing. In fact, this technology enables most international air passengers to clear the primary inspection process in 30 minutes or less, while also allowing for improvements in enforcement and regulatory processes.

At land POEs, Dedicated Commuter Lanes (DCLs) yielded impressive results. Conducted jointly with USCS, the DCL concept provides expedited entry for pre-approved, frequent border travelers/commuters, who apply to cross the border in a special "quick-check" DCL lane. These travelers have passed rigorous background checks that qualify them for expedited entry and minimal inspection.

Introduction of the Secure Electronic Network for Travelers Rapid Inspection (SENTRI) system has further expedited entry through the DCLs. In FY 1999, INS installed SENTRI at the El Paso, Texas, POE, which means SENTRI is now operating at two ports. Additionally, in FY 1999, a modification of the SENTRI system automated DCLs at two sites on the U.S.-Canada border, with nearly 5 percent of vehicles inspected there using these systems.

Another system facilitating expedited entry for pre-approved, enrolled travelers is the INS Passenger Accelerated Service System, or INSPASS. This system uses biometric technology that reads digitized images of human identifiers, such as fingerprints and hand geometry, to reliably distinguish legitimate crossers from "imposters." Pre-enrolled INSPASS travelers can enter the country in seconds simply by inserting a card into an ATM-type machine at airports and other POEs. By expediting the entry of legitimate crossers, technologies like INSPASS and SENTRI free up inspections personnel to focus on high-risk entrants. INSPASS was expanded during FY 1999 and is now operating at eight sites.

Performance Goal 4.4.1	Facilitation of Port Traffic			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Percent of total commercial air flights to clear primary inspection in 30 minutes or less	NA	61%	72%	74%
(2) Percent of land border wait times that did not exceed 20 minutes	NA	97%	80%	96%

Data Source: (1) and (2) Manual reports from INS POE offices.

Performance Goal 4.4.2**Port Automation**

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Percent of travelers inspected by automated systems equipped with INSPASS and SENTRI				
INSPASS	NA	NA	Baseline	.64%
SENTRI	NA	NA	Baseline	4.80%

Data Source: G-22.1 Report of Field Operations, Inspections Activity Report, PAS, and IDMS.

STRATEGIC GOAL 4.5

Maximize deterrence to unlawful migration and enforce immigration laws within the interior of the United States through effective and coordinated use of resources to reduce the incentives of unauthorized employment and assistance; remove deportable/inadmissible aliens expeditiously; address interior smuggling and benefit and document fraud; and increase intergovernmental cooperation and the integration of activities among law enforcement entities at all levels of government.

In FY 1999, INS developed an interior enforcement strategy designed to systematically combat illegal immigration inside the United States. This strategy concentrates resources on investigations of cases having the broadest impact on the criminal networks and the infrastructure supporting alien smuggling, fraud, or illegal employment. Although INS has stepped up efforts in recent years, more work needs to be done to enforce immigration laws—not only to prevent illegal immigration, but also to deal with the ramifications of illegal immigrants throughout the justice system. In 1999, 178,168 undocumented immigrants, a third of whom have criminal records, were expelled from the United States. This number reflects a 3-percent increase over 1998, during which 172,515 deportations occurred. Of these totals, 76,656 and 89,267 were expedited removals in FY 1998 and FY 1999, respectively. To develop unified strategies for the interior enforcement of Federal immigration laws, the Attorney General in July 1999 asked the U.S. Attorneys to coordinate with INS regional and/or district directors to address how to accomplish the following:

- Identify and remove criminal aliens and minimize recidivism.
- Deter, dismantle, and diminish smuggling or trafficking of aliens (see sidebar).
- Respond to community reports and complaints about illegal immigration and build partnerships to solve local problems.
- Minimize immigration benefit fraud and other document abuse.

Mexican Citizen Sentenced in Smuggling Case

In the Eastern District of California, a Mexican citizen legally residing in Fresno was sentenced to more than 5 years in prison for his role in smuggling illegal aliens into the United States. He pled guilty in October 1998 to heading a smuggling ring that, between August 1996 and January 1998, brought more than 100 illegal aliens into the country. The defendants charged each alien a fee of \$1,200-\$1,400 and hid them inside the dashboard and floorboards of passenger vans. The aliens passed undetected through the San Ysidro Port-of-Entry and continued on to destinations in other parts of California and the western United States.

- Block and remove employers' access to undocumented workers.

The strategy seeks to increase internal coordination among the various INS enforcement disciplines and forge closer ties with other Federal agencies and state and local law enforcement.

PERFORMANCE GOAL 4.5.1

REMOVALS

DOJ will increase the number of removals from the United States above the number of removals projected in previous years.

INS continued to emphasize removing deportable aliens from the United States without protracted litigation, achieving 178,168 final order removals in FY 1999. This achievement exceeded the goal by approximately 48 percent. The performance results for indicator 4.5.1(2) do not include expedited removals, which came to 76,656 and 89,267 in FYs 1998 and 1999, respectively. The success of INS removal efforts largely resulted from the expedited removals program, which comprised 50 percent of final order removals for the year.

Sustained commitment by INS yielded 62,838 removals of criminal aliens in 1999. Removals were carried out in part through INS' expanded cooperation with other law enforcement agencies. The most important of these initiatives is the Institutional Removal Program (IRP)¹⁶ implemented in FY 1998 and designed to identify and process deportable inmates before their release from Federal, state, and local institutions. This program should result in removal of greater numbers of deportable criminal alien inmates in the future. In FY 1999, the IRP led to the removal of 19,730 alien inmates, 17 percent above the goal. In addition, INS removed more than 4,000 criminal alien inmates on a "fast track." These are aliens who received a removal order within 1 day of release. The GAO continues to show keen interest in the removal of criminal aliens, reporting on INS' efforts in this area in two studies: *Criminal Aliens: INS' Efforts to Remove Imprisoned Aliens Continue to Need Improvement* (GGD-99-3, October 16, 1998) and *Criminal Aliens: INS' Efforts to Identify and Remove Imprisoned Aliens Continue to Need Improvement* (T-GGD-99-47).

Performance Goal 4.5.1				Removals
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Total number of final order criminal alien removals (INS)	49,813	55,541	50,000	62,838
(2) Total number of final order non-criminal alien removals [excluding expedited removals] (INS)	40,979	39,565	14,000	26,063
Data Source: DACS.				

¹⁶ The Institutional Removal Program is also known as the Institutional Hearing Program.

Management Challenge

Efforts to Identify and Remove Criminal Aliens

INS has been criticized for weaknesses in its Institutional Removal Program, also known as the Institutional Hearing Program. The purpose of the IRP is to identify and remove criminal aliens by means of administrative or hearing processes before their release from custody. To address these concerns, INS implemented new policy guidance clarifying the roles and responsibilities of special agents working in the IRP, developed a staffing model to target where to concentrate resources, and established better controls over how aggravated felons are tracked, to more quickly identify and deport them while they are in prison. INS is also addressing immigration agent attrition to ensure adequate staffing for the IRP, and will incorporate the IRP process into the main automated enforcement case tracking system ENFORCE. These improvements will be completed by September 2000.

PERFORMANCE GOAL 4.5.2

WORKSITE ENFORCEMENT

DOJ will assist employers with compliance in sanctions law while improving the detection of illegal presence and fraud. INS will increase the use of intelligence information, leads, and estimates to develop better cases.

The GAO, in a report titled *Illegal Aliens: Significant Obstacles to Reducing Unauthorized Alien Employment Exist* (GGD-00-33), dated April 2, 1999, observed INS to be moving in the right direction in its employer sanctions efforts, despite facing significant obstacles. The Worksite Enforcement program completed its transition to a policy focusing on systemic, organized, and multiple violation activity, rather than on individual alien cases. INS presented for prosecution 182 criminal cases against serious violators in 1999.

Performance Goal 4.5.2	Worksite Enforcement			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of criminal sanctions cases presented against employers (INS)	146	127	NA	182
(2) Percentage of fines issued to employers who knowingly hire or continue to employ unauthorized workers to total fines in sanctions cases (INS)	60%	59%	60%	64%

Data Source: (1) LYNX. (2) Manual reports from INS field offices.

Operation Over the Rainbow II

This alien smuggling investigation crippled a criminal syndicate responsible for smuggling as many as 150 Chinese nationals per month into the United States across the northern U.S. border. It is estimated that these criminals, who charged a fee of \$47,000 per person, had the ability to earn up to \$169 million over 2 years. The investigation revealed that the aliens were smuggled into Canada using fraudulent documents. They were

then transported to New York City through an Indian reservation that straddles the U.S.-Canadian border. The criminal alien smugglers were indicted and charged.

PERFORMANCE GOAL 4.5.3

INTERIOR ANTI-SMUGGLING

DOJ will continue the implementation of the National Anti-Smuggling Strategy, and will begin to monitor the shifts in "vertical" smuggling corridors. INS will continue enforcement activity coordinated with intelligence, border, and overseas initiatives to prevent, identify, disrupt, and dismantle smuggling, terrorist, and organized crime and related overseas document fraud organizations.

In FY 1999, INS increased its anti-smuggling activities and its program against benefit and document fraud by presenting criminal cases for prosecution and increasing the use of forfeiture. Smuggling operations give illegal aliens the chance to find employment in U.S. industries, which takes employment opportunity from legitimate job seekers. In FY 1999, these efforts continued. A total of 7 major interregional smuggling cases and 1,967 principals were presented for prosecution. Operations such as "Over the Rainbow" targeted illegal smuggling with notable success (see sidebar).

Performance Goal 4.5.3

Interior Anti-smuggling

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Cases presented for prosecutions and assets seized from smugglers and fraud organizations and facilitators and apprehension of criminal and terrorist aliens (INS)				
a. Major, interregional smuggling cases presented for prosecution	NA	6	NA	7
b. Principals presented for prosecution for alien smuggling-related violations	1,304	1,547	NA	1,967
c. Large-scale benefit and document fraud cases presented for prosecution against organizations and facilitators	120	120	NA	378
d. Principals presented for prosecution for benefit or document fraud from organizations and facilitators	NA	NA	NA	636
e. Number of smuggling, fraud, and worksite cases accepted for prosecution with inclusion of forfeiture or parallel civil forfeiture	NA	NA	Baseline	16

Data Source: G-23.19.1 Report of Field Operations. Investigations Activity/Case Management Report, PAS, manual reports from INS field offices, and CATS.

STRATEGIC GOAL 4.6

Expedite the adjudication of immigration cases while ensuring due process and fair treatment for all parties.

The Executive Office for Immigration Review is responsible for interpreting immigration laws and conducting administrative hearings and appellate reviews on a wide variety of immigration issues. It also ensures fairness, competence, and efficiency

in decisions on the status of individual aliens in the United States. The Department seeks to expedite adjudication of immigration cases while preserving the system's fairness. This Strategic Goal's one Performance Goal addresses various aspects of the Department's immigration review process.

PERFORMANCE GOAL 4.6.1

IMMIGRATION REVIEW

Immigration Judges will complete 95 percent of expedited asylum, IHP, and detained cases within target timeframes. These timeframes are: (1) asylum cases within 180 days of filing by aliens with the DOJ; (2) IHP cases prior to aliens' release from incarceration; and (3) detained cases within 30 days of filing with the Immigration Court.

In FY 1999, total EOIR adjudications included 245,916 cases completed by immigration judges and 22,827 appeals completed by the Board of Immigration Appeals (BIA). Precedent-setting decisions include the following:

- An alien remains convicted for immigration purposes even where the conviction has been expunged, dismissed, vacated, or otherwise removed under a state rehabilitative statute.
- A conviction for committing serious nonpolitical crimes in his or her home country can bar a refugee from obtaining withholding of removal (see sidebar).

In addition, BIA published an interim decision addressing whether victims of domestic violence are eligible for asylum by claiming persecution under the statutory category of "membership in a particular social group."

Immigration Courts completed 65,891 asylum cases, including 25,398 expedited cases under EOIR's priority case processing initiative—88 percent within the mandated 180-day time limit. INS met its goal of processing 75 percent of new asylum reform cases within 60 days while exceeding the goal to process expedited removal cases within 14 days. Both averaged over 84 percent. Further, in response to the crisis in Kosovo, INS committed a team of asylum officers to process Kosovars on-site for possible refugee status and eventual resettlement in the United States. Along with processing more than 18,000 Kosovars on-site, INS processed an additional 14,000 at Fort Dix, New Jersey. In response to the interdiction at sea of several boatloads of Chinese off Tinian Island in the Northern Mariana Islands, INS pre-screened several hundred potential asylum-seekers. It also processed more than 76,000 applications for temporary protected status from Nicaraguan and Honduran victims of Hurricane Mitch.

Under the IHP—a coordinated effort by EOIR, INS, BOP, and state departments of corrections to conduct removal hearings for aliens incarcerated for criminal offenses—immigration judges completed nearly 12,800 criminal alien cases, 91 percent

Operation "Fineprint"

In November 1998, more than 2 million fake identification documents were seized in Los Angeles in the largest document seizure in INS history. The seized documents, with an estimated street value in Los Angeles of \$800 million, were headed for distribution points around the country.

before the alien's release. IHP has 76 hearing locations in 63 state, 10 Federal, and 3 municipal institutions. Of these, 15 facilities (11 BOP-operated and 4 contractor-operated) functioned as IHP hearing and release sites in FY 1999. An additional 14 facilities (12 BOP-operated and 2 contractor-operated) functioned solely as IHP release sites.

Performance Goal 4.6.1	Immigration Review			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Immigration Court cases received and completed within target timeframes (EOIR)				
Asylum Cases	90%	90%	95%	88%
IHP Cases	91%	94%	95%	91%
Detained Cases	91%	91%	95%	84%
Data Source: ANSIR.				

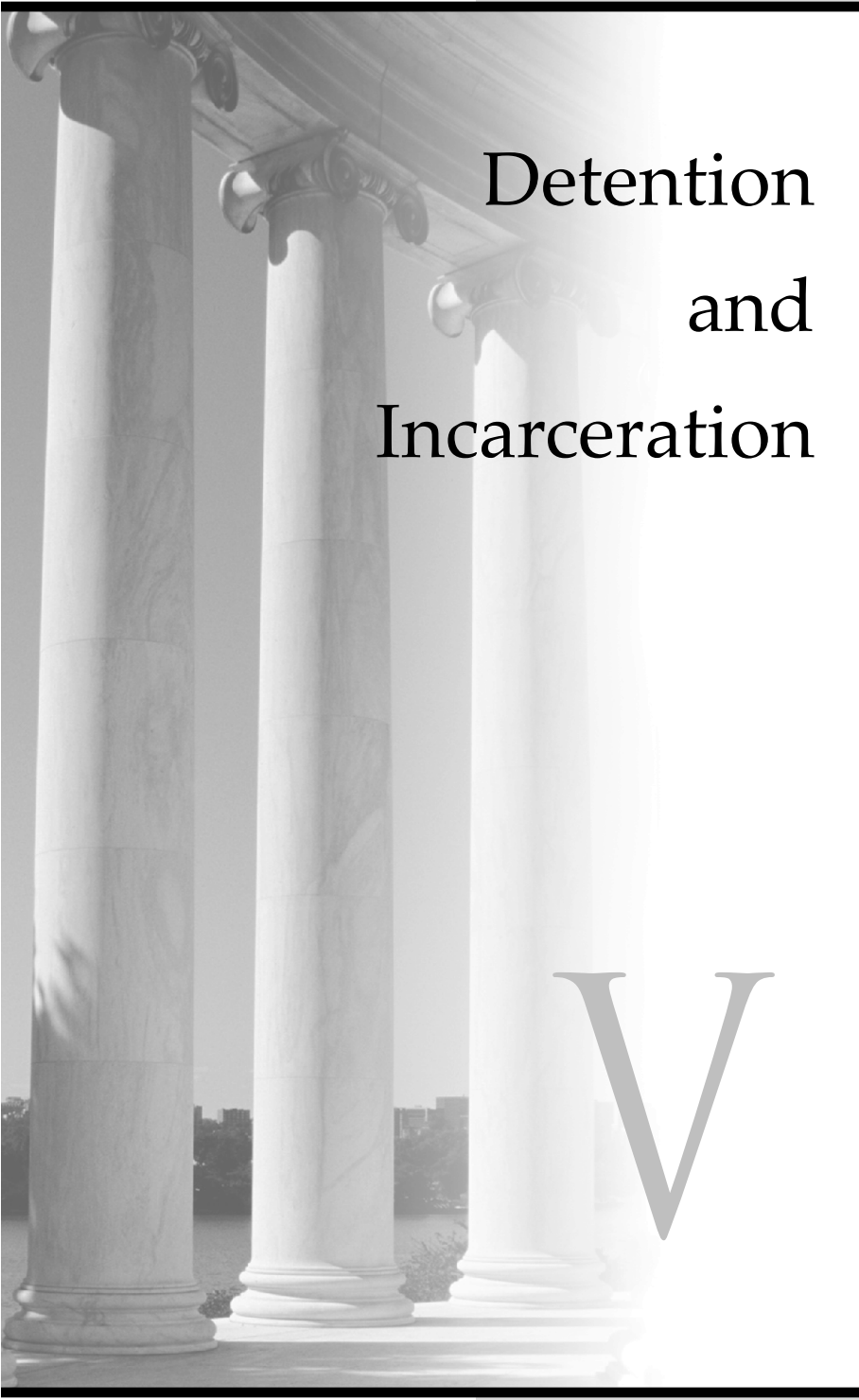
Explanation For Not Meeting Target

The actual percentage of asylum, IHP, and detained cases completed within target time frames fell a few points short of FY 1999 targets, a slight deviation that did not affect overall program integrity.

STRATEGIC GOAL 4.7

Improve the development and implementation of immigration-related policies and practices by incorporating input from a broad range of internal and external contacts.

During FY 1999, INS concentrated on reaching out to stakeholders in the communities it serves by expanding community relations efforts. In continuing to seek ways to improve high-quality dialogue and information exchanges with stakeholders, INS conducted educational and feedback meetings on immigration issues, customer service, and proposed regulations and procedures. It held more than 4,300 meetings with community groups in 1999, tripling the numbers of meetings held in 1998. Also, community relations officers nationwide acknowledged nearly 100 percent of complaints received within 30 days. In addition, 98 percent of all district offices and Border Patrol sectors developed community relations plans.



Detention
and
Incarceration

V

V CORE FUNCTION FIVE:

Detention and Incarceration



The Department is responsible for both detaining and incarcerating persons in Federal custody. Detention is the temporary holding of individuals accused of Federal crimes or those awaiting sentencing or deportation. Incarceration is the long-term confinement of convicted and sentenced offenders. In recent years, more aggressive law enforcement, combined with mandatory detention and sentencing requirements, has spurred a rising demand for detention and incarceration space.

The detention and incarceration Core Function includes four Strategic Goals that seek to (1) provide for the safe, secure, and humane confinement of detained persons; (2) ensure that sufficient prison capacity exists; (3) maintain and operate Federal prisons in a safe, secure, and humane manner; and (4) provide productive work, educational, and other programs to meet inmate needs and to help reintegrate former inmates into society.

STRATEGIC GOAL 5.1

Provide for the safe, secure, and humane confinement of persons who are detained while awaiting trial or sentencing, a hearing on their immigration status, or deportation.

The Department's primary detention responsibilities go toward maintaining secure, safe, and humane facilities for persons placed in its custody. Persons awaiting trial on Federal charges are the primary responsibility of the U.S. Marshals Service (USMS), which does not operate any detention centers, but rather obtains the beds it needs from state and local jails and from the Federal Bureau of Prisons (BOP), the Immigration and Naturalization Service (INS), and private contract facilities. Likewise, the INS detains persons charged with violating immigration law or entering the country illegally, or those who are awaiting deportation. It houses its detainees in its own detention facilities (Service Processing Centers), contract facilities, state and local jails, and BOP facilities.

This Strategic Goal includes two Performance Goals that address detention and the Justice Prisoner and Alien Transportation System (JPATS)—the entity responsible for air and ground movements of all persons in Federal custody.

PERFORMANCE GOAL 5.1.1

DETENTION

DOJ will work cooperatively with the private sector and state and local governments to establish and maintain adequate capacity to detain persons in Federal custody in cost-effective, safe, secure, and humane facilities, while awaiting trial, a hearing, or deportation.

- 1. Specifically, we will obtain sufficient detention space for an estimated average daily population of 28,466 persons in the custody of the USMS. The BOP will continue to support USMS requirements by housing a significant number of Federal pretrial detainees in BOP facilities. The remainder will be housed in non-Federal facilities (e.g., state and local jails, private facilities).*
- 2. We will also maintain detention space of 14,249 beds for persons in the custody of INS in FY 1999.*

Both the USMS and INS experienced growth in their detention populations in FY 1999. At fiscal year's end, the USMS had custody of more than 32,000 prisoners housed in approximately 1,000 state, local, private, and Federal detention facilities throughout the country. The USMS also used several alternatives to detention, such as home confinement/electronic monitoring and halfway house placement. INS had an average daily population of 16,563 for its bedspace capacity in 1999.

At the close of FY 1999, BOP allocated approximately 11,650 beds for USMS use, with approximately 11,280 occupied by USMS detainees. BOP facilities also housed about 1,000 INS detainees, including Mariel Cubans. In FY 1999, INS began implementation of the mandatory custody provisions of the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA). Mandatory detainees occupied 96 percent of available INS detention space in FY 1999. Criminal aliens occupied 71 percent of available detention space, compared to 62 percent at the end of FY 1998.

In addition to providing detention space for Federal prisoners, the Department has a primary concern for the overall quality of its detention facilities. In FY 1999, 10 Federal institutions were accredited by the American Correctional Association (ACA), bringing to 80 the total number of ACA-accredited institutions. The annual target was 18. INS, which improved the overall quality of its detention facilities in 1999, obtained accreditation for four facilities.

To address a major concern over inmate health care costs, the USMS in FY 1999 completed its managed care medical network in the New York City area, saving \$4.5 million. The USMS was also able to save approximately \$2.4 million in prisoner medical costs by reviewing medical claims referred from other USMS

field offices throughout the Nation. Additionally, the USMS developed and implemented two national health care policies to (1) define "medically necessary care" for individuals in its custody and (2) address issues regarding pregnant female prisoners.

Performance Goal 5.1.1				Detention	
Performance Indicator		1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Average daily detention population in custody (USMS, INS)					
	USMS	25,263	28,692	32,285	32,119
	INS	11,594	14,716	14,249	16,563
(2) Number of Federal detention centers activated (INS, BOP)					
	INS	0	1	0	0
	BOP	1	0	0	0
(3) Number of accidents and injury investigations (USMS, INS, BOP)					
	USMS	2	3	0	5
	INS	NA	NA	NA	NA
	BOP	598 / .53%	647 / .53%	704 / .53%	513 / .43%
(4) Per Capita and Jail Day costs (USMS, INS, BOP)					
	USMS	59.54	54.86	58.95	55.41
	INS	NA	63.00	67.00	67.00
	BOP	59.83	60.07	60.07	59.41
(5) Percentage of Federal facilities with ACA accreditations (INS, BOP)					
	INS	33% (5/15)	33% (5/15)	73% (11/15)	60% (9/15)
	BOP	68% (62/91)	71% (65/92)	82% (77/94)	75% (71/94)
*BOP figures include all BOP facilities.					
Data Source: (1) USMS: PTS. INS: DACS and manual reports by the Detention and Deportation program. (2) BOP: Internal records of the Administration Division and operational memoranda in BOPDOCS. (3) USMS: Incident Reports. BOP: Executive staff module from SENTRY and individual divisional databases. (4) USMS: PTS and STARS. Inmate Per Capita Costs Report. (5) BOP and INS independent accreditation reports.					

Explanation For Not Meeting Target

(3) The USMS anticipated having zero accidents and injury investigations for 1999, as every performance plan's goal is to eliminate all accidents and injuries. However, for 1999, the USMS had five injury investigations. This is not a significant increase over 1998 or 1997, considering that more than 32,000 prisoners were in USMS custody every day. As the Federal detainee population increases, injuries are expected to increase; however, the USMS' goal will remain the same.

(5) Six institutions were unable to complete the accreditation process by the close of FY 1999. Five of the six have since had successful audits and either received their accreditations in January 2000 or will receive accreditation in August 2000; ACA

awards accreditations only twice a year at ACA conferences. Planned FY 1999 figures were based on the use of an average time frame of 12 months for an institution to achieve accreditation (from purchase order issuance to successful accreditation panel hearing). These five institutions took an average of 12 months to complete a successful ACA audit (due to variables such as multiple institution missions, security levels, operational priorities, changes in personnel, varying interpretations of standards, completion of construction projects, etc.). This extended period resulted in successful panel hearings in January 2000. Although institutes are not required to achieve accreditation in 12 months, they are still encouraged to adopt the 12-month time frame as a goal; however, adhering to the time frame does not take precedence over an institution's being able to demonstrate ACA compliance at audit time. Regarding the sixth—FTC Oklahoma City—a decision has been made to halt the accreditation process at this time, as there are no ACA auditing standards that "fit" this unique institution (airlift/transportation hub). A determination will be made later whether to move forward with this accreditation. Two INS facilities originally scheduled for accreditation in FY 1999 will not have their hearings until January 2000.

Management Challenge

Shortage of Detention Space

Space to detain the Federal jail population has been a material issue since 1989. Detention space needs to be in or close to Federal court cities, as detainees are highly involved in the court process. If they are housed too far away, deputy marshals spend excessive amounts of time (and money) transporting them back and forth for court. (The Department notes, along with the U.S. General Accounting Office (GAO) and others, that INS also has an issue with detention space. However, programatically, it is not the same issue, as most of the INS need is not near Federal courts.) The USMS projects that this issue will continue until at least November 2000. Meanwhile, it will establish a team to manage the private jail contract, expand a 5-year contract authority for jail service contracts, and establish detention management positions in all contract jails with more than 200 USMS prisoners.

PERFORMANCE GOAL 5.1.2

JUSTICE PRISONER AND ALIEN TRANSPORTATION SYSTEM

DOJ will improve the operating efficiency of JPATS by acquiring needed aircraft and providing on-site aircraft maintenance at the hangar in Oklahoma City to reduce aircraft down times and flight delays and prevent unnecessary maintenance costs. Also, access to the Automated Prisoner Scheduling System (APSS) will be provided to INS and BOP, as well as enhancements to the system.

In FY 1999, JPATS added more aircraft and increased overseas flights for INS repatriations, adding airlift stops to reduce ground movements and expedite transit time (see Figures

14 and 15). Use of JPATS helped the INS manage a detention population requiring longer stays and more removal coordination. JPATS performed more than 140,000 total air movements of prisoners, inmates, and aliens in 1999. Of these, approximately 51,600 were USMS prisoners, 60,100 were INS aliens, 25,700 were BOP prisoners, and 2,800 were non-Federal/military prisoners. The number of air movements increased by 4 percent in FY 1999, and the number of prisoners and detainees moved exceeded the 1999 target by approximately 700 more than planned. The USMS is able to accurately predict JPATS workload because before the start of each fiscal year, INS, BOP, and USMS provide written estimates of air movements to the JPATS Advisory Committee. These estimates help determine the cost-per-seat charged. In FY 1999, the per-movement cost of prisoner transport was \$448. And in 1999, JPATS planes were generally available and ready for duty, with unscheduled maintenance problems taking planes out of commission only 13 percent of the time—well below the 20-percent target. Acquisition of a new leased aircraft improved performance by increasing available service hours.

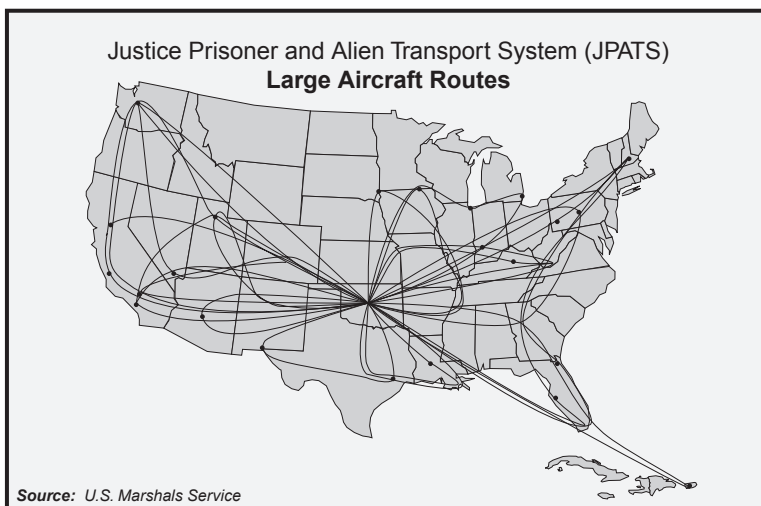


Figure 14

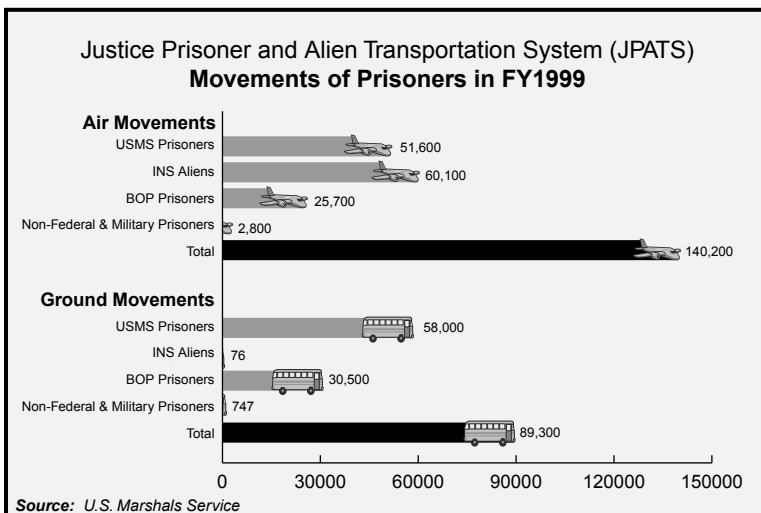


Figure 15

JPATS also performed or coordinated more than 89,300 ground movements. Of these, approximately 58,000 were USMS prisoners, 76 were INS aliens, nearly 30,500 were BOP prisoners, and 747 were non-Federal or military prisoners. Ground movements have decreased 3 percent since 1995, owing to the cost efficiencies and increased use of air transportation.

Performance Goal 5.1.2		Justice Prisoner and Alien Transportation System			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual	
(1) Per prisoner costs of transport (USMS)	\$366	\$428	\$448	\$448	
(2) Percent of seats filled in flights transporting prisoners* (USMS)	NA	NA	NA	NA	
(3) Percent of time JPATS-owned aircraft are not available due to unscheduled maintenance (USMS)	37%	18.3%	20%	13%	
(4) Number of accidents, injuries, escapes (USMS)	0 / 2 / 0	0 / 3 / 0	0 / 0 / 0	0 / 5 / 0	
(5) Number of components implementing the automated prisoner scheduling system (APSS) (USMS)	NA	NA	2 of 3	2 of 3	
(6) Number of prisoners moved by JPATS (USMS)	111,284	134,479	139,571	140,286	
(7) User satisfaction** (USMS)	NA	NA	TBD	NA	

*JPATS was unable to determine the percentage of seats filled in flights transporting prisoners. Future planning documents will not include this performance measure, because it cannot be accurately tracked. While USMS systems track prisoners and their movements through the system, they do not track JPATS aircraft and whether seats are filled during every segment of a prisoner movement. Maintaining this statistic would require a labor-intensive effort.

**USMS did not determine user satisfaction with JPATS in 1999. The JPATS Advisory Committee, which meets quarterly and includes representatives from the USMS, BOP, and INS, was unable in 1999 to decide on user satisfaction criteria. It is yet undetermined whether this performance measure will remain in future planning documents.

Data Source: (1) STARS and APSS. (2) Not currently collected, but will be, starting in FY 2000, when APSS is fully operational. (3) Mission Capable Status Report. (4) Incident reports. (5) Management and Budget Division. (6) APSS. (7) Surveys of the JPATS Advisory Committee.

Explanation For Not Meeting Target

(4) The USMS anticipated having zero accidents and injury investigations for 1999, as every performance plan's goal is to have no accidents or injuries. However, for 1999, the USMS had five injury investigations. This is not a significant increase over 1998 or 1997, considering that more than 32,000 prisoners were in USMS custody each day. As the Federal detainee population increases, injuries are expected to increase; however, the USMS' goal will remain the same.

STRATEGIC GOAL 5.2

Ensure that sufficient prison capacity exists so that violent and other serious criminal offenders are imprisoned to the fullest extent of the law.

To try and keep pace with a burgeoning inmate population and reduce overcrowding, BOP each year expands bedspace capacity through construction projects and facility activations, while also exploring alternatives to traditional confinement.

This Strategic Goal includes four Performance Goals that address prisoner bedspace capacity activation, prison construction, contract confinement, and the National Capital Revitalization and Self-Government Improvement Act of 1997 (the Revitalization Act.)

PERFORMANCE GOAL 5.2.1

PRISONER BEDSPACE CAPACITY ACTIVATIONS

DOJ will support BOP's efforts to reduce the systemwide overcrowding rate to 29 percent with the addition of over 3,600 new beds.

In FY 1999, BOP incarcerated more than 133,000 inmates in 94 BOP-operated institutions, 2 privately managed prisons, a variety of contract facilities, and home confinement. The Department supported BOP's efforts to reduce systemwide overcrowding through several bedspace activations. These included FMC Devens, Massachusetts; FCI Beaumont, Texas; FCI Edgefield, South Carolina; and a camp at FCI Forrest City, Arkansas.

Performance Goal 5.2.1		Prisoner Bedspace Capacity Activations			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual	
(1) Number of beds added (BOP)	6,580	3,029	3,691	3,530	
(2) Percent overcrowding by security level (BOP)					
Systemwide	22	26	29	31	
Medium	37	48	44	51	
High	52	56	57	50	

Data Source: SENTRY.

Explanation For Not Meeting Target

(1) and (2) BOP missed 1999 planned targets by a small amount. These slight deviations reflect no problems or issues with performance and pose no negative consequences to the program or its related activities.

Management Challenge

Overcrowding in Federal Prisons

As of September 30, 1999, BOP's overcrowding rate increased to 31 percent over rated capacity—from 5 percent last year—with prison overcrowding likely to continue as a material

weakness. BOP continues to rely on funding to build and acquire additional facilities to help it manage its growing inmate population and reduce the overcrowding rate. As of September 30, 1999, BOP's institution-based population was 117,295—9,088 more inmates than were housed at the end of FY 1998. The total BOP population (including contract facilities) increased by 11,373 during FY 1999, breaking last year's record for the largest 1-year increase ever experienced by BOP. The Department projects continued growth in the prison population, which should reach 160,118 by September 30, 2004. Through new facilities construction and expansion projects at existing institutions, the Department's Long Range Capacity Plan projects a rated capacity of 112,148 beds by September 30, 2004, at which time overcrowding is projected to be 45 percent over rated capacity. These projections were revised during FY 1999, based on analysis of data provided by the Administrative Office of the United States Courts. Driving the growth are increases in drug and immigration cases.

PERFORMANCE GOAL 5.2.2

PRISON CONSTRUCTION

DOJ will continue to support BOP's construction program to build additional facilities needed to assume the District of Columbia (DC) inmate population and to reduce the overcrowding levels at existing facilities.

Funding for construction of new prisons is aimed at reducing overcrowding at existing facilities and providing adequate space for transfer of the DC inmate population. In FY 1999, BOP continued to increase Federal prison space by constructing and activating new facilities and by exploring opportunities for renovating and expanding existing ones. BOP uses population forecast modeling to help plan for future construction and contracting requirements. It met its target in 1999, with 19 new facilities under design or construction in many different states: New York, North Carolina, Arkansas, Hawaii, Texas, Pennsylvania, Louisiana, Virginia, Kentucky, Mississippi, Florida, West Virginia, South Carolina, and California.

Performance Goal 5.2.2	Prison Construction			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of facilities under design or construction (BOP)	15	13	19	19
Data Source: Internal construction and facilities reports.				

PERFORMANCE GOAL 5.2.3

CONTRACT CONFINEMENT

To help ensure sufficient capacity to imprison violent offenders to the fullest extent of the law, DOJ will increase the percentage of its population in other-than-BOP facilities. These include halfway houses, contract facilities, and home confinement.

Use of secure and community-based alternatives to traditional confinement helps BOP address the prison overcrowding problem by placing nonviolent Federal prisoners in other-than-BOP facilities. In 1999, such alternatives included home confinement, community corrections centers, private facilities, local jails, and juvenile facilities. Additionally, BOP continued to pursue intergovernmental agreements to set up property transfers, joint use contracts, and other cooperative arrangements. At the close of FY 1999, 15,752 inmates were confined in alternative confinement programs as follows:

- 1,328 in home confinement;
- 5,798 in community corrections centers (CCCs);
- 3,080 in privatized facilities;
- 678 in jails/short-term detention;
- 256 in juvenile facilities; and
- 4,612 in state and local facilities by intergovernmental agreement.

The total number of offenders in CCCs and home confinement grew from 6,765 at the end of FY 1998 to 7,126 at the end of FY 1999—an increase of 5.3 percent.

Performance Goal 5.2.3	Contract Confinement			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of inmates in alternative confinement programs (BOP)	11,198	14,109	16,070	15,752*
*This figure does not include 642 INS inmates housed by BOP in Eloy.				
Data Source: SENTRY.				

Explanation For Not Meeting Target

BOP fell short of the 1999 planned target by a small amount. This slight deviation reflects no problems or issues with performance and poses no negative consequences to the program or its related activities.

PERFORMANCE GOAL 5.2.4

NATIONAL CAPITAL REVITALIZATION AND SELF-GOVERNMENT IMPROVEMENT ACT OF 1997

DOJ will continue implementation of the Revitalization Act, which transfers responsibility to BOP for housing felons sentenced under the DC Code and to the U.S. Parole Commission (USPC) for conducting parole hearings for these felons. In 1999, BOP will contract to house 1,100 DC adult sentenced felons. Construction will continue toward completion of Federal Correctional Institutions to absorb DC-sentenced felons into the Federal Prison System. USPC will conduct about 450 hearings per month.

The Department and BOP—committed to housing and maintaining felons transferred from the DC Department of Corrections under the Revitalization Act—have undertaken expansion activities to accommodate this population. The Revitalization Act requires that 2,000 DC inmates be housed in contract facilities by 2001 and that others be transferred to BOP as soon as practical. Closure of DC's Lorton Reformatory by December 31, 2001, remains on track.

Since passage of the Revitalization Act in 1997, BOP has accepted 1,861 DC-sentenced felons. To help accommodate the influx, BOP has seven facilities under development in six states—Kentucky, Florida, Virginia, West Virginia, Pennsylvania, and South Carolina—that will provide housing for this population. USPC is responsible for conducting parole hearings for these prisoners.

National Capital Revitalization and Self-Government Improvement Act of 1997				
Performance Goal 5.2.4				
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of DC-sentenced felons housed in facilities owned or contracted for or by the Federal Government (BOP)	450	880	1,118	1,022
(2) Number of correctional facilities in planning or construction mode which will help to absorb the DC-sentenced felon population into the Federal prison system (BOP)	0	6	6	7
(3) Average number of parole hearings held each month (USPC)	234	273	475	252

Data Source: (1) SENTRY. (2) Internal documents originated by the BOP Administration Division. (3) DRAM.

Explanation For Not Meeting Target

(1) In FY 1999, BOP housed 1,022 DC-sentenced felons, a slight deviation from the goal number that did not affect overall activity or performance.

(3) A shortfall of 223 planned versus actual hearings per month is attributable to two major factors. First, many hearings were postponed because of inadequate case files and documentation. Second, estimates of the parole-eligible population under the jurisdiction of the DC Department of Corrections have not been

reliable or consistent. Earlier estimates for this population exceeded 7,000; current estimates are much lower, but their accuracy is uncertain. The nature of the offenses committed by this population and the lack of documentation have made this caseload much more labor-intensive than the Federal caseload. Therefore, the shortfall in the estimate does not lessen the impact of the workload on USPC staff. Future estimates of planned productivity will be adjusted downward based on 1999 actual performance.

STRATEGIC GOAL 5.3

Maintain and operate the Federal Prison System in a safe, secure, humane, and efficient manner.

To ensure integrity throughout the Federal Prison System, the Department has embraced a strategy of properly training and equipping BOP staff and ensuring compliance with all applicable environmental, health, and safety standards for its institutions. To get feedback on its operations, BOP conducted in 1999 almost 500 program reviews (internal audits) of its institution, regional, and central office disciplines. Numerous institution and staff surveys sought to assess overall staff and inmate morale, communication, professionalism, and degree of community relations, along with general perceptions of institution operations, safety, executive leadership, and inmate supervision. Additionally, the Department continued to see to the humane and secure treatment of inmates, including those on death row (see sidebar).

On the negative side, armed and unarmed inmate-on-inmate assaults totaled 1,317, while armed and unarmed inmate-on-staff assaults totaled 959. In FY 1999, there were 5 homicides, 8 suicides, 1 inside escape, and 115 walkaways.

This Strategic Goal includes only one Performance Goal—that addressing modernization and repair.

PERFORMANCE GOAL 5.3.1

MODERNIZATION AND REPAIR

DOJ will support BOP's Modernization and Repair (M&R) program to maintain BOP facilities to provide a safe and secure environment. BOP will continue its special survey program of 15 facilities, which are over 50 years old and have not undergone major renovations and improvements, to develop detailed long-range master plans for these facilities.

Record overcrowding has taken its toll on Federal prisons, particularly on older facilities designed for a much smaller inmate population. BOP's M&R Program undertakes essential rehabilitation and renovation or replacement projects to ensure that prison structures, utilities systems, and other plant facilities remain in good repair. Failure to maintain structures not only erodes capital investment and multiplies future repair costs, but

Special Unit to Humanely House Death Row Inmates

On July 14, 1999, the Special Confinement Unit at USP Terre Haute opened. Its mission is to provide humane, safe, and secure confinement of male offenders sentenced to death by the Federal courts. The renovated housing unit includes 50 single cells, an industrial workshop, indoor and outdoor recreation areas, a property room, a food preparation area, attorney and family visiting rooms, and a videoconferencing area.

can also cause direct and/or indirect security problems. In 1999, BOP continued to repair and renovate facilities as required; identify any hazardous waste on prison property; and comply with fire, life safety, and electric codes, as well as water-works standards. BOP completed 680 M&R projects in 1999, 66 percent over its target of 410. In future years, BOP plans to complete approximately 450 M&R projects each year, and has been working diligently to complete those more than 3 years old. Additionally in 1999, BOP met its goal of completing four special 50+ surveys—long-range master plans for facilities more than 50 years old.

Performance Goal 5.3.1		Modernization and Repair		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of projects in process and completed during the Fiscal Year (BOP)	394	435	410	680
(2) Number of planned special "50+" surveys completed (BOP)	0	4	4	4
(3) Percentage of Life Safety discrepancies completed (BOP)	96%	98%	99%	98%

Data Source: Internal construction and facilities reports.

Explanation For Not Meeting Target

(3) In FY 1999, BOP completed 98 percent of Life Safety discrepancies, a slight deviation from the goal number that did not affect overall activity or performance. In 1999, one institution project, FCI Sandstone, Minnesota, was not completed as planned, but will be completed in 2000.

STRATEGIC GOAL 5.4

Provide productive work, education, medical, and other programs to meet inmate needs and facilitate their successful reintegration into society, consistent with community expectations and standards.

BOP's correctional programs seek to balance punishment, deterrence, incapacitation, and opportunities to prepare the offender for successful reintegration into society. In FY 1999, BOP continued to expand and improve the quality of prison work and education programs to alleviate inmate idleness and help inmates develop marketable skills. All medically fit inmates had access to general education and skills-based training, psychological services, and religious and fitness activities. Inmates also took part in such productive activities as adult education and parenting classes. Federal Prison Industries (FPI) employed roughly 17 percent of inmates housed in low-, medium-, and high-security institutions. BOP also provided residential drug treatment programs to all eligible inmates, and continued to provide necessary quality health care to inmates and detainees while controlling costs. This Strategic

Goal's one Performance Goal addresses the many aspects of inmate services.

PERFORMANCE GOAL 5.4.1

INMATE SERVICES

DOJ will support BOP's efforts to provide services and programs to address inmate needs that contribute to their successful reintegration into society. These efforts will include the following:

- Providing adequate medical care.*
- Offering appropriate dietary requirements.*
- Ensuring that all medically fit inmates required to work do so.*
- Delivering residential drug treatment to 100 percent of eligible inmates.*
- Providing general education and skills-based training.*
- Affording inmates the opportunity to participate in other productive activities such as "special needs" programs, worship services, adult education, parenting classes, etc.*

BOP employs Public Health Services doctors to provide quality health care, including essential medical, dental, and psychiatric care, to its inmate population. In FY 1999, 1.25 million medical encounters occurred between inmate patients and BOP or contract health care professionals. In seven locations, BOP used teleconferencing to render health care services.

BOP also provided inmates with a range of services and programs to address their needs and contribute to their successful reintegration into society. On average, 36 percent of inmates enrolled in one or more education programs in FY 1999. These included occupational training programs, for which enrollment topped 16,100. Also, nearly 21,000 inmates worked for FPI, which activated two new factories in FY 1999—FCI Beaumont and FCI Edgefield—and established 600 new inmate jobs.

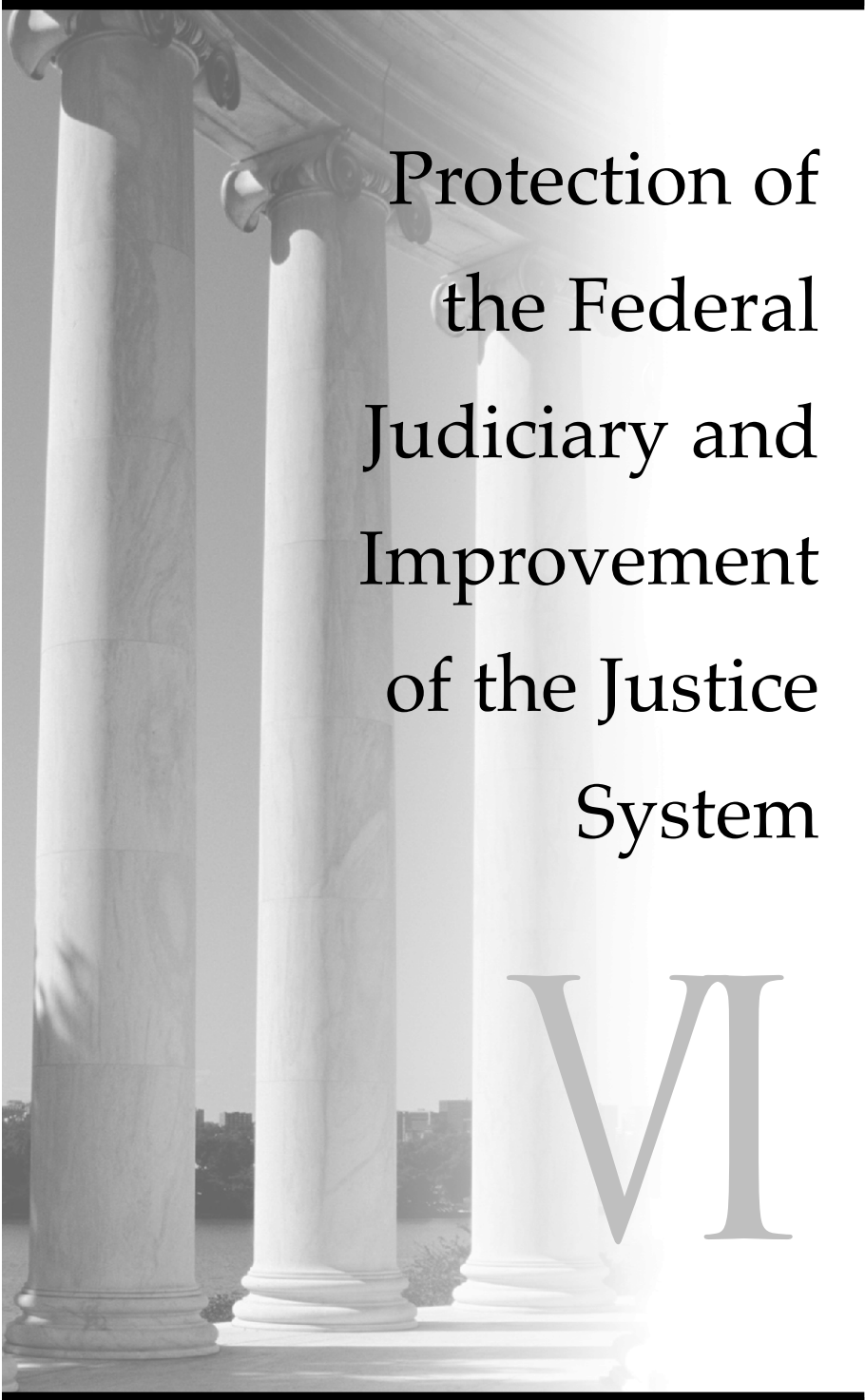
More than 10,800 inmates participated in residential drug treatment programs, and approximately 6,500 inmates completed nonresidential drug treatment programs. An interim report from an ongoing evaluation of BOP's residential drug treatment program confirmed the importance of treatment in reducing recidivism and future drug use. The evaluation, conducted with funding and assistance from the National Institute of Drug Abuse, revealed that offenders who completed the program and were released for 6 months were less likely to be rearrested or detected for drug use than were similar inmates who did not participate in the program.¹⁷

¹⁷ Federal Bureau of Prisons. *Triad Drug Treatment Evaluation Project: Six-Month Interim Report*, January 1998.

Performance Goal 5.4.1**Inmate Services**

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Percentage of inmates enrolled in one or more educational programs (BOP)	30%	36%	32%	36%
(2) Number of participants in residential drug treatment programs (BOP)	7,895	10,006	7,500	10,816
(3) Number of beds available for residential drug treatment programs (BOP)	6,000	6,000	6,000	10,000

Data Source: (1) SENTRY. (2) SENTRY and internal budget formulation documents. (3) SENTRY.

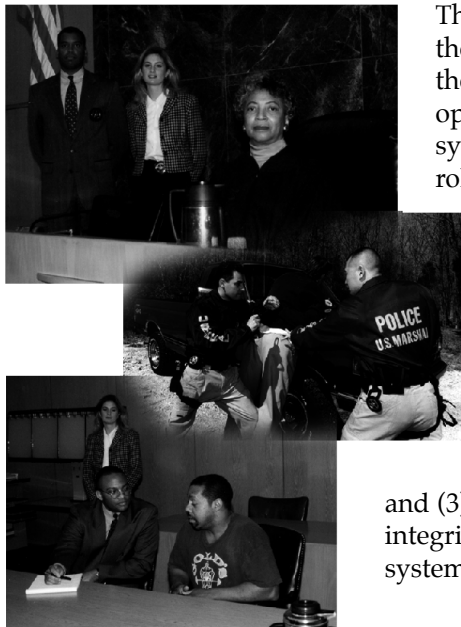


Protection of
the Federal
Judiciary and
Improvement
of the Justice
System

VI

V CORE FUNCTION SIX:

Protection of the Federal Judiciary and Improvement of the Justice System



The Department of Justice has the significant task of ensuring the effective, efficient, and secure operation of the Federal justice system. It fulfills this important role by working to achieve the three Strategic Goals under this Core Function: (1) protect the Federal judiciary and ensure the safe operation of the Federal court system, (2) promote the participation of victims and witnesses in justice proceedings at all levels, and (3) protect and preserve the integrity of the bankruptcy system.

STRATEGIC GOAL 6.1

Protect the Federal judiciary and ensure the safe and secure operation of the Federal court system.

Within the Department, the U.S. Marshals Service (USMS) has the primary mission of ensuring that all Federal court proceedings take place free from intimidation or the threat of violence, and that no judges, court participants, or witnesses are victims of assaults stemming from their involvement in Federal court proceedings. Toward this end, the USMS continued to provide high levels of security, using investigative and telecommunications technologies to identify and investigate threats and prevent and eliminate assaults on judicial personnel, witnesses, and victims. The USMS also closed thousands of fugitive cases this year, including a significant number of major cases. This Strategic Goal includes four Performance Goals that address protection of participants in Federal court proceedings, asset forfeiture, fugitive apprehension, and automated data processing and telecommunications.

PERFORMANCE GOAL 6.1.1

PROTECT JUDICIAL PROCEEDINGS PARTICIPANTS

DOJ will continue to deter and respond to threats to the safety of Federal judges, other court personnel, and witnesses and participants in Federal judicial proceedings. Our primary goal is to ensure that no judge, other court participant, or witness is the victim of an assault stemming from his or her involvement in a Federal court proceeding. Specifically, in FY 1999:

- 1. We will effectively identify, assess, and respond to threats against court personnel and property.*
- 2. We will enhance the physical security of new and renovated Federal courthouses.*
- 3. We will provide for the long-term protection of Federal witnesses and their family members.*

In 1999, Deputy U.S. Marshals provided protective services in the form of personnel and additional security measures for 156 trials. Court security personnel provided state-of-the-art protective techniques and equipment for all phases of court proceedings inside Federal courthouses in all 94 Federal judicial districts and in the District of Columbia Superior Court. Their work ensured quick and safe responses in emergency situations as well as unobtrusive surveillance and protection during routine operations. In 1999, 72 percent of Federal criminal court proceedings met USMS security requirements, exceeding the 1998 actual and meeting the 1999 goal.

In recent years, a dramatic increase has occurred in the number of threats against members of the judiciary, U.S. Attorneys, and other court officers. Court security inspectors assess explicit threats against the judiciary and determine their danger level. In FY 1999, the USMS assessed 345 threats and assaults made against judges and other court personnel, frequently resulting in round-the-clock protective details. The USMS also evaluated 702 inappropriate communications to the judiciary.

Protection of Federal officials and witnesses is a high priority with the Department, reflected in the USMS' goal of ensuring zero threats and assaults against all participants in the witness protection program—a goal it achieved in FY 1999.

Also in FY 1999, 18 courthouses received enhanced physical security through renovations designed to bring them up to USMS security standards. The USMS oversees each aspect of courthouse construction projects, from design through completion, to ensure the safety of Federal judges, court personnel, and the public.

Performance Goal 6.1.1

Protect Judicial Proceedings Participants

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Percentage of Federal criminal court proceedings meeting USMS security requirements (USMS)	68%	72%	72%	72%
(2) Number of threats and assaults against judges and other court personnel (USMS)	405	702	413	345*
(3) Number of threats and actual assaults against protected Federal witnesses (USMS)**	0	0	0	0
(4) Number of courthouses receiving enhanced physical security (USMS)	10	16	15	18***

*In FY 1999, the USMS also evaluated 702 inappropriate communications to the judiciary.

**For FY 2000, the USMS is amending this performance indicator and will no longer provide programmatic data related to the witness protection program; instead, for security reasons, the USMS will report separately on the number of threats and assaults against members of the judiciary.

***This modified number more accurately reflects 1999 security renovation activities in USMS-controlled space in U.S. Courthouses and Federal buildings. In future plans, the indicator will read, "Additional courthouses and Federal buildings being renovated to meet USMS security standards."

Data Source: Surveys, the USMS Form 550, Judicial Security Division weekly activity reports, and Investigative Services Division incident reports.

Explanation For Not Meeting Target

(2) The amount of inappropriate communications and threats received by the USMS cannot be predicted. An estimated annual increase of 3 percent was used for 1999 planning purposes. The 1999 actual amount was 16 percent less.

PERFORMANCE GOAL 6.1.2

ASSET FORFEITURE

DOJ will increase accountability of the asset forfeiture program. The USMS will increase efforts to improve the timeliness of property disposal, the effectiveness and cost efficiency of program support and oversight functions, and the training of personnel responsible for the operation of the Asset Forfeiture Program.

The Department's goal with the sale of real property is to achieve 85 percent of its appraised value. In FY 1999, the USMS achieved this goal on two out of every three sales, which, given program dynamics, is a commendable achievement. A number of mitigating factors can help to explain why some properties sold for less than the 85-percent goal (see "Explanation For Not Meeting Target" below). For better homes in "normal" residential locations, the Department used Fannie Mae for disposition, achieving an average of 95 percent of the appraised value on roughly 50 homes in FY 1999.

To help state and local agencies or their designated not-for-profit organizations, the USMS used a special 1-year authority

to transfer low-value property to these entities, as did other Justice components involved in drug prosecutions (see sidebar under Performance Goal 2.3.2, "Community-Based Approaches to Crime and Justice"). In FY 1999, the USMS transferred seven real properties to community organizations for housing and educational centers—examples of how this special authority can be implemented efficiently and confer positive benefits on the community.

Performance Goal 6.1.2	Asset Forfeiture			
Performance Indicator	1997 Actual	1998 Actual*	1999 Planned	1999 Actual
(1) Percent of real property sold at 85% or more of its market value (USMS)	83%	72%	85%	67%
(2) Percent of real property disposed of within 1 year (USMS)	69%	74%	85%	80%
(3) Disposed seized properties (USMS)	34,356	39,441	36,160	46,021
(4) [Number of] days needed to dispose of property in USMS custody (USMS)	365	363	300	300
<p>*1998 actuals were adjusted in this year's report because the Seized Assets Management System (SAMS) was being converted to the Consolidated Assets Tracking System (CATS) around the time 1998 performance numbers were required; information pulled at the time was to be confirmed later when the data conversion was complete. Unfortunately, the GPRA tables went out before the conversion was complete, and information pulled from the new CATS system showed a change in 1998 actual numbers.</p>				
<p>Data Source: CATS.</p>				

Explanation For Not Meeting Target

(1) Market forces helped prevent USMS from meeting its goal to sell properties at 85 percent or more of their value. Also, many properties were seized in less than desirable neighborhoods (e.g., inner cities and poor school systems), which drove down the return. Another mitigating factor was the goal to sell properties in less than 1 year, which sometimes compelled acceptance of a lower price in order to move the property. Often, too, title problems narrowed purchasers to those able to close with cash only, thus driving down prices. Admittedly, some appraisals came back reflecting a value if certain repairs were done, rather than "as is," which is often how the properties are sold. In the face of inflated appraisals, a mini-cost-benefit analysis helps to determine whether spending another \$300-\$400 on another appraisal is worthwhile, or if accepting a lower price based on best information available is more prudent. Finally, while the national real estate market was fairly strong, pockets remained soft. Because pockets existed in both strong and weak markets, the USMS had to take lower prices where the market was weak. For the 152 properties that did not sell for 85 percent of appraised value, one of the above reasons was likely a factor. The USMS will continue to set the bar high, knowing that a certain segment of its portfolio will preclude achieving this goal.

(2) While the actual percentage of real property disposed within 1 year fell short of the target, the deviation was slight and did not adversely affect the program or its related activities.

PERFORMANCE GOAL 6.1.3

FUGITIVE APPREHENSION

DOJ will continue to identify and target for apprehension the most violent fugitives that are charged with serious Federal criminal offenses. In support of this goal, the USMS will close 80 percent of its felony warrants (Class I warrants) within 1 year.

In FY 1999, the USMS opened approximately 25,000 fugitive cases and closed approximately 25,200—more than 40 percent of these by physical arrest. This is the first time that the USMS closed more cases than it opened. Increased closures were due to three factors: (1) use of automated information databases that provided financial information on wanted persons, (2) upgraded electronic surveillance equipment that led to increased arrests, and (3) a 1-year concentrated effort to reduce the warrant backlog to meet the Attorney General's violent crime initiative. Three Class I warrants were for USMS "Most Wanted Fugitive" cases, and 219 closed cases were major cases, a significant increase over the 132 major cases closed in FY 1998. These closures included the arrests of suspected railway serial killer Rafael Resendez-Ramirez and cop killer Jeffrey McGee.

Performance Goal 6.1.3		Fugitive Apprehension		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Percent of Class I warrants closed within 1 year (USMS)	81%	86%	80%	80%

Data Source: WIN.

PERFORMANCE GOAL 6.1.4

AUTOMATED DATA PROCESSING AND TELECOMMUNICATIONS

DOJ will integrate and connect all major computer systems in the USMS. In addition, the USMS will increase its ability to manage personnel and financial resources and detainee information, and improve safeguards against unauthorized access or use of the systems by investing in the ADP infrastructure.

Even absent requested funding for computer security in FY 1999, the USMS contracted for commercial database services for all its districts, providing the agency with several resources for locating fugitives. The USMS also began implementing 50 Automated Booking Stations (ABS) in district offices. Two pilot district offices successfully submitted fingerprints electronically to the Federal Bureau of Investigation's (FBI's) Integrated Automated Fingerprint Identification System (IAFIS). Electronic submission and response of fingerprint information is dramatically reducing the time it takes to

confirm a detainee's identity, owing to the rapid response available from the IAFIS system. The USMS plans on using IAFIS-related submissions as an indicator on future performance reports relating to the ABS.

Performance Goal 6.1.4	Automated Data Processing and Telecommunications			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Time saved in rating and ranking resumes (USMS)	NA	7 days	14 days	7 days
(2) Time saved per site booking prisoners (USMS)	NA	TBD	20%	20%
(3) Time saved scheduling each prisoner (USMS)	NA	20 min.	20 min.	20 min.
(4) Percent of Joint Financial Management Improvement Project (JFMIP) criteria met using STARS (USMS)	77%	77%	77%	97%
(5) Number of USMS systems meeting DOJ 2640.2C (AIS security requirements for operations systems) (USMS)	0 of 6	0 of 6	2 of 6	0

Data Source: (1) Comparison of MAPS and manual system. (2) Comparison of ABS and manual system. (3) Comparison of APSS and manual system. (4) JFMIP evaluation report. (5) Biannual briefing report to the Assistant Attorney General for Administration.

Explanation For Not Meeting Target

(1) Lack of funding prevented the USMS from acquiring the resume module of the human resources system. No further progress has been made on this indicator and, until funding is secured, the USMS will remove it from future reports.

(5) One reason that FY 1999 planned targets were unmet for the number of USMS systems meeting Department security requirements is that the requested enhancement for computer security funds was not a part of the final appropriation.

STRATEGIC GOAL 6.2

Promote the participation of victims and witnesses throughout each stage of criminal and juvenile justice proceedings at the Federal, state, and local levels and in Indian Country.

The cooperation of victims and witnesses is essential to the prosecution of Federal cases. Victims and witnesses, however, are often traumatized by the criminal event that brings them into the criminal justice process, are apprehensive about appearing as witnesses, or are in need of emergency or other assistance. In FY 1999, the Department continued to carry out the Federal Government's mandate to uphold the rights of innocent victims of crime, respect their dignity and privacy, and treat them with fairness. The Department seeks to raise the awareness of both victims for their rights and offenders for the impact their crimes have on victims and communities. Services

available to victims and witnesses continue to expand, as the Department continues to create processes to increase victim participation in proceedings and to make its procedures more "victim-friendly." This Strategic Goal's one Performance Goal addresses the issues associated with victims and witnesses.

PERFORMANCE GOAL 6.2.1

VICTIMS AND WITNESSES

DOJ will promote increased participation of victims and witnesses throughout each stage of a judicial proceeding. At the Federal level, we will train Federal law enforcement officers and prosecutors in victim-witness responsibilities. We will also further develop and deploy a nationwide automated victim notification system. We will take steps to ensure full compliance with the Attorney General's Guidelines for Victim and Witness Assistance.

Recognizing the concerns and needs of victims and witnesses and responding appropriately is a high Department priority. In FY 1999, the Department continued to promote the increased participation of victims and witnesses throughout each stage of a judicial proceeding. U.S. Attorneys met their goal for complying with notification requirements in 1999, and victim-witness coordinators in U.S. Attorneys' offices played a pivotal role in making sure victims and witnesses got the support they needed. Quarterly sessions with the FBI's Community Specialists for Outreach and Victim-Witness Unit provided victim-witness coordinators with information on upcoming events, training, and conferences. These sessions enhanced the relationship between the FBI and U.S. Attorneys' offices and strengthened Federal victim and witness assistance and community outreach initiatives. The Department will continue efforts to ensure full compliance with the Attorney General's Guidelines for Victim and Witness Assistance, which centers on enhancing assistance given to victims and witnesses and promoting their increased participation in prosecuting criminals.

Performance Goal 6.2.1		Victims and Witnesses		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Percentage of USAs' districts complying with notification requirements (USAs)	70%	70%	70%*	70% (projected)**
(2) Number of victims and witnesses receiving assistance*** (USAs)	NA	NA	NA	NA
(3) Satisfaction level of victims and witnesses receiving assistance*** (USAs)	NA	NA	NA	NA
*The former 1999 planned figure of 88% was a clerical error in the FY 1999 Summary Performance Plan.				
**FY 1999 actuals will not be available until the 2nd quarter of FY 2000.				
***These two indicators are being revised and consolidated, beginning with the FY 2001 plan. The new indicator will measure the percentage of positive responses to client surveys.				
Data Source: (1) EOUSA survey of Law Enforcement Coordinating Committees' points of contact.				

STRATEGIC GOAL 6.3

Protect and preserve the integrity of the bankruptcy system, maximize the dollar return to creditors, and monitor the cost of bankruptcy administration.

To reduce bankruptcy fraud throughout the Nation, the Attorney General's Council on White Collar Crime endorsed the Department's Bankruptcy Fraud Training and Identification program. A major goal of the program was met in February 1999, when the National Bankruptcy Training Institute opened its doors in Columbia, South Carolina, thereby providing a permanent site for a comprehensive employee training program as well as a national center for bankruptcy scholarship. The Institute will foster the professional development of program personnel and the integrity of the bankruptcy system. Bankruptcy fraud convictions in 1999 included a \$60-million criminal penalty paid by Sears Roebuck—the largest ever paid in a bankruptcy fraud case. This Strategic Goal includes only one major Performance Goal, which addresses the bankruptcy caseload.

PERFORMANCE GOAL 6.3.1

BANKRUPTCY CASELOAD

DOJ will emphasize the timely administration of bankruptcy cases and will meet projected increases in all chapter filings while maintaining or reducing existing chapter 7 and chapter 11 case backlogs. The U.S. Trustee Program (USTP) will also increase the number of civil enforcement actions filed in response to misconduct and fraud, and increase contacts with Federal, state, and local law enforcement agencies to assist in reducing such fraud.

Coordination among law enforcement agencies led to successful targeting of bankruptcy system abuse in FY 1999. The National Bankruptcy Fraud Working Group, a multiagency forum created in 1999 to address enforcement problems and interagency coordination, reflected this cooperative approach. With representatives from a dozen agencies, the working group's job is to coordinate investigations and develop a national response to bankruptcy fraud issues, as well as assist districts in establishing local bankruptcy fraud task forces.

The U.S. Trustees report that criminal referrals far exceeded 1999 targets. Two reasons were the completion and implementation of the new criminal referral database and the issuance of new criminal referral reporting guidelines. Completion of the database allowed field offices to report all criminal referrals made during the year in a much more timely manner. The reporting guidelines expanded types of criminal referrals that should be reported. Consequently, the new criminal referrals database reflects a much greater number than originally anticipated—1,291 instead of 604.

Performance Goal 6.3.1

Bankruptcy Caseload

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of old (3 years or more) bankruptcy cases as a percentage of total caseload (Chapters 7 and 11) (USTP)				
Chapter 7	4.3%	4.0%	4.0%	3.9%
Chapter 11	6.2%	7.3%	7.3%	5.9%
(2) Distribution of funds to creditors (USTP)				
Chapter 7 (Calendar Year)	\$ 864,931,897	\$ 929,323,775*	NA	NA**
Chapter 12 (Calendar Year)	\$ 37,898,908	\$ 34,350,539	NA	NA
Chapter 13 (Fiscal Year)	\$ 2,092,665,303	\$ 2,477,057,924	NA	NA
(3) Number of civil enforcement actions and criminal referrals (USTP)	774	760*	604***	1,291

*The 1998 actual figure for the distribution of funds to creditors was revised to reflect the final figure. The original figure was submitted to the Department's Budget Staff on March 2, 1999, even though a few final accounts on closed cases from panel trustees were outstanding. The 1998 actual figure for number of civil enforcement actions and criminal referrals was revised as a result of implementing the new criminal referral database. Because criminal referrals are currently self-reported by the program's field offices and no specific guidelines were issued as to when they had to be reported, a number of FY 1998 referrals were not reported until later in FY 1999. Consequently, those referrals were picked up by the new criminal referral database. The new 1998 actual figure includes the FY 1998 criminal referrals received in FY 1999, after the program submitted final edits to the Department's FY 2000 Summary Performance Plan on March 3, 1999.

**Actual chapter 7 disbursements are tracked only by calendar year at this time. The program was revising its database system in hopes of providing disbursement data by FY 1999; however, budgetary constraints suspended all work on the new database system in FY 1999. Actual figures for calendar year 1999 should be available in March. Chapter 12 disbursements are tracked by calendar year as well. The data come from the annual reports submitted by the standing trustees at the end of each calendar year. These are not received by the Executive Office until the beginning of April. Actual chapter 13 disbursements are tracked by fiscal year. However, actual figures are pulled from the standing trustees' annual reports and are not available to the Executive Office until after the reports have been audited. The audited reports are typically received at the end of March. Outyear figures cannot be accurately projected since the USTP has no reliable method of calculating the disbursements of future bankruptcy cases.

***Starting with the FY 2001 budget submission, the USTP will no longer estimate the number of criminal referrals and civil enforcement actions for future years. This decision mitigates against the perception of "bounty hunting" and prevents other unintended and possibly adverse consequences.

Data Source: (1) ACMS. (2) Chapter 7 panel trustees' final accounts and chapters 12 and 13 standing trustees' annual reports. (3) USTP's criminal referral database.



Management

VII

VIII CORE FUNCTION SEVEN:

Management



Achievement of Performance Goals greatly depends on how well the Department manages and conducts its programs. This section of the report describes progress in meeting Department-level Performance Goals in the area of management. These goals cut across component boundaries and are fundamental to the accomplishment of overall mission.

They include five Strategic Goals to (1) ensure the integrity of Department programs and personnel;

(2) meet the needs of customers; (3) implement effective management practices, especially in accounting for public funds;

(4) make wise and effective use of investments in information technology (IT); and (5) ensure continuance of a highly skilled, motivated, and diverse workforce.

STRATEGIC GOAL 7.1

Strengthen oversight and integrity programs, ensure consistent accountability, and emphasize core mission responsibilities.

Integrity is basic to the Department's ability to achieve its mission and retain the trust and confidence of the American people. To help ensure integrity, two Department components play a lead role in investigating allegations of misconduct. The Office of the Inspector General (OIG) investigates allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department employees, contractors, and grantees. The Office of Professional Responsibility (OPR) investigates allegations of misconduct against Department prosecutors and civil litigators in handling litigation, particularly in cases involving judicial findings of prosecutorial misconduct.

Immigration Inspector Takes Money for 'Looking Other Way'

In the Southern District of California, an Immigration and Naturalization Service immigration inspector assigned to the San Ysidro Port-of-Entry was arrested on Federal racketeering charges, alien smuggling, and importation of controlled substances. An 18-month investigation by the San Diego Border Corruption Task Force found that the immigration inspector used his official position to permit illegal entry of vehicles and people into the United States from Mexico in exchange for about \$350,000. He allowed 23 aliens into the country without proper inspection, along with several loads of marijuana. All were later intercepted. The immigration inspector is the first alleged smuggler of immigrants to be charged under Federal racketeering laws.

PERFORMANCE GOAL 7.1.1

OVERSIGHT AND INTEGRITY

DOJ, through its independent Office of the Inspector General and Office of Professional Responsibility, will continue to ensure integrity in DOJ programs and operations, including those related to the conduct of litigation and other representation activities. The OIG will focus its resources on increasing joint agency task force and working group activity by 20 percent (over FY 1997 actuals), affording the opportunity to determine criminal activity, reduce employee misconduct, and protect the civil rights of individuals while maximizing resource use efficiency.

OPR will continue to focus its resources on allegations that the Department's prosecutors and civil litigators engaged in misconduct in handling litigation, particularly allegations involving judicial findings of prosecutorial misconduct.

During FY 1999, the OIG received a total of 8,196 complaints. It opened 642 investigations, closed 751, and made 157 arrests involving 61 Department employees, 75 civilians, 15 Department contract personnel, and 6 grantees. Convictions resulted in 86 individuals receiving sentences up to life in prison and approximately \$4.6 million in fines, recoveries, orders of restitution, and forfeiture actions. OIG investigations led to 65 employees and 17 contract employees receiving disciplinary action, including 37 who were fired. In addition, 53 employees, including 3 contractors, resigned either during or following these investigations. Because of insufficient staffing, the OIG was able to open only a small percentage of investigations into the credible allegations it received in 1999. As a result, in many instances, the OIG referred less serious allegations to components within the Department for appropriate action. In more important referred cases, the OIG reviewed the component findings and the disciplinary action taken.

In 1999, the OIG gave priority attention to investigations involving allegations of fraud, bribery, rights violations, drug offenses, and sexual misconduct. Overall, it opened 293 investigations in these priority areas, below the anticipated number of 415. OPR opened 88 investigations, slightly below its targeted level of 100.

The OIG participated with several other agencies and state and local law enforcement in joint task forces and working groups investigating allegations of drug-related public corruption and official misconduct. Task force efforts resulted in dramatically improved interagency cooperation and information sharing. They uncovered schemes to sell phony documents to undocumented immigrants and thwarted a plot to allow illegal aliens and drugs into the country in exchange for money (see sidebar). In 1999, the OIG exceeded its target of increasing the level of task force and working group activities by 20 percent over the 1997 base.

Performance Goal 7.1.1		Oversight and Integrity			
Performance Indicator		1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Total number of OIG priority investigations closed and priority investigations remaining in an open status (OIG)					
1. Fraud					
	Opened	111	118	110	104
	In an open status any time during the year	197	235	220	232
	Closed	82	104	100	133
2. Bribery					
	Opened	172	142	140	73
	In an open status any time during the year	320	318	300	354
	Closed	143	148	140	196
3. Rights Violations (includes force, abuse, and assault)					
	Opened	89	81	75	57
	In an open status any time during the year	101	114	110	88
	Closed	72	73	70	51
4. Drug Violations					
	Opened	80	81	72	34
	In an open status any time during the year	134	146	138	92
	Closed	70	84	75	49
5. Sexual Crimes					
	Opened	27	20	18	25
	In an open status any time during the year	39	35	31	61
	Closed	18	15	15	32
(2) Total number of OPR investigations closed and remaining in an open status (OPR)					
	OPR investigations OPENED	98	77	100	88
	OPR investigations CLOSED	124	83	85	63
(3) Number of administrative actions taken by components, as reported to the OIG (OIG)					
		130	103	NA	185
(4) Number of joint agency task forces and working groups over 97 actuals (OIG)					
		10	3 (total of 13)	NA	8 (total of 18)

Data Source: (1) IDMS. (2) OPR case tracking system. (3) and (4) OIG internal files.

Explanation For Not Meeting Target

(1) The OIG met its goal for priority investigations in an "open" and "closed" status in all areas except Rights Violations and Drug Violations. In the area of Drug Violations, OIG's failure to meet its targets stems from its July 1998 revision of the offense codes that comprise each priority investigation category. The result is a shift in how some existing as well as new cases are classified and tracked. Many cases that would have been categorized and tracked as drug cases are now reflected in the Bribery category. As Drug Violation cases decreased, Bribery cases in FY 1999 were 18 percent over OIG's target number. In the area of Rights Violations, a June 1999 internal policy change required OIG to open a case only where the initial allegation appeared prosecutable. This OIG policy change resulted largely from insufficient staffing, which, in turn, caused fewer Rights

Violations cases to be opened. With no additional positions approved for FYs 2000 and 2001, OIG does not anticipate any increase in the number of Rights Violations cases in an "open" or "closed" status.

(2) The deviation between targeted and actual numbers of OPR investigations was slight and had no impact on overall performance.

STRATEGIC GOAL 7.2

Meet or exceed the expectations of our customers.

Providing prompt, reliable, and courteous service to customers—the American people—is an important departmental goal. In 1999, Justice components worked on such "customer-friendly" initiatives as making it easier to apply for grants, speeding up the time it takes to get answers to requests for information, and improving the quality and quantity of information electronically available at the Department's web site. Three 1999 Performance Goals address customer service. The first deals with the Freedom of Information Act (FOIA) and Privacy Act (PA). The next two deal with the Department's efforts to further customer service by ensuring that it is a recognized dimension of measuring component-level activities.

PERFORMANCE GOAL 7.2.1

FREEDOM OF INFORMATION AND PRIVACY ACT

DOJ will achieve substantial gains in responding to FOIA/PA requests, providing more timely responses to requests from the public. The Federal Bureau of Investigation (FBI) will achieve reductions in the backlog of FOIA requests from FY 1998 totals.

To meet the requirements of the Electronic Freedom of Information Act Amendments of 1996 (E-FOIA), the Department identified, indexed, and published on the Internet a list of 160 major information systems, both automated and manual. These systems contain extensive data on Department programs and activities and represent a potential resource for persons seeking information. The list is accessible through components' web sites (see Appendix D). In addition, the FBI continued to make significant progress in reducing its backlog of FOIA requests. Since 1997, the FBI has cut its backlog in half.

Performance Goal 7.2.1		Freedom of Information and Privacy Act (FOIA)			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual	
Backlog of FOIA requests* (FBI)	15,434	10,816	8,362	7,363	
*This indicator has been discontinued and will not appear in subsequent reports.					
Data Source: FBI Request Tracking System.					

PERFORMANCE GOALS 7.2.2 AND 7.2.3

CUSTOMER SERVICE AND PROVIDING INFORMATION TO STAKEHOLDERS

DOJ will continue to emphasize a customer focus in its service and benefits programs and will provide information to the public and to stakeholders in an open, timely, and complete manner, as appropriate. This will require all affected components to update and report on the status of published standards; expand the number of programs and activities that have customer service standards and that report on customer satisfaction; and undertake more aggressive efforts to integrate published standards into component performance plans.

Specific customer service standards have been adopted in 20 program areas. In addition, each of the Department's major bureaus has included measures related to customer service in annual performance planning activities. For example, INS has set standards to ensure the timely processing of requests for forms or the verification of immigration status. It has also focused on better serving its customers traveling through U.S. ports-of-entry.

Performance Goal 7.2.2 and 7.2.3		Customer Service and Providing Information to Stakeholders		
Performance Indicator 7.2.2 and 7.2.3	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of programs and activities with customer service standards (JMD, DOJ components)	19	20*	22	20
(2) Percentage of component [bureau] performance plans that include valid measures of customer satisfaction	NA	NA	NoTarget Set	100%
*1998 remains the most current time period for which data are available. It is probable that there was no change in 1999 from the 1998 actual of 20.				
Data Source: JMD internal files.				

STRATEGIC GOAL 7.3

Achieve excellence in management practices.

This Strategic Goal includes three 1999 Performance Goals. The first deals with the Department's efforts to be a "learning organization" in which opportunities for innovation are encouraged. The second concerns the critical area of financial management and reflects the Department's strong commitment to significantly improve its financial management systems and capabilities. The third performance goal addresses planning and evaluation activities, including the Department's efforts to instill performance-based management and to closely monitor the resolution of management issues.

PERFORMANCE GOAL 7.3.1

REINVENTION LABORATORIES

DOJ will continue to foster innovation and improvement through its Justice Performance Review Program.

To encourage innovation and continuous improvement in management practices, the Justice Management Division (JMD) sponsors a reinvention laboratory program designed to test promising approaches to doing business more effectively and efficiently. In 1999, eight labs were under way. Among the labs making substantial progress were the following:

- **Secure Electronic Network for Travelers' Rapid Inspection (SENTRI) Lab.** In California, SENTRI piloted the world's first system to prescreen low-risk frequent border crossers and inspect them using state-of-the-art technology that does not compromise border security. SENTRI II installed three of its high-tech inspection lanes at El Paso, Texas, where the lab designed and opened the first border port-of-entry dedicated exclusively to automated inspections. Today, system participants cross from Ciudad Juarez, Mexico, into El Paso, Texas, in about 1 minute—more than 90 percent faster than at traditional ports separating the two cities.
- **Electronic Document Exchange (EDE) Lab.** The EDE lab, organized to review existing and proposed technologies and policies governing electronic exchange of litigation documents between the Federal Executive Branch and the U.S. courts, completed data gathering at pilot projects across the Nation in preparation for cost-benefit analyses of the competing systems. The lab began design of an EDE web site that allows users of the DOJ Intranet (DOJNET) to link with the five Federal bankruptcy district courts participating in the project and obtain the court rules for electronic filing.
- **U.S. Marshals Service (USMS) Accreditation Lab.** On September 12, 1997, the Attorney General approved the USMS Accreditation Lab as the vehicle for undertaking a multiyear effort to obtain accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA). This lab is the first project of its kind that aspires to accredit an entire Federal law enforcement agency. As of the end of FY 1999, the USMS established proof of compliance for 315 (99 percent) of the CALEA standards.

In April 1999, the Deputy Attorney General approved three new reinvention laboratories on asset forfeiture professional development, environmental compliance, and establishment of a law enforcement linguist clearinghouse.

Performance Goal 7.3.1		Reinvention Laboratories		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of reinvention labs sponsored* (JMD)	8	7	9	8
*This indicator has been discontinued and will not appear in subsequent reports.				
Data Source: JMD internal files.				

Explanation For Not Meeting Target

The deviation between targeted and actual number of reinvention labs was slight and had no impact on overall program performance.

PERFORMANCE GOAL 7.3.2

FINANCIAL MANAGEMENT

DOJ will continue to strengthen and improve its financial management practices. Specifically, we will:

1. Demonstrate continued progress toward achieving unqualified audit opinions on financial statements required by the Government Management Reform Act.
2. Continue to support the efforts of the components to develop integrated financial management systems, which provide accurate, reliable, and timely financial information.

The Department continued its progress in 1999 toward upgrading, consolidating, and integrating financial management systems. Every component has major accounting system enhancement or replacement projects either planned or under way that will improve accounting functions and financial information reporting capabilities. For example:

- JMD is implementing a series of enhancements to streamline its Financial Management Information System (FMIS) and enhance reporting. The FMIS is used by Department offices, boards, and divisions, along with the Federal Bureau of Prisons (BOP), whose migration to the FMIS will be complete in 2000.
- Several components implemented commercial off-the-shelf systems last year. For the Drug Enforcement Administration (DEA), the Federal Financial System (FFS) replaced an antiquated system developed in the 1970s. INS continued implementing its new off-the-shelf financial management system as well, which by the end of FY 2001 will replace a 21-year-old custom-developed system. The new system and other corrective actions to fully implement accrual-based standards will resolve long-standing weaknesses in accounting disclosed during audits. During FY 2000, Federal Prison Industries (FPI), Inc., will replace its management control system with the

Millennium system, a financial management schedule system.

As a measure of the improvements the Department is making in financial management, in 1999 all Justice reporting entities received unqualified audit opinions on their financial statements, with the one exception of the INS. (See Chapter VIII for a detailed analysis.)

Performance Goal 7.3.2		Financial Management			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual*	
Number of DOJ annual financial statements that received an unqualified audit opinion (JMD)					
Unqualified	1	4**	7	9	
Qualified	2	1	2	1	
Disclaimer	6	4	0	0	
<p>*Prior to 1999, Federal Prison Industries was included in the Bureau of Prisons' statement. In 1999, FPI prepared a separate statement. Therefore, the total number of financial statements increased from 9 to 10.</p> <p>**Two of these financial statements received unqualified opinions only on their balance sheets and disclaimers of opinions on their remaining financial statements.</p>					
Data Source: Letter of opinion from independent auditors.					

Management Challenge
Financial Management

Despite significant progress, the Department continues to carefully monitor the correction of reportable conditions and significant material issues in all its components' accounting systems. A material nonconformance under Section 4 of the Federal Managers' Financial Integrity Act (FMFIA) exists in the INS regarding its need to implement policies and procedures to ensure that all accrual transactions are recorded in line with Federal accounting standards. INS plans to fully implement its accounting systems and enforce full adherence to Federal accounting standards. It had anticipated completion of these corrective actions by the start of FY 1999; however, it has extended its deadline to September 2001 to permit additional business analysis, procedure development, training, and field testing before implementation. Therefore, this issue will remain open and under departmental monitoring until September 2001.

While the Department is providing reasonable assurance that its financial systems meet Section 4 objectives, it is important to recognize that components are actively pursuing major improvements to their financial systems. The financial statement audits cite weaknesses in accounting and reporting practices for multiple components, with system access and control weaknesses cited for most components on the FY 1999 reports. While the weaknesses do not rise to the level of a material nonconformance under FMFIA, completing needed financial system and control improvements is a Department priority, closely monitored by senior management.

PERFORMANCE GOAL 7.3.3

PLANNING AND EVALUATION

DOJ will develop a new Departmentwide strategic plan. We will also continue to develop and implement a performance measurement process and system. In addition, we will conduct evaluations of selected high-priority DOJ programs. DOJ will utilize multidisciplinary, collaborative, information-driven problem solving to increase public safety in any given community.

In 1999, the Department continued to implement the performance-based management concepts and requirements of the Government Performance and Results Act and related statutes. It initiated the process of revising the Strategic Plan and worked on improving and refining Performance Goals and indicators.

The Department aggressively monitors the resolution of management issues that have been reported by Justice managers as material weaknesses and/or identified in external reviews conducted by the OIG or the U.S. General Accounting Office (GAO). In FY 1999, seven issues previously identified as "material weaknesses" were closed. These include:

- The Year Y2K Computing Challenge
- The FBI's Integrated Automated Fingerprint Identification System
- The FBI's NCIC 2000
- Monitoring Private Trustees
- INS' Workforce Analysis Model
- INS' Control Over Naturalization Certificates
- INS' Internal Controls in Naturalization

Nine issues continue to be tracked as Department-level management challenges. These challenges are described in other sections of this report, but are listed here for ease of reference:

- INS' Delivery Bonds
- INS' Management of Automation Programs
- INS' Monitoring of Alien Overstays
- INS Organizational and Management Issues
- INS' Efforts to Identify and Remove Criminal Aliens
- Shortage of Detention Space
- Prison Overcrowding
- Financial Management
- Computer Security

The Department's Justice Management Division completed eight studies addressing management and organizational issues, including the 1999 Report to Congress on Status of Efforts to Correct Problems in the Naturalization Process.

Performance Goal 7.3.3		Planning and Evaluation		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of program evaluations initiated and completed [management studies]*	7	6	8	8
*This indicator has been discontinued and will not appear in subsequent reports.				
Data Source: JMD internal files.				

STRATEGIC GOAL 7.4

Make effective use of information technology.

The smart use of advanced IT is pivotal to the Department's mission performance. In FY 1999, the Department emphasized rigorous and systematic review of major technology investment proposals, development of an integrated information technology architecture (ITA), and continued improvement in the area of computer security. This management approach provides a framework for achieving secure, interoperable systems in FY 2000 and beyond. Additionally, the Department has continued to invest in crosscutting infrastructure initiatives to improve program capabilities through controlled migration to an interoperable computer and communications environment.

PERFORMANCE GOAL 7.4.1

CAPITAL PLANNING

DOJ will continue to improve and expand its capital planning process by considering expanding its use of the Information Technology Investment Board (ITIB) investment criteria to the evaluation of proposed investments in information systems that are not currently subject to the ITIB review process.

In FY 1999, eight projects were brought through the IT investment process and submitted to the Department's ITIB by the chief information officer (CIO). These projects represented a cross-section of program and technical issues in the areas of law enforcement and border control, as well as architecture and infrastructure. The ITIB provided input to the FY 2001 budget process in the form of recommendations to the Attorney General. In addition, the Board imposed conditions on approval, directing the CIO to monitor compliance.

Performance Goal 7.4.1			Capital Planning	
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of new and ongoing investments subject to the ITIB evaluation criteria (JMD)	5	7	9	8
Data Source: JMD internal files.				

Explanation For Not Meeting Target

The deviation between targeted and actual numbers of projects brought before the ITIB was slight and did not affect overall performance.

PERFORMANCE GOAL 7.4.2

ARCHITECTURE AND INFRASTRUCTURE

DOJ will continue to implement its Departmentwide ITA in order to enable components to enhance operational capabilities and lower costs through controlled migration to a secure, interoperable computer and communications environment.

Throughout FY 1999, the Department continued to emphasize the urgency of building and maintaining interoperable systems as a foundation for improved business processes, information sharing, and service to the public. The ITA Technical Reference Model was published in the 2nd quarter of FY 1999 and widely disseminated to component organizations and vendors over the following months. The Reference Model establishes a guiding framework and standards profile for infrastructure development, giving programs and vendors a "blueprint" for the secure exchange of information within the Department and between its external organizations. Most importantly, it provides a technical foundation for taking advantage of IT advances to increase the effectiveness of the Department and its components.

PERFORMANCE GOAL 7.4.3

COMPUTER SECURITY

In FY 1999, DOJ will enhance the authentication capabilities of the Department to increase the secure use of electronic messaging and document exchange in support of law enforcement and litigation personnel.

Public and employee trust in the security of information in our custody is basic to current operations and is a minimum requirement for future systems. In developing a capability for the secure exchange of documents and the use of "digital signatures," the Department is enabling attorneys and law enforcement personnel to do their jobs in ways unimaginable only 5 years ago. This technology will allow the Department to go from a paper-driven organization to one more focused on information content. In addition, when mature and fully tested, this capability will enable components to exploit the benefits of new

e-commerce applications. The Secure Encrypted Title III (SET III) prototype, initiated in FY 1999, is the first phase of this multiyear effort. SET III is currently processing daily workload between DEA and FBI in a secure, automated process that allows them to exchange encrypted information about planned or ongoing wiretaps over a secure dedicated line.

Two other important security initiatives begun in FY 1999 are penetration testing and system certification. The penetration testing program is an aggressive effort to identify and eliminate potential weaknesses in our systems before an intrusion. The Department initiated Phase II penetration testing of component systems and implemented Departmentwide procedures for reporting and handling computer intrusions and viruses.

At the same time, it took important steps to reassess the overall departmental approach to helping components accomplish timely certification and accreditation of component systems. This program planning resulted in an internal expectation to complete certification of mission-critical systems in the bureaus in FY 2000 and certification of all systems no later than December 2000. In FY 2000, the program will be restructured and revitalized to support these goals, to which the Department formalized its commitment in the FY 2001 Summary Performance Plan.

Performance Goal 7.4.3		Computer Security		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Secure exchange of information using authentication technologies in a cross-organizational pilot implementation that builds on the FY 1999 prototype project (JMD, DEA, FBI)	NA	NA	Develop Prototype Operational	SET III Prototype
Data Source: JMD internal files.				

Management Challenge
Computer Security

The security of the Department's various computer systems is of critical importance. It is also an issue that requires constant vigilance in the wake of rapidly changing technology. The Department has established a certification program to ensure that proper security and planning activities occur throughout all system life cycles and that all sensitive, unclassified systems comply with the Office of Management and Budget (OMB) Circular A-130 and other policies. The Department's CIO has directed that all Department systems be reviewed and certified no later than December 2000.

PERFORMANCE GOAL 7.4.4

YEAR 2000

DOJ will be compliant with Y2K requirements for its mission-critical systems.

In FY 1999, components undertook a major effort to renovate and replace software, upgrade computer and communications hardware, and replace or upgrade noninformation systems. Dramatic gains assured that mission-critical systems would operate without interruption on January 1, 2000. The rate of compliance rose from 33 percent at the start of FY 1999 to 97 percent a year later. In addition to being Y2K compliant, 99 percent of systems had completed contingency plans. To ensure the reliability of Y2K system certifications, the CIO mandated independent verification and validation studies by an outside contractor. To further demonstrate the Department's full commitment to an uneventful rollover on January 1, 2000, the Attorney General joined the CIO in a meeting at the end of FY 1999 with Y2K senior officials and working group members to review progress and discuss remaining activities, including the rollover to Year 2000. All mission critical systems were fully Y2K compliant by mid-December, and the transition to the new year occurred without incident.

STRATEGIC GOAL 7.5

Ensure a motivated and diverse workforce that is well-trained and empowered to do its job.

The Department recognizes that to be a high performing organization, it must hire and keep good people and give them the training, tools, and support they need to do their jobs effectively. Under the Attorney General's direction, a law enforcement review was initiated in 1999 that included an examination of three specific workforce-related issues:

- Recruitment and retention, to examine the state of law enforcement-related hiring, attrition, retention, and diversity (see sidebar).
- Work environment, to examine creation of the best possible work environment for Department employees.
- Training, to develop a plan for determining how best to enhance training opportunities for the law enforcement community.

As a result of this review, specific actions are being designed to make it easier to attract high-caliber job candidates, expand flexible work options, and share training ideas and resources. Although the Department did not include a specific workforce-related Performance Goal in its 1999 or 2000 plans, it has done so in its FY 2001 plan.

LARP Attracts Diverse Applicants

To help ensure diversity, the Department established a four-member team to spearhead a 3-year pilot program known as the Lateral Attorney Recruitment Program (LARP)—responsible for developing new and expansive approaches to recruiting lateral attorneys for the Department. This highly proactive approach allows the Department to attract a high-caliber and diverse pool of applicants with the skills and experience needed to meet ever-growing challenges. The LARP team used information about trends in recruitment, law school demographics, and curriculum to form its strategic plan. In 1999, the LARP team implemented faster processing of attorney vacancy announcements, developed wider contact networks and outreach customized to individual announcements, and began a nationwide promotional strategy.



PART TWO

III

Financial
Statement



Audit Report

Annual
Financial Statement

Fiscal Year 1999

VIII

COMMENTARY AND SUMMARY

The U.S. Department of Justice, under the direction of the Attorney General, is charged with protecting society against criminals and subversion; upholding the civil rights of all Americans; ensuring healthy competition of business in our free enterprise system; safeguarding the consumer; enforcing environmental, drug, immigration, and naturalization laws; and representing the American people in all legal matters involving the U.S. Government. The Department also plays a significant role in protecting citizens through its efforts for effective law enforcement, crime prevention, crime detection, and prosecution and rehabilitation of offenders. In FY 1999, the Department had approximately \$20 billion in funding.

This audit report contains the Annual Financial Statement of the Department of Justice for the fiscal year ended September 30, 1999. PricewaterhouseCoopers LLP performed the consolidated Department audit and issued a qualified opinion on the FY 1999 consolidated balance sheet and the related consolidated statements of net cost and changes in net position, and the related combined statements of budgetary resources, financing, and custodial activity. A qualified opinion means that the financial statements are presented fairly in all material respects, except for matters identified in the audit report. The qualifications in this report resulted from the auditors of the Immigration and Naturalization Service being unable to substantiate two significant account balances – deferred revenue and intragovernmental accounts payable.

Weaknesses in computer security are a major concern for the Department. This issue was elevated from a reportable condition in FY 1998 to a material weakness in the FY 1999 Report on Internal Controls and it affects almost every Department component. In addition, in the Report on Compliance with Laws and Regulations, the auditors identified five Department components that were not compliant with the Federal Financial Management Improvement Act of 1996 that specifically addresses the adequacy of Federal financial management systems.

The auditors identified two other material weaknesses in the consolidated Report on Internal Controls. Eight of ten Department components did not have policies and procedures in place or were not following them to ensure that all transactions were recorded in accordance with generally accepted accounting principles and other Federal financial accounting and reporting requirements. This finding included problems with the accounting and reporting of liabilities, property, inventories, and deferred revenue. The other material weakness arose because six out of ten Department components did not have effective financial statement preparation processes to ensure financial statements are completed timely and in conformance with all requirements of the Federal government and Department policies. The auditors also identified one reportable condition on the need for improvement in components' controls over their fund balance with Treasury.

The following table depicts the audit results for the Department consolidated audit as well as for the ten individual component audits for FY 1999.

Fiscal Year 1999 Audit Results

Reporting Entity	Auditor's Opinion on Financial Statements	Number of Reportable Conditions	
		Material Weaknesses ¹⁸	Reportable Conditions ¹⁹
Consolidated Department of Justice	Qualified ²⁰	3	1
Assets Forfeiture Fund and Seized Asset Deposit Fund	Unqualified ²¹	0	2
Bureau of Prisons	Unqualified	0	2
Drug Enforcement Administration	Unqualified	4	6
Federal Bureau of Investigation	Unqualified	3	2
Federal Prison Industries, Inc.	Unqualified	0	0
Immigration and Naturalization Service	Qualified	4	4
Offices, Boards and Divisions	Unqualified	0	3
Office of Justice Programs	Unqualified	1	5
U.S. Marshals Service	Unqualified	2	3
Working Capital Fund	Unqualified	0	1

¹⁸ A material weakness is a reportable condition (see below) in which the design or operation of the internal control does not reduce to a relatively low level the risk that error, fraud or noncompliance in amounts that would be material in relation to the principal statements or to performance measures may occur and not be detected within a timely period by employees in the normal course of their assigned duties.

¹⁹ A reportable condition includes matters coming to the auditor's attention that, in the auditor's judgment, should be communicated because they represent significant deficiencies in the design or operation of internal controls, which could adversely affect the entity's ability to properly report financial data.

²⁰ Qualified opinion—An auditor's report that states, "except for" matters identified in the report, the financial statements present fairly, in all material respects, the financial position and results of operations of the reporting entity, in conformity with generally accepted accounting principles.

²¹ Unqualified opinion—An auditor's report that states the financial statements present fairly, in all material respects, the financial position and results of operation of the reporting entity, in conformity with generally accepted accounting principles.

MANAGEMENT'S OVERVIEW

Unaudited

DEPARTMENTAL REPORTING ENTITY

This report presents the FY 1999 consolidated financial statements for the Department of Justice. Under Title IV of the Government Management Reform Act (GMRA) of 1994, the Attorney General shall prepare and submit to the Director of the Office of Management and Budget (OMB), audited financial statements for the preceding fiscal year, covering all accounts and associated activities of each office, bureau and activity of the Department. Under the direction of the Assistant Attorney General for Administration (AAGA), the Justice Management Division (JMD) prepares the Department's consolidated financial statements. The Office of the Inspector General (OIG) is responsible for the audit of the statements. The Department's FY 1999 audited financial statements are consolidated based upon the results of audits undertaken at each Department reporting entity identified below:

- Assets Forfeiture Fund and Seized Asset Deposit Fund (AFF/SADF)
- Working Capital Fund (WCF)
- Offices, Boards and Divisions (OBD)
 - Attorney General
 - Associate Attorney General
 - Legal Counsel
 - Professional Responsibility
 - Public Affairs
 - Inspector General
 - U.S. Attorneys
 - INTERPOL
 - Executive Office for Immigration Review
 - Community Oriented Policing Services
 - Information and Privacy
 - U.S. Parole Commission
 - Antitrust Division
 - Civil Rights Division
 - Criminal Division
 - Environment and Natural Resources Division
 - Deputy Attorney General
 - Solicitor General
 - Legislative Affairs
 - Policy Development
 - Pardon Attorney
 - Community Relations Service
 - Dispute Resolution
 - Intelligence Policy and Review
 - U.S. Trustees
 - Intergovernmental Affairs
 - National Drug Intelligence Center
 - Foreign Claims Settlement Commission
 - Civil Division
 - Tax Division
 - Justice Management Division
- U.S. Marshals Service (USMS)
- Office of Justice Programs (OJP)
- Drug Enforcement Administration (DEA)
- Federal Bureau of Investigation (FBI)
- Immigration and Naturalization Service (INS)
- Bureau of Prisons (BOP)
- Federal Prison Industries, Inc. (FPI)

HIGHLIGHTS OF PERFORMANCE REPORTING

The Government Performance and Results Act of 1993 (GPRA) was enacted to improve the public's confidence in the capability of the Federal Government through improvements in program effectiveness and accountability. To comply with GPRA, the Department prepared the Strategic Plan for 1997 - 2002, which sets forth the broad strategic direction for the Department. In this Plan, the Attorney General established the following CORE functions:

1. Investigation and Prosecution of Criminal Offenses.
2. Assistance to Tribal, State and Local Governments.
3. Legal Representation, Enforcement of Federal Laws and Defense of U.S. Interests.
4. Immigration.
5. Detention and Incarceration.
6. Protection of the Federal Judiciary and Improvement of the Justice System.
7. Management.

The Department issued the Annual Summary Performance Plan for FY 1999 and revised its internal processes to ensure that performance planning and budgeting are driven by and consistent with the Attorney General's long term strategic goals. The FY 1999 performance plan and budget are linked to the CORE functions. This direct linkage between the Department's strategic goals and the annual plans and budgets ensures a coordinated and clear focus on mission and results. In the coming years, the Department will continue to examine changes to the budget account structure in order to more readily accommodate the planning and requirements of GPRA.

In FY 1998, the Department participated as a pilot agency under the GMRA and issued the Accountability Report for FY 1998, encompassing the Attorney General's annual report requirement, the Federal Managers' Financial Improvement Act certification and material weaknesses and non-conformances, the Department's consolidated audited financial statements and auditors' statement of opinion, and intellectual property/anti-counterfeiting data. In that report, the Department set the stage for linking planning and performance by organizing information according to the Strategic Plan's CORE functions, goals and objectives.

The FY 1999 Accountability Report will continue to be based on input provided by all components. The FY 1999 report will be the vehicle for Departmental performance reporting under GPRA. Among other things, the performance data will focus on accomplishments and includes information on the Department's organization, mission, goals and objectives, resources, performance measures and results, major Department-level strategic achievements and issues to be resolved, and management controls certifications.

The following narratives provide major highlights of the performance goals and the results these activities have produced.

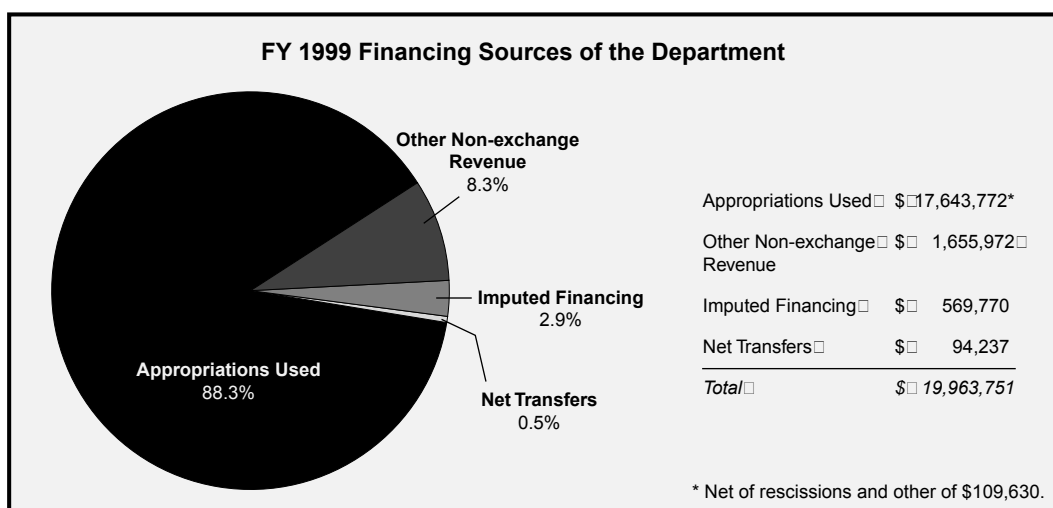
- The Office of Community Oriented Policing Services (COPS) fulfilled a key element of its mission in FY 1999: On May 12, 1999, COPS had funded 100,000 police officers, one year in advance of scheduled time. By September 30, 1999, COPS had funded 103,760 police officers. Grantees are in the process of putting those officers on the street. As of April 1999, over 55,000 COPS-funded law enforcement officers had been deployed.
- The success of the Environment and Natural Resources Division during FY 1999 in enforcing environmental laws resulted in over \$596 million in fines, penalties and restitution awarded in civil environmental cases, a 54 percent increase over FY 1998.

- I The INS has achieved considerable success in restoring integrity and safety to the Southwest border by implementing the strategy through well-laid-out multi-year operations such as Operation Gatekeeper in San Diego, Operation Hold the Line in El Paso, Operation Rio Grande in McAllen, and Operation Safeguard in Tucson. The initial phases of these operations typically result in an increase in apprehensions, reflecting the deployment of more agents and enhanced technology. As the deterrent effect takes hold, the number of apprehensions declines as the operation gains control over the area. Continued heightened presence along the southwest border also allowed the INS to seize larger amounts of marijuana entering the United States.
- I The BOP total inmate population grew by more than 11,300 from FY 1998 to FY 1999, the largest one-year increase in the history of the agency. The population increase was due to enhanced law enforcement efforts with particular regard to drug crimes (in conjunction with mandatory sentences) and crimes along the southwest border. Despite the increase in population, there were no escapes from secure BOP institutions, there were no serious disturbances at any of the BOP's 94 institutions, and no staff suffered serious injuries or loss of life in the line of duty during FY 1999.
- I During FY 1999, a total of \$643.5 million in cash and proceeds was deposited in the AFF. From current balances, \$283.3 million was shared with foreign governments and state and local law enforcement agencies that participated in joint investigations with Federal agencies that led to asset seizures and forfeitures.

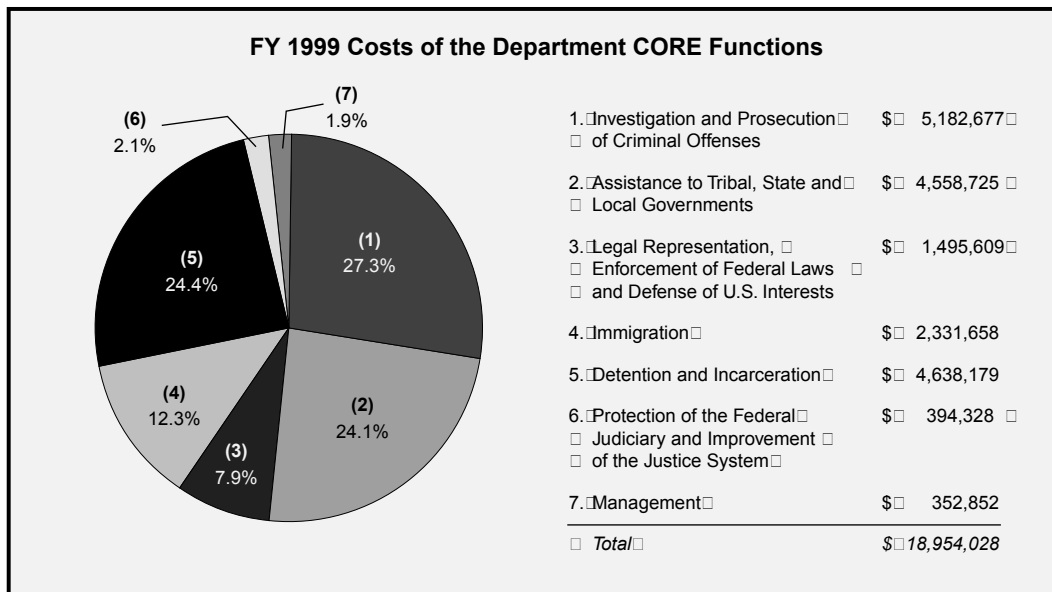
Overview of Financial Data. The Department received a qualified opinion on the FY 1999 financial statements, an improvement from the disclaimers of opinion issued on the statements for FYs 1996, 1997 and 1998. Fund Balance with Treasury, approximately \$18.1 billion, continues to be the largest asset and comprises 70 percent of the total assets. Total liabilities are approximately \$6 billion, of which \$4.1 billion consist of liabilities covered by budgetary resources.

The charts below summarize, in thousands, the activity on the Statement of Changes in Net Position and Statement of Net Cost by presenting the resources provided to Department components in FY 1999 and how these resources were used. These charts are net of earned revenues of \$4 billion.

Where it Comes From (000)

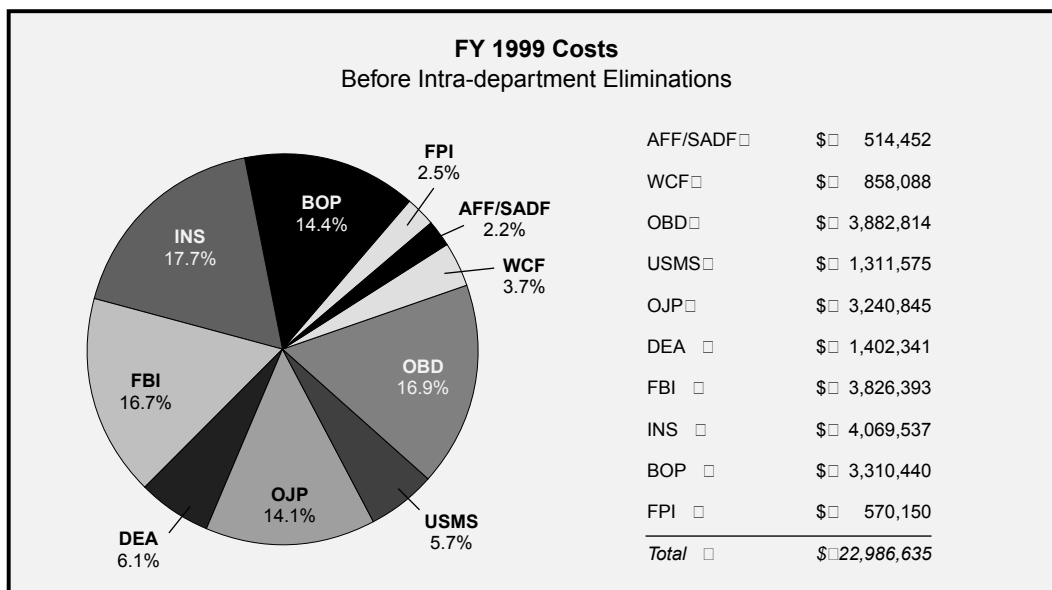


Where it Goes (000)

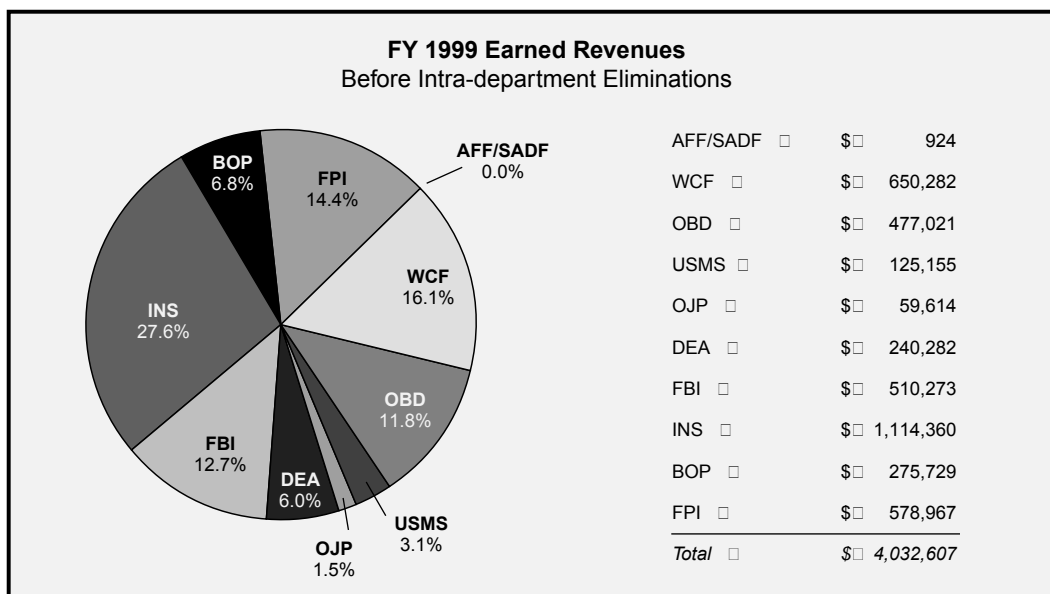


Share of DOJ Operations. The programs administered by Department components constitute a large share of the total revenues and expenses of the DOJ. The amounts represented in the following charts do not include intra-department eliminations of \$1,535,230.

Costs by Reporting Entity (000)



Earned Revenues by Reporting Entity (000)



YEAR 2000 ISSUES

Department's State of Readiness. The Chief Information Officer (CIO), who is also the Assistant Attorney General for Administration, uses an independent verification and validation (IV&V) contractor to help evaluate component Year 2000 progress, including the thoroughness of test plans, test execution, Year 2000 compliance and contingency planning. In addition, he and his staff meet with Department components to ensure that each component has a sound Year 2000 program by reviewing program status, identifying concerns and providing guidance for improvement. The Attorney General established a Department-wide goal for all mission critical systems, including non-computer systems, to become Year 2000 compliant by January 1999. As of September 15, 1999, the Department reported it had made significant progress in achieving this objective. Of the Department's 216 mission critical systems, 211 (98%) were compliant, 4 were undergoing repairs and 2 were in the process of replacement. Of the 4 systems undergoing repair, 3 were renovated and validated. The Department anticipated 100% of its mission critical systems would be Year 2000 compliant and implemented by December 1999. A post Y2K rollover test as of January 2, 2000, found no significant problems.

Costs to Address Year 2000 Issues. As of September 15, 1999, the Department estimated that components would incur costs totaling \$165 million to address Year 2000 compliance issues. Of this amount, \$118 million was for mission critical information technology systems and is primarily (87%) from four organizations: Executive Office for United States Attorneys (EOUSA) totaling \$42.8 million, FBI totaling \$25.6 million, DEA totaling \$11.5 million, and INS totaling \$22.9 million.

Contingency Plans. The Department concentrated on both system-level contingency plans as well as Business Continuity and Contingency Planning (BCCP). Department components are required to have contingency plans for each mission critical system. As of November 1, 1999, Department components had submitted 99% of the required contingency plans. The BOP utilized and augmented existing emergency plans to reflect Year Y2K which were favorably reviewed by the General Accounting Office. BCCPs are being developed by the DEA, the EOUSA, the Executive Office for United States Trustees, the FBI, the INS, the Justice Management Division Computer Services Staff, and the USMS.

The Department was at minimal risk as it approached Year 2000 with only six systems still to have compliant versions completely implemented. This factor along with the Department's program of IV&V for information technology systems, contingency plan development and testing, BCCP development, and a formal configuration management process ensured that the Department would be well positioned for the rollover to January 1, 2000.

LIMITATIONS OF THE FINANCIAL STATEMENTS

The financial statements have been prepared to report the financial position and results of operations of the Department, pursuant to the requirements of 31 U.S.C. 3515(b). While the statements have been prepared from the books and records of the entity in accordance with the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.

Independent Accountants' Reports



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REPORT OF INDEPENDENT ACCOUNTANTS

United States Attorney General and
The Office of the Inspector General
U.S. Department of Justice

We have audited the accompanying consolidated balance sheet of the U.S. Department of Justice (the Department) as of September 30, 1999, and the related consolidated statements of net cost and changes in net position, and the related combined statements of budgetary resources, financing, and custodial activity, for the year then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain components of the Department, including the Working Capital Fund, the Office of Justice Programs, the Drug Enforcement Administration, the Federal Bureau of Investigation, the Immigration and Naturalization Service, the U.S. Marshals Service, the Bureau of Prisons, and the Federal Prison Industries, Inc., which statements reflect total combined assets of \$20.3 billion and total combined net costs of \$15.0 billion for the year ended September 30, 1999. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these components, is based solely on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The auditors of the Immigration and Naturalization Service (INS) were unable to obtain sufficient evidential matter to form an opinion regarding the balances of deferred revenue (\$507 million) and intragovernmental accounts payable (\$197 million) at September 30, 1999, or the deferred revenue balance as of September 30, 1998. The INS' deferred revenue and intragovernmental accounts payable balances represent 78.7% and 37.0%, respectively, of the Department's September 30, 1999 combined balances.



Report of Independent Accountants
Page 2

In our opinion, based on our audit and the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had other auditors been able to obtain sufficient evidential matter concerning the deferred revenue and intragovernmental accounts payable balances of the Immigration and Naturalization Service, the financial statements referred to above present fairly, in all material respects, the financial position of the Department of Justice and its components, at September 30, 1999, and their net cost, changes in net position, budgetary resources, custodial activity and reconciliation of net cost to budgetary resources for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the Department's consolidated and combined financial statements taken as a whole. The consolidating and combining information is presented for purposes of additional analysis of the Department's consolidated and combined financial statements rather than to present the financial position, net costs, changes in net position, budgetary resources, and reconciliation of net cost to budgetary resources of the Department's components. The consolidating and combining information has been subjected to the auditing procedures applied in the audit of the Department's consolidated and combined financial statements; and, in our opinion, except for the effects of other auditors not obtaining sufficient evidential matter concerning the deferred revenue and intragovernmental accounts payable balances of the Immigration and Naturalization Service, the consolidating and combining information is fairly stated in all material respects in relation to the Department's consolidated and combined financial statements taken as a whole.

The information in the "Management's Overview" and "Supplemental Financial and Management's Information" is not a required part of the principal financial statements, but is supplementary information required by OMB Bulletin No. 97-01, *Form and Content of Agency Financial Statements*, as amended. This information has not been subjected to auditing procedures. Accordingly, other auditors and we expressed no opinion on this information.

In accordance with *Government Auditing Standards*, we have also issued reports dated February 21, 2000, on our consideration of the Department's internal controls and on its compliance with laws and regulations.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

February 21, 2000
Arlington, Virginia

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REPORT OF INDEPENDENT ACCOUNTANTS ON INTERNAL CONTROLS

United States Attorney General and
The Office of the Inspector General
U.S. Department of Justice

We have audited the accompanying consolidated balance sheet of the U.S. Department of Justice (the Department) as of September 30, 1999, and the related consolidated statements of net cost and changes in net position, and the related combined statements of budgetary resources, financing, and custodial activity, for the year then ended, and have issued our report thereon dated February 21, 2000. Except as discussed in that report, we conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, as amended.

We did not audit the financial statements of certain components of the Department, including the Working Capital Fund (WCF), the Office of Justice Programs (OJP), the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Immigration and Naturalization Service (INS), the U.S. Marshals Service (USMS), the Bureau of Prisons (BOP), and the Federal Prison Industries, Inc. (FPI), which statements reflect total combined assets of \$20.3 billion and total combined net costs of \$15.0 billion for the year ended September 30, 1999. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our report on the Department's internal control herein, insofar as it relates to the internal controls specific to these components, is based solely on the reports of the other auditors.

Management of the Department is responsible for establishing and maintaining accounting systems and internal control. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that: (1) transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and to maintain accountability over assets; (2) funds, property, and other assets are safeguarded from loss from unauthorized use or disposition; (3) transactions, including those related to obligations and costs, are executed in compliance with laws and regulations that could have a direct and material effect on the financial statements and other relevant laws and regulations; and (4) data that support reported performance measures are properly recorded and accounted for to permit preparation of reliable and complete performance information. Because of inherent limitations in any internal control, errors or fraud may nevertheless occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.



Report on Internal Controls
Page 2

In planning and performing our audit of the Department’s financial statements, we obtained an understanding of the design of significant internal controls and whether they had been placed in operation, tested certain controls and assessed control risk in order to determine our auditing procedures for the purpose of expressing an opinion on the consolidated financial statements. Our purpose was not to provide an opinion on the Department’s internal controls. Accordingly, we do not express such an opinion.

With respect to internal control relevant to data that support reported performance measures, we obtained an understanding of relevant internal control policies and procedures designed to achieve the above noted control objectives, and assessed risk related to management’s assertions that the data is complete and relates to events that have occurred. Our procedures were not designed to provide assurance on internal control over reported performance measures. Accordingly, we do not provide an opinion on such controls.

We noted, and the reports of other auditors identified, certain matters in the Department’s components’ internal control that are considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants and OMB Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, as amended. Reportable conditions involve matters coming to the auditors’ attention relating to significant deficiencies in the design or operation of the internal control that, in their judgment, could adversely affect the Department’s ability to meet the internal control objectives described above.

Certain reportable conditions were also considered to be material weaknesses. A material weakness in internal control is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited or material to a performance measure or aggregation of related performance measures may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Overview of Material Weaknesses and Reportable Conditions

Table 1 summarizes, by component, the 14 material weaknesses and 28 reportable conditions identified by components’ auditors. We analyzed the reportable conditions identified by the components’ auditors to determine their effect on the Department’s internal control over financial reporting and identified four Department-wide reportable conditions, the first three are also considered to be material weaknesses.

Table 1: Department-wide Material Weaknesses (M) and Reportable Conditions (R)

Conditions Reported by Component Auditor	Total	O	A	F	D	O	I	U	B	F	W
		B	F	B	E	J	N	S	O	P	C
		D	F	I	A	P	S	M	P	I	F
Material weaknesses	14	0	0	3	4	1	4	2	0	0	0
Reportable conditions	28	3	2	2	6	5	4	3	2	0	1



Report on Internal Controls
Page 3

Department (DOJ) Condition	D O J	O B D	A F F	F B I	D E A	O J P	I N S	U S M	B O P	F P I	W C F
The Department's components did not have policies or procedures in place or were not following them to ensure that financial transactions were recorded in accordance with generally accepted accounting principles.	M	R	R	M	M	M	M	M	R		
Weaknesses exist in components' financial management systems and improvements are needed in the general controls at the Department's data centers.	M	R	R	M	M	R	M	R	R		R
Financial statement preparation processes were not effective to ensure financial statements were completed timely and in conformance with the requirements of the Government Management Reform Act, OMB Bulletin No. 97-01, <i>Form and Content of Agency Financial Statements</i> , as amended, and the Department's policies.	M	R		M	M	R	R	M			
Improvements are still needed in components' controls over fund balance with Treasury.	R				M		M				
(OBD) - Offices, Boards and Divisions (AFF) - Assets Forfeiture Fund and Seized Asset Deposit Fund											

Consideration of internal control would not necessarily disclose all matters that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. The remainder of this report discusses these reportable conditions in greater detail. All four conditions were identified in our previous fiscal years report on internal controls. Because of the frequency with which these conditions were found within the ten components, we recommend Department-wide corrective actions.



Report on Internal Controls
Page 4

The Department's components did not have policies or procedures in place or were not following them to ensure that financial transactions were recorded in accordance with generally accepted accounting principles.

Eight of ten components do not have policies and procedures in place or were not following them to ensure that transactions were recorded in accordance with generally accepted accounting principles. Auditors reported deficiencies in components' financial accounting and reporting in accordance with the following:

- **Accounting for Liabilities of the Federal Government, *Statements of Federal Financial Accounting Standards (SFFAS) No. 5*.** The auditors of the INS, the DEA, the BOP, the OJP, and the OBD reported the following weaknesses in the components' accounting and reporting of obligations, accounts payable and related expenses, and accrued grant expenditures:
 - I. Auditors' of the INS, the DEA, the BOP, and the OBD reported that methodologies used to estimate the components' accounts payable at September 30, 1999, were not performed correctly or were lacking adequate supporting documentation. The auditors' of the DEA reported that quarterly certifications of open obligations were not performed properly, expenses were reported in the wrong fiscal year, and there was a lack of oversight on the payment of invoices.
 - II. The auditors of the OJP reported that controls were not in place to ensure data integrity during the grant accrual process, and that the OJP was not able to produce accurate year-end grant accrual amounts in a timely manner because of incomplete data in the grant accounting system. We identified the following conditions during our audit of the OBD: (a) limitations in the grant accounting system that prevented the recordation of transactions greater than \$100 million; (b) non-current data was used in the calculation of grant advances and accrued grant expenditures; and (c) other data integrity issues that caused the OBD' account balances to be misstated.
- **Accounting for Property, Plant and Equipment (*SFFAS No. 6*).** The auditors of the FBI, the DEA, the USM, and the OJP reported weaknesses in the components' accounting, reporting and safeguarding of property and equipment, construction in progress, and leases and leasehold improvements. Auditors of the FBI and DEA reported that property reconciliations were not effective to detect differences between the property management system and the general ledger, increasing the risk that the components' financial statements are misstated and that assets are not properly safeguarded from loss or unauthorized use. The USM' auditors identified numerous errors and inconsistencies in the accounting of construction work-in-process, percentage of completion, accrued liabilities and depreciation for reimbursable work agreements with the General Services Administration. Finally, the auditors of the OJP reported that no policies or procedures exist to appropriately classify and record capital leases, or to adequately disclose lease information in the notes to the OJP' financial statements.



Report on Internal Controls
Page 5

- **Accounting for Inventory and Related Property, *SFFAS No. 3*.** We noted that seizing and custodial agencies did not take steps to ensure that corrections to the Consolidated Asset Tracking System inventory records were made in accordance with guidance provided by AFF's management. Auditors of the DEA reported that a reliable system is not in place to accurately report in the DEA's financial statements bulk drugs, seized property and funds held as evidence. The auditors of the FBI reported that financial reporting controls over the year-end compilation of evidence need to be strengthened and system deficiencies exist that affect the completeness of evidence acquisition and disposition summary reports. Other auditors reported that the USM and the DEA did not adequately report operating inventories of parts and supplies. The inventories relate mainly to materials held for maintenance of the DEA's and USM' fleet of aircraft.
- **Accounting for Revenue and Other Financing Sources, *SFFAS No. 7*.** Auditors of the INS were not able to obtain sufficient evidence to support the number of pending immigration and naturalization applications necessary to calculate deferred revenue; accordingly, the auditors qualified their opinion on the INS' financial statements as a result of this condition. Other auditors reported that the USM did not have sufficient procedures to regularly reconcile amounts reported in the financial subsidiary ledger. We identified an error of \$28 million in the OBD' posting of year-end adjusting entries that was primarily caused by the lack of timely "billing" of reimbursable agreements; and we noted that approximately \$135 million of the OBD' receivables were unbilled, increasing the risk that invalid receivables will not be detected.

The weaknesses discussed above led to errors in financial statements prepared pursuant to the Government Management Reform Act (GMRA) and budgetary reports submitted to the OMB and the Department of the Treasury. Although components' efforts have led to some progress in correcting misstatements to their financial statements, the findings cited above indicate that the Department still faces significant risk of misstatement to its consolidated financial statements. Department-wide efforts and attention to these areas is necessary to ensure the Department's consolidated financial statements are free of material misstatements.

Recommendation

We recommend the Chief Financial Officer:

1. Issue Department-wide policies that emphasize the accounting principles that should be followed by all components. The directives should be based on generally accepted accounting principles and other Federal accounting requirements. The Justice Management Division (JMD) should take the lead in identifying and resolving accounting issues to ensure that the components adhere to the Department's stated policies. The JMD should work with the components' senior financial managers to ensure they are made aware of all component-level accounting issues and their affect on the Department's consolidated financial statements. We also recommend that the Department reaffirm its accounting policies in the financial statement working group meetings held by the Justice Management Division.



Report on Internal Controls
Page 6

Management Response: Concur. JMD will communicate to senior component management the requirement to properly follow generally accepted accounting principles, federal accounting standards, and the need to resolve existing instances of noncompliance with these standards. JMD will further emphasize its accounting standards and policies through the financial statements working group. JMD will monitor component compliance with Department standards and policies through component corrective action plans.



Report on Internal Controls
Page 7

Weaknesses exist in components' financial management systems and improvements are needed in the general controls at the Department's data centers.

We and other auditors identified ten reportable conditions and three material weaknesses in nine of the components' general and application controls over financial management systems. These weaknesses increase the risk that software programs and data processed on the Department's systems are not adequately protected from unauthorized access. In some instances, the Department's components had substantially completed implementation of new financial management systems, or modified existing systems, to improve transaction processing. Management may not have devoted sufficient attention to the development and implementation of adequate general controls during the systems' implementation phase. For components that have not implemented new financial management systems, conditions identified by other auditors and us represent long-standing weaknesses that have not been adequately addressed by management. With respect to the components' application systems and the FBI data processing center, other auditors and we identified the deficiencies summarized below:

- **The INS' financial management systems are not integrated and have significant control weaknesses that affect the accuracy and reliability of financial information and limit the ability of management to make effective financial management decisions.** Auditors of the INS reported that improvements are needed in: (a) access controls over mainframe financial applications and the local area network; (b) segregation of duties surrounding the Financial Accounting Control System (FACS); (c) the firewall protecting external system connections; (d) security program management; (e) software development and change control; and (f) service continuity.
- **Improvements are needed in the USM' system risk assessments, contingency planning, and safeguards against unauthorized physical or logical access.** Auditors reported that the USM had not implemented a draft risk assessment for headquarters' computing, networking and telecommunication resources; and had not developed risk assessments at the district level or for all major applications (including the USM' core financial management system). In addition, improvements are needed in safeguarding against unauthorized physical or logical access to USM' systems.
- **The DEA needs to strengthen its general controls over information systems and improvements are needed in service continuity plans.** Auditors reported that the DEA's entity-wide security program needs refining and controls that limit or detect access to computer resources need improvement. Finally, the DEA should refine the procedures for storage of network backup tapes.
- **Security controls need to be strengthened over the OBD' Financial Management Information System (FMIS).** We noted that (a) inadequate segregation of duties provides weak security administration in FMIS; (b) change management methodologies for developing and implementing changes to the FMIS application need to be strengthened and formalized; and (c) security policies and procedures to guide security administration are informal and undocumented. The auditors of



Report on Internal Controls
Page 8

the AFF, the BOP, and the WCF also reported one or more of the conditions identified above because FMIS is the core financial management system for these components.

- **The auditors of the OJP identified deficiencies in general controls over information resources.** Auditors identified weak controls in procedures over access controls and noted that the OJP had not conducted or documented security control reviews for local area networks and financial management systems in the last four years. In addition, configuration management changes are informal as the OJP does not maintain libraries of source code or monitor the software developer's configuration management procedures.
- **The auditors of the FBI identified conditions that could compromise the agency's ability to ensure security over sensitive programmatic or financial data, the reliability of its financial reporting, and compliance with applicable laws and regulations.** Weaknesses were identified in the FBI's information systems general and application controls environment; including: (a) entity-wide security programs; (b) access controls; (c) service continuity; (d) the Financial Management System (FMS) application controls; and (e) change control processes.

As part of our audit of the Department's fiscal year 1999 financial statements, we also tested the general controls environment surrounding the computer systems located at the Department's data centers by performing an update of the general controls testing performed as part of our fiscal year 1998 engagement. Our work focused on the following general control areas: (a) entity-wide security program; (b) access controls (including mainframe system logical security and physical security); (c) segregation of duties for management and operations; (d) systems software controls and modifications; and (e) service continuity. A network security penetration study was also conducted using various penetration scenarios.

Because of the sensitivity of the information at the Department's data centers, we issued a separate limited distribution report to the Office of the Inspector General (OIG) that describes the conditions we identified and our recommendations for corrective actions. Auditors of the FBI performed similar procedures at the FBI's data centers and also issued a separate limited distribution report to the OIG. We have summarized the reportable conditions identified at the Department's data centers below:

- **Program change management procedures have not been formalized.** No formalized change control procedures for operating system software and program products exist. As a result, data center personnel used informal and undocumented procedures.
- **The Department does not have a comprehensive Business Continuity Plan (BCP) to recover primary systems, processing applications, or key business processes.** The Department has not developed a comprehensive BCP to recover its primary systems environment, critical data processing applications, or its key business processes, exposing the agency to a potential disruption of operations. The data centers have developed a plan to recover the operating system software and hardware components to provide a platform for their customers; however, this plan has not been comprehensively tested and data center customers have not developed supplementary plans for recovery of data and the contingency processes of key business applications.



Report on Internal Controls
Page 9

- **Entity-wide security policies and procedures are outdated and do not adequately address Department-wide security responsibilities or define authority.** The Department's written security policies are outdated and do not comprehensively specify the roles and responsibilities of the entity's managers and the security administration function, nor do they adequately define the authority of the organization responsible for maintaining and administering system security.

We and other auditors used the General Accounting Office's, *Federal Information System Controls Audit Manual (FISCAM)*, in our testing of the components' financial management systems. We also used the following in our testing of the Department's data centers: (a) OMB Circular A-130, Appendix III, *Automated Information Security Programs*; (b) the Computer Security Act of 1987; (c) the Department's Order No. 2640.2C, *Telecommunications and Automated Information Systems Security*, and Interim Dial-In/Dial-Out Telecommunications Security Policy dated March 24, 1997; and (d) the National Institute of Standards and Technology's (NIST) Publications.

Recommendations

We recommend the Chief Financial Officer:

2. Require that components' timely correct significant deficiencies in general and application controls over financial management systems. Attention should be focused on improvements in components' (a) contingency planning, (b) risk assessments, (c) segregation of duties, (d) access controls and (e) safeguards against unauthorized physical or logical access.

Management Response: Concur. The Department is committed to the implementation of corrective actions that will provide adequate security controls and protect sensitive information. The components will continue to implement plans to provide for adequate contingency planning, risk assessments, segregation of duties, access controls, and install safeguards against unauthorized physical or logical access.

3. Implement the recommendations made in our limited distribution report on the Department's data centers and in the limited distribution report on the FBI's systems prepared by the FBI's auditors. Both reports were issued directly to the Office of the Inspector General.

Management Response: Concur.



Report on Internal Controls
Page 10

Financial statement preparation processes were not effective to ensure financial statements were completed timely and in conformance with the requirements of the Government Management Reform Act, OMB Bulletin No. 97-01, *Form and Content of Agency Financial Statements*, as amended, and the Department's policies.

The Government Management Reform Act (GMRA) requires federal agencies to submit audited Department-wide financial statements to the OMB by March 1 of each year. To meet this deadline, the Assistant Attorney General for Administration and the Inspector General issued a joint memorandum to the ten components outlining when critical procedures had to be completed to ensure the Department would be able to prepare, review, and have audited, its consolidated financial statements. However, other auditors and we continue to identify weaknesses at six of the ten components that affect their ability to produce timely financial statements in accordance with GMRA and Department policies. Auditors identified the following:

- **Auditors of the FBI, the DEA, and the USM reported material weaknesses in the components' financial statement preparation process.** Auditors observed technical and clerical errors, inconsistencies in the form and content of financial statements, late submissions, incomplete account reconciliations, and a lack of supervisory review. Auditors also noted that, in some cases, there were not sufficient resources in the Office of Finance dedicated to financial statement preparation, or that program managers did not adequately support the Office of Finance's financial statement preparation process, resulting in incomplete statements that required adjustments and revisions.
- **Auditors of the OJP, the INS and the OBD identified reportable conditions in the components' financial reporting processes.** Auditors of the OJP reported that financial statements were not completed by the Department's deadlines, and that the core financial accounting system was not capable of producing external financial reports in accordance with the Joint Financial Management Improvement Program's, *Core Financial System Requirements*. The INS' auditors noted that financial statements and supporting documentation were not adequately reviewed before release, and that statements and related note disclosures were submitted three weeks after the Department's deadlines. Finally, we reported that procedures were not in place to ensure adjustments to the OBD' financial statements were properly performed.
- **We identified that adjustments to the Department's financial statements were required to ensure they complied, in all material respects, to OMB Bulletin No. 97-01, *Form and Content of Agency Financial Statements*; and in one instance, a component did not disclose information required by this bulletin.** We identified that the Department's components did not consistently report information in the form and content prescribed by the Department; accordingly, adjustments to the Department's consolidated financial statements and disclosures were required to ensure they were consistent and complied with the OMB's Form and Content requirements. Because of the untimely submission of components' financial statements to the Department, many of the adjustments were not identified until after the Department's deadline for completion of the



Report on Internal Controls
Page 11

consolidated financial statement audit. Untimely submissions and inconsistent reporting by components increase the risk that the Department's consolidated financial statements will not be submitted within the deadlines prescribed in the GMRA.

For example, the BOP and the OJP had not adequately disclosed the amount of intragovernmental program costs in their components' statements of net cost. Subsequent to identification of this error, management of the BOP performed additional analysis and was able to quantify the amount of intragovernmental program costs. The BOP's auditors performed additional audit procedures and were able to satisfy themselves that the amount calculated by management fairly stated intragovernmental costs for the BOP; accordingly, the BOP's financial statements were revised to properly disclose this information. The OJP did not quantify intragovernmental program costs and no adjustments were made to the OJP's financial statements. The amounts of likely OJP intragovernmental program costs, net of elimination, are not material to the Department's consolidated financial statements.

The Department's Justice Management Division (JMD) held financial statement working group meetings that communicated the Department's consolidated financial reporting requirements. The working group was established, in part, in response to our prior fiscal years Reports on Internal Controls recommending the Department implement a strategic plan for financial reporting that addresses: (a) reporting deadlines, (b) the need for consistent reporting among components, and (c) the need to involve senior financial and program managers in the financial statement preparation process. We believe the working group was a positive step to improve the financial reporting of the Department and encourage its continuance; however, we continue to identify a number of inconsistencies and errors that require adjustments to the consolidated financial statements. In general, the errors are caused by the components' failure to report in the form and content of the Department's consolidated statements and the lack of consistent accounting treatment among the components.

Recommendations

We recommend the Chief Financial Officer:

4. Require that components submit audited financial statements to the Justice Management Division (JMD) that are (a) timely, (b) consistent with the Department's form and content guidance, and (c) adhere to Department-wide accounting policies to ensure consistent accounting treatment among components. The JMD should determine whether components' statements are consistent with the Department's form and content, and ensure that accounting transactions are recorded consistently across all components. The JMD should require components to "correct" financial statements submitted for consolidation that do not adhere to the Department's requirements and resolve all accounting issues that affect more than one component. We also recommend that the JMD, in conjunction with the Office of the Inspector General, develop a working group that would recommend to the Assistant Attorney General for Administration: (a) form and content of the Department's financial statements and note disclosures; (b) resolution of multi-component accounting issues; and (c) guidelines for the components on how to complete and submit financial statements in a Departmental format.



Report on Internal Controls
Page 12

Management Response: Concur. JMD will continue to establish reporting timetables to enable the Department to fulfill its financial reporting requirements, and communicate the importance of those timetables to component senior management. JMD will issue clear guidance on standards for submission of financial statements for the Departmental consolidation, including requirements for consistency with applicable form and content standards. To further this effort, JMD will develop financial statement and footnote templates and work in conjunction with the Office of the Inspector General to ensure that formats are consistently used by all bureau components.

5. Require that program and administrative offices participate in the annual audit process and assist the components' Offices of Finance's efforts to produce annual financial statements. Components' financial statements represent the operations and program activities of the entire components, not just the finance offices. We also recommend that program and administrative management participate in audit status meetings and attend some of the working group meetings presented by the Justice Management Division.

Management Response: Concur. JMD will communicate to component senior management the need to include key program and administrative managers in the financial audit process and component corrective action plans. Particular emphasis will be placed on the importance of program and administrative offices adhering to the proper business practices and internal controls which enable reliable financial reporting, and the need for key program managers to participate in audit planning and status activities throughout the audit.



Report on Internal Controls
Page 13

Improvements are still needed in controls over fund balance with Treasury.

A fundamental accounting control is the reconciliation of the general ledger, from which financial statements are prepared, to subsidiary systems or records. Reconciliations are necessary to ensure that transactions are completely and accurately recorded and that reported balances are correct. A critical reconciliation for all Federal agencies is the reconciliation of the agencies' fund balance with Treasury (cash) to the U.S. Department of the Treasury's accounting records. Auditors' of the DEA and the INS reported material weaknesses in controls over fund balance with Treasury. The auditors of the USM identified weaknesses in the reconciliation of fund balance with Treasury, and reported this as a subset of a material weakness on financial accounting processes. The auditors reported the following:

- **The INS should continue to reduce reconciling items in its fund balance with Treasury accounts.** The auditors of the INS identified that some of the issues affecting the INS' ability to accurately record and report transactions in its general ledger result in consolidated net differences between INS' general ledger and the balance reported by Treasury. As of September 30, 1999, the INS had identified a net unreconciled difference of approximately \$7 million.
- **The DEA should review and clear reconciling items monthly.** Auditors reported that the DEA's Treasury clearing account balances reached a high of \$124 million during the year, but were reduced to \$42 million as of September 30, 1999. Approximately 75% of the \$124 million represented transactions that were processed through the Treasury's On-Line Payment and Collection (OPAC) system. Documentation required to process an OPAC charge against the DEA's funds was not timely received; as a result, the DEA was unable to classify and properly record the transaction timely.
- **The USM did not prepare detailed reconciliations for the first nine months of the fiscal year.** The USM' auditors identified differences between the USM' general ledger and Treasury's records, mainly caused by OPAC charges from the prior fiscal year. The lack of adequate and timely reconciliations increases the risk of inappropriate payments to vendors and misstatements in obligation and expense account balances.

Recommendation

We recommend the Chief Financial Officer:

6. Require that the INS, the DEA, and the USM perform timely reconciliations necessary to safeguard fund balance with Treasury. Where possible, reconciling items should be identified to specific transactions and correcting adjustments posted timely. Additional attention should be paid to suspense and clearing accounts to ensure transactions posted to these accounts are timely identified and recorded in the proper general ledger account.



Report on Internal Controls

Page 14

Management Response: Concur. JMD will work with component senior management to ensure components implement timely and effective corrective action plans to address the fund balance with Treasury reconciliation weaknesses, including weaknesses associated with clearing and suspense accounts. JMD will monitor the status of these corrective action efforts.



Report on Internal Controls
Page 15

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

As required by *Government Auditing Standards* and the Office of Management and Budget (OMB) Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, we have reviewed the status of the Department's corrective actions with respect to the findings and recommendations from our fiscal years 1996, 1997, and 1998 reports on the Department's internal controls. The analysis below provides our assessment of the progress the Department has made in correcting the reportable conditions identified in these reports. We also provide the Office of the Inspector General Report number and the fiscal year covered by the report where the condition was first identified, our recommendation for improvement and the status of the condition as of September 30, 1999:

Report	Reportable Condition	Status
97-24B (1996)	<p><u>Material Weakness:</u> Adequate controls do not exist to safeguard property and equipment and improved accounting is needed. For fiscal year 1997, this was reported as a reportable condition as improvements were made.</p> <p><u>Recommendation:</u> Correct existing errors in account balances and study cost benefits of facilitating a Department-wide property management system or procedures.</p>	In Process (c)
97-24B (1996)	<p><u>Material Weakness:</u> For fiscal year 1998, the accrual-based accounting concepts weakness was modified to report the inconsistent treatment of financial transactions in accordance with Federal Accounting Standards.</p> <p><u>Recommendation:</u> Emphasize the proper processing and recording of financial transactions in accordance with Federal accounting standards.</p>	In Process (a)
97-24B (1996)	<p><u>Material Weakness:</u> The Department must perform key reconciliations. For fiscal year 1997, this was reworded to emphasize reconciliation of fund balance with Treasury.</p> <p><u>Recommendation:</u> Perform reconciliations and resolve all differences on a timely basis.</p>	In Process (e)
97-24B (1996)	<p><u>Material Weakness:</u> Improved security is required at Departmental data centers and for component applications.</p> <p><u>Recommendation:</u> Implement corrective actions identified in data center reports and correct control deficiencies at the component level.</p>	In Process (b)
98-07A (1997)	<p><u>Material Weakness:</u> Financial accounting controls were not adequate to compile and report seized/forfeited property.</p> <p><u>Recommendation:</u> Improve financial accounting and reporting of seized/forfeited property and property held as evidence.</p>	In Process (c)



Report on Internal Controls
Page 16

Report	Reportable Condition	Status
98-07A (1997)	<p><u>Reportable Condition:</u> Improved financial year-end closing procedures are needed to meet financial reporting deadlines of GMRA.</p> <p><u>Recommendations:</u> Implement a strategic plan that identifies the timelines and resources needed to prepare auditable consolidated financial statements.</p>	In Process (d)
<p>a) The material weakness has been revised to state that accounting policies and procedures were not adequate to ensure financial transactions are recorded in accordance with generally accepted accounting principles. This condition remains a material weakness.</p> <p>b) The condition was a material weakness in fiscal years 1996 and 1997, a reportable condition in fiscal year 1998, and is now reported as a material weakness in fiscal year 1999.</p> <p>c) For those conditions that remain for some of the components, they have been combined into the material weakness on compliance with generally accepted accounting principles.</p> <p>d) A reportable condition in fiscal year 1998 and is now reported as a material weakness in fiscal year 1999.</p> <p>e) First reported as a material weakness in fiscal year 1996, identified as a reportable condition in fiscal year 1998, and remains one in fiscal year 1999.</p>		

Component auditors identified a number of other reportable conditions that we believe are not material to the Department's consolidated financial statements. A summarization of these conditions will be communicated to the Department's management in a separate management letter.

This report is intended solely for the information of the Attorney General, the Office of the Inspector General, the OMB, and Congress. This report is not intended to be and should not be used by anyone other than these specified parties.

February 21, 2000
Arlington, Virginia

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**REPORT OF INDEPENDENT ACCOUNTANTS
ON COMPLIANCE WITH LAWS AND REGULATIONS**

United States Attorney General and
The Office of the Inspector General
U.S. Department of Justice

We have audited the accompanying consolidated balance sheet of the U.S. Department of Justice (the Department) as of September 30, 1999, and the related consolidated statements of net cost and changes in net position, and the related combined statements of budgetary resources, financing, and custodial activity, for the year then ended, and have issued our report thereon dated February 21, 2000. Except as discussed in that report, we conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, as amended.

We did not audit the financial statements of certain components of the Department, including the Working Capital Fund, the Office of Justice Programs, the Drug Enforcement Administration, the Federal Bureau of Investigation, the Immigration and Naturalization Service, the U.S. Marshals Service, the Bureau of Prisons, and the Federal Prison Industries, Inc., which statements reflect total combined assets of \$20.3 billion and total combined net costs of \$15.0 billion for the year ended September 30, 1999. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our report on the Department's compliance with laws and regulations herein, insofar as it relates to these components, is based solely on the reports of the other auditors.

Compliance with laws and regulations applicable to the Department is the responsibility of management. As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, other auditors and we performed tests of the components' compliance with certain provisions of applicable laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts and certain other laws and regulations specified in OMB Bulletin No. 98-08, as amended, including the requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996. However, the objective of these tests was not to provide an opinion on the Department's overall compliance with laws and regulations. Accordingly, we do not express such an opinion.

The results of auditors' tests of components' compliance with laws and regulations disclosed no instances of noncompliance with laws and regulations that we believe are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 98-08, as amended.



Report on Compliance with Laws and Regulations
Page 2

Under FFMIA, auditors are required to report whether components' financial management systems substantially comply with the Federal financial management systems requirements, applicable accounting standards, and the United States Standard General Ledger at the transaction level. To meet this requirement, auditors performed tests of components' compliance using the implementation guidance for the FFMIA included in OMB Bulletin No. 98-08, as amended.

Auditors of the U.S. Marshals Service, the Office of Justice Programs, the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Immigration and Naturalization Service reported that components' financial management systems did not comply with the Federal system requirements of FFMIA; including: applicable provisions of OMB Circulars A-127, *Financial Management Systems*, and A-130, *Management of Federal Information Resources*; and certain requirements of the Joint Financial Management Improvement Program.

All significant facts pertaining to the matters referred to above and recommended remedial actions are included in component auditors' Reports on Internal Control. Auditors reported that these conditions are significant departures from the Federal financial management systems requirements of FFMIA. The Department should assign a high priority to the corrective actions consistent with the requirements of OMB Circular A-50 Revised, on audit follow-up.

This report is intended solely for the information of the Attorney General, the Office of the Inspector General, the OMB, and Congress. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

February 21, 2000
Arlington, Virginia

Annual Financial Statement



CONSOLIDATED BALANCE SHEET

As of September 30, 1999

Dollars in Thousands	1999
ASSETS	
Entity	
Intragovernmental	
Fund Balance with U.S. Treasury (Note 2)	\$ 17,661,005
Investments, Net (Note 4)	743,120
Accounts Receivable, Net (Note 5)	257,997
Advances and Prepayments	37,877
Other Assets (Note 6)	101
Total Intragovernmental	18,700,100
Accounts Receivable, Net (Note 5)	132,864
Cash and Other Monetary Assets (Note 3)	49,967
Inventory and Related Property, Net (Note 7)	124,333
General Property, Plant and Equipment, Net (Note 9)	5,282,695
Forfeited Property, Net (Note 8)	82,837
Advances and Prepayments	536,115
Other Assets (Note 6)	1,478
Total Entity	\$ 24,910,389
Non-Entity	
Intragovernmental	
Fund Balance with U.S. Treasury (Note 2)	\$ 482,604
Accounts Receivable, Net (Note 5)	6,712
Investments, Net (Note 4)	615,386
Total Intragovernmental	1,104,702
Accounts Receivable, Net (Note 5)	2,527
Cash and Other Monetary Assets (Note 3)	5,843
Cash Held as Evidence	58,617
Total Non-Entity	\$ 1,171,689
Total Assets	\$ 26,082,078

The accompanying notes are an integral part of these financial statements

CONSOLIDATED BALANCE SHEET

As of September 30, 1999

Dollars in Thousands	1999
LIABILITIES	
Liabilities Covered by Budgetary Resources	
Intragovernmental	
Accounts Payable	\$ 274,294
Accrued FECA Liability	633
Accrued Payroll and Benefits	55,027
Advances from Other	87,463
Other Liabilities (Note 11)	3,460
Total Intragovernmental	420,877
Accounts Payable	1,550,592
Environmental Cleanup Cost	5,163
Accrued Payroll and Benefits	414,833
Deferred Revenue	644,503
Deposit/Suspense Fund	505,950
Cash Held as Evidence	58,183
Contingent Liabilities (Note 16)	90,000
Capital Lease Liabilities (Note 12)	207
Other Liabilities (Note 11)	404,889
Total Liabilities Covered by Budgetary Resources	\$ 4,095,197
Liabilities Not Covered by Budgetary Resources	
Intragovernmental	
Accounts Payable	\$ 1,909
Debt (Note 10)	20,000
Undisbursed Civil and Criminal Debt Collections	253,782
Accrued FECA Liability	163,034
Other Liabilities (Note 11)	38,799
Total Intragovernmental	477,524
Accounts Payable	63,346
Environmental Cleanup Cost	5,309
FECA Actuarial Liabilities	678,913
Accrued Annual and Compensatory Leave	518,657
Capital Lease Liabilities (Note 12)	91,583
Contingent Liabilities (Note 16)	40,184
Cash Held as Evidence	434
Other Liabilities (Note 11)	15,266
Total Liabilities Not Covered by Budgetary Resources	\$ 1,891,216
Total Liabilities	\$ 5,986,413
NET POSITION	
Unexpended Appropriations (Note 15)	\$ 13,623,323
Cumulative Results of Operations	6,472,342
Total Net Position	\$ 20,095,665
Total Liabilities and Net Position	\$ 26,082,078

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF NET COST

For fiscal year ended September 30, 1999

Dollars in Thousands	1999
PROGRAM COSTS	
Investigation and Prosecution of Criminal Offenses	
Production	
Intragovernmental	\$ 656,069
With the Public	4,705,952
Total	\$ 5,362,021
Less Earned Revenues	(179,344)
Net Program Costs	\$ 5,182,677
Assistance to Tribal, State, and Local Governments	
Production	
Intragovernmental	\$ 77,289
With the Public	4,594,027
Total	\$ 4,671,316
Less Earned Revenues	(112,591)
Net Program Costs	\$ 4,558,725
Legal Representation, Enforcement of Federal Laws, and Defense of U.S. Interests	
Production	
Intragovernmental	\$ 640,816
With the Public	1,060,714
Total	\$ 1,701,530
Less Earned Revenues	(205,921)
Net Program Costs	\$ 1,495,609
Immigration	
Production	
Intragovernmental	\$ 1,039,243
With the Public	2,090,496
Total	\$ 3,129,739
Less Earned Revenues	(798,081)
Net Program Costs	\$ 2,331,658

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF NET COST

For fiscal year ended September 30, 1999

Dollars in Thousands	1999
PROGRAM COSTS	
Detention and Incarceration	
Production	
Intragovernmental	\$ 850,314
With the Public	4,805,269
Total	\$ 5,655,583
Less Earned Revenues	(1,017,404)
Net Program Costs	\$ 4,638,179
Protection of the Federal Judiciary and Improvement of the Justice System	
Production	
Intragovernmental	\$ 101,455
With the Public	412,793
Total	\$ 514,248
Less Earned Revenues	(119,920)
Net Program Costs	\$ 394,328
Management	
Production	
Intragovernmental	\$ 51,795
With the Public	365,173
Total	\$ 416,968
Less Earned Revenues	(64,116)
Net Program Costs	\$ 352,852
Net Cost of Operations	\$ 18,954,028

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For fiscal year ended September 30, 1999

Dollars in Thousands	1999
Net Cost of Operations	\$ (18,954,028)
Financing Sources (other than exchange revenues):	
Appropriations Used	17,753,402
Other Non-exchange Revenues	1,655,972
Imputed Financing (Note 14)	569,770
Donations	20
Transfers-in	718,706
Transfers-out	(624,469)
Rescissions	(107,000)
Other Financing Source	(2,650)
Net Results of Operations	\$ 1,009,723
Prior Period Adjustments (Note 17)	(600,241)
Net Change in Cumulative Results of Operations	\$ 409,482
Increase in Unexpended Appropriations	1,333,144
Change in Net Position	\$ 1,742,626
Net Position-Beginning of Period	18,353,039
Net Position - End of Period	\$ 20,095,665

The accompanying notes are an integral part of these financial statements

COMBINED STATEMENT OF BUDGETARY RESOURCES
For fiscal year ended September 30, 1999

Dollars in Thousands

1999

Budgetary Resources

Budget Authority	
Appropriations	\$ 17,812,641
Net Transfers, Current Year Authority	1,906,856
Unobligated Balances - Beginning of Period	3,624,845
Net Transfers, Prior Year Balance, Actual	1,841
Spending Authority from Offsetting Collections	4,057,031
Adjustments	444,311
Total Budgetary Resources	\$ 27,847,525

Status of Budgetary Resources

Obligations incurred	\$ 25,023,606
Unobligated Balances - Available	2,558,248
Unobligated Balances - Not Available	265,671
Total Status of Budgetary Resources	\$ 27,847,525

Outlays

Obligations Incurred	\$ 25,023,606
Less: Spending Authority from Offsetting	
Collections and Adjustments	(4,716,074)
Other Adjustments	161,957
Subtotal	20,469,489
Obligated Balance, Net - Beginning of Period	12,481,169
Less: Obligated Balance, Net - End of Period	(14,246,517)
Total Outlays	\$ 18,704,141

The accompanying notes are an integral part of these financial statements

COMBINED STATEMENT OF FINANCING
For fiscal year ended September 30, 1999

Dollars in Thousands	1999
Obligations and Nonbudgetary Resources	
Obligations incurred	\$ 25,023,606
Less: Spending Authority from Offsetting Collections and Adjustments	(4,716,074)
Financing Imputed for Cost Subsidies	569,770
Transfers-in (out)	355
Property Transfers in, Net	(2,646)
Revenue Not in the Entity's Budget	7,893
Other	(55,402)
Total Obligations as adjusted, and Nonbudgetary Resources	\$ 20,827,502
Resources That do not Fund Net Cost of Operations	
Change in Amount of Goods, Services, and Benefits Ordered but not yet Received or Provided	\$ (1,981,117)
Change in Unfilled Customer Orders	101,735
Costs Capitalized on the Balance Sheet	(560,130)
Financing Sources That Fund Costs of Prior Periods	149,196
Revenue Collected in Advance	378,064
Other	(333,146)
Total Resources That do not Fund Net Cost of Operations	\$ (2,245,398)
Costs That do not Require Resources	
Depreciation, Amortization and Bad Debt	\$ 265,129
Gain/Loss on Disposition of Assets	8,831
Other	3,227
Total Costs That do not Require Resources	\$ 277,187
Financing Sources Yet to Be Provided	\$ 94,737
Net Cost of Operations	\$ 18,954,028

The accompanying notes are an integral part of these financial statements

COMBINED STATEMENT OF CUSTODIAL ACTIVITY
For fiscal year ended September 30, 1999

Dollars in Thousands	1999
Revenue Activity	
Sources of Cash Collections	
Civil and Criminal Debt Collections	\$ 1,472,691
Disposition of Collections	
Transferred to Others	
Federal Agencies	(1,139,249)
Public	(209,928)
Decrease in Amounts to be Transferred	(93,215)
Refunds	(1,267)
Retained by the WCF pursuant to Section 108 of P.L. 103-121	(29,032)
Net Custodial Revenue Activity (Note 20)	\$ 0

The accompanying notes are an integral part of these financial statements

Notes to the Principal Financial Statements

(Dollars in Thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The responsibilities of the Department are wide-ranging. The responsibilities 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 our 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 United States Government. Under the direction of the Attorney General, these responsibilities are discharged by the components of the Department. For purposes of these financial statements, the following components comprise the Department's reporting entity:

- I Assets Forfeiture Fund and Seized Asset Deposit Fund (AFF/SADF)
- I Working Capital Fund (WCF)
- I Offices, Boards and Divisions (OBD)

Offices

Attorney General
 Deputy Attorney General
 Associate Attorney General
 Office of the Solicitor General
 Office of Legal Counsel
 Office of Legislative Affairs
 Office of Professional Responsibility
 Office of Policy Development
 Office of Public Affairs
 Office of Pardon Attorney
 Office of the Inspector General
 Community Relations Service
 Executive Office for U.S. Attorneys
 Office of Dispute Resolution
 INTERPOL - U.S. National Central Bureau
 Office of Intelligence Policy and Review
 Executive Office for U.S. Trustees
 Office of Information and Privacy
 Office of Community Oriented Policing Services
 National Drug Intelligence Center

Boards

U.S. Parole Commission
 Foreign Claims Settlement Commission

Divisions

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

These notes are an integral part of the financial statements

- I U.S. Marshals Service (USMS)
- I Office of Justice Programs (OJP)
- I Drug Enforcement Administration (DEA)
- I Federal Bureau of Investigation (FBI)
- I Immigration and Naturalization Service (INS)
- I Bureau of Prisons (BOP)
- I Federal Prison Industries, Inc. (FPI)

B. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of the U.S. Department of Justice (the Department), as required by the Government Management Reform Act of 1994, Public Law 103-356, 108, Stat. 3515. These financial statements have been prepared from the books and records of the Department in accordance with applicable portions of the form and content for entity financial statements specified by the Office of Management and Budget (OMB) Bulletin No. 97-01, Form and Content of Agency Financial Statements, as amended. These financial statements are different from the financial reports, also prepared for the Department 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.

C. Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting. Transactions are recorded on an accrual and a budgetary accounting basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds. On October 19, 1999, the American Institute of Certified Public Accountants Council passed a resolution recognizing Financial Accounting Standards Advisory Board as the body designated to establish generally accepted accounting principles (GAAP) for federal government entities.

The Statements of Federal Financial Accounting Standards (SFFAS) that were in effect as of September 30, 1999, were followed in the preparation of these financial statements.

D. Revenues and Other Financing Sources

The Department receives the majority of funding needed to support its programs through appropriations. The Department receives both annual and multi-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Appropriations are recognized as revenue at the time the related program or administrative expenses are incurred. Additional amounts are obtained through exchange and non-exchange revenues.

Exchange revenues are recognized when earned, for example, goods have been delivered or services rendered. Non-exchange revenues are resources that the Government demands or receives, for example, taxes or duties.

These notes are an integral part of the financial statements

E. Funds with the U.S. Department of the Treasury and Cash

The Department does not, for the most part, maintain cash in commercial bank accounts. Certain receipts, however, are processed by commercial banks for deposit to individual accounts maintained at the U.S. Department of the Treasury (U.S. Treasury). Cash receipts and disbursements are processed by the U.S. Treasury as directed by authorized Department certifying officers. Funds with the U.S. Treasury represent primarily appropriated, revolving, and trust funds available to pay current liabilities and finance future authorized purchases.

The Department's cash and other monetary assets consist of undeposited collections, imprest funds, cash used in undercover operations, cash held as evidence, and drafts in transit.

F. Investments in U.S. Government Securities

Investments are Federal debt securities issued by the Bureau of Public Debt and purchased exclusively through Treasury's Financial Management Service. When securities are purchased, the investment is recorded at par value (the value at maturity). Premiums and/or discounts are amortized through the end of the reporting period. The Department's intent is to hold investments to maturity, unless securities 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.

G. Property, Plant and Equipment

The Department owns some of the buildings in which it operates. Other buildings are provided by the General Services Administration (GSA), which charges rent equivalent to the commercial rental rates for similar properties. Depreciation on buildings and equipment provided by the GSA is not recognized by the Department. Leasehold improvements are depreciated over the term of the remaining portion of the lease.

Except for BOP, Department acquisitions of personal property \$25 and over are capitalized and depreciated, based on historical cost, using the straight-line method over the estimated useful lives of the assets. Personal property with an acquisition cost of less than \$25 is expensed when purchased. BOP capitalizes personal property acquisitions over \$5. Aircraft are capitalized when the initial cost of acquiring those assets is \$100 or more. Real property, except for land, is capitalized when the cost of acquiring and/or improving the asset is \$100 or more and the asset has a useful life of two or more years. Land is capitalized regardless of the acquisition cost.

H. Advances and Prepayments

Advances and prepayments classified as assets on the balance sheet include the excess funds disbursed to grantees over the total of expenditures made by those grantees to third parties based upon year end data. This amount also includes the current balance of travel advances issued to Federal employees in advance of official travel. Amounts issued are limited to meals and incidental expenses expected to be incurred by the employees during official travel. Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment and recognized as expenditures/expenses when the related goods and services are received.

I. 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 unfunded liabilities and there is no certainty that corresponding future appropriations will be enacted. Liabilities cannot be liquidated without legislation that provides resources to do so.

These notes are an integral part of the financial statements

J. Non-Entity Assets and Liabilities

The Debt Collection Management Activity, within the WCF, monitors a clearing account, U.S. Treasury Fund Symbol 15F3885, which represents restricted undisbursed civil and criminal debt collections that are administered by but not available to the WCF. Non-entity assets for INS consist of cash bonds. These balances are classified as a non-entity assets on the balance sheet with a corresponding liability. AFF/SADF receives cash held in trust until a determination has been made as to its disposition. This balance is classified as a non-entity asset on the balance sheet with the corresponding deposit fund liability.

K. Loans and Interest Payable to the U.S. Treasury

During 1988, Congress granted the FPI borrowing authority pursuant to Public Law 100-690. Under this authority, during fiscal year 1989, the FPI borrowed \$20,000 from the U.S. Treasury with a lump-sum maturity or optional renegotiation date of September 30, 1998. During 1995, the \$20,000 loan maturity date was extended to September 30, 2008.

L. Accounting Policy for Contingencies and Commitments

The Department is involved in various legal actions, including administrative proceedings, lawsuits and claims. A liability is recognized as an unfunded liability for those legal actions where decisions are considered "probable" and an estimate for the liability can be made. Contingent liabilities that are considered "possible" are disclosed in the notes to the financial statements. Liabilities that are considered "remote" are not recognized in the financial statements or disclosed in the notes to the financial statements.

M. Annual, Sick and Other Leave

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

N. Interest on Late Payments

Pursuant to the Prompt Payment Act, 31 U.S.C. § 3901-3907, Federal agencies must pay 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.

O. Retirement Plan

With few exceptions, employees hired before January 1, 1984, are covered by the Civil Service Retirement System (CSRS) and employees hired after that date are covered by the Federal Employees Retirement System (FERS).

For employees covered by the CSRS, the Department contributes 8.5 percent of the employees' gross pay for normal retirement or 9 percent for hazardous duty retirement. For employees covered by the FERS, the Department contributes approximately 13 percent of employees' gross pay. All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For those employees covered by the FERS, a TSP is automatically established, and the Department is required to contribute an additional 1 percent of gross pay to this plan and match employee contributions up to 4 percent. No matching contributions are made to the TSPs established by the CSRS employees. The Department does not report CSRS or FERS assets, accumulated

These notes are an integral part of the financial statements

plan benefits, or unfunded liabilities, if any which may be applicable to their employees. Such reporting is the responsibility of the Office of Personnel Management (OPM).

The Statement of Federal Financial Accounting Standards Number Five (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 14—Imputed Financing.

P. Federal Employee Benefits

The Federal Employees Compensation Act (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 U.S. Department of Labor (DOL) calculates the liability of the Federal Government for future compensation benefits, which includes the expected liability for death, disability, medical, and other approved costs. The liability is determined using the paid-losses extrapolation method calculated over the next 37-year period. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments were discounted to present value. The resulting Federal Government liability was then distributed by the agency. The Department 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 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 Department actuarial FECA liability for FY 1999 was \$678,913.

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 FY in which the cost is actually billed to the Department. The cost associated with this liability may be met by the Department without further appropriation action.

Accrued Liability: The accrued FECA liability is the difference between the FECA benefits paid by the FECA SBF and the agency's actual cash payments to the FECA SBF. For example, the FECA SBF will pay benefits on behalf of an agency through the current year. However, most agencies' actual cash payments to the FECA SBF for the current FY will reimburse the FECA SBF for benefits paid through a prior FY. The difference between these two amounts is the accrued FECA liability. The accrued FECA liability for FY 1999 was \$163,667.

Q. Accounts Receivable

Net accounts receivable includes reimbursement and refund receivables due from Federal agencies and others, less the allowance for doubtful accounts. The WCF allowance for doubtful accounts represents estimated uncollectible amounts billed or billable to Federal agencies and others for services rendered by the WCF during FYs 1992 through 1999. The INS allowance for doubtful accounts for public receivables is determined by applying varying percentages to all accounts less than 365 days old and reserving 100 percent of all accounts greater than 365 days old. The INS has established an intragovernmental allowance for doubtful accounts for all accounts over 365 days old. The AFF/SADF, OBD, USMS, OJP, DEA, FBI, and FPS did not establish an allowance for doubtful accounts for any intragovernmental accounts receivable because these accounts are considered fully collectible.

These notes are an integral part of the financial statements

R. Seized and Forfeited Property

Property is seized in consequence of a violation of public law. Seized property can include monetary instruments, real property, and tangible personal property of others in the actual or constructive possession of the custodial agency. Most noncash property is held by the U.S. Marshals Service from the point of seizure until its disposition.

Forfeited property is property for which the title has passed to the U.S. Government. This property is recorded at the estimated fair market value at the time of forfeiture. The value of the property is reduced by the estimated liens of record.

S. Principles of Consolidation

The consolidated financial statements of the Department include the accounts of the AFF/SADF, WCF, OBD, USMS, OJP, DEA, FBI, INS, BOP, and FPI. All significant intra-agency transactions and balances have been eliminated in consolidation. The statement of budgetary resources and the statement of financing are combining statements for FY 1999, as such, intra-entity transactions have not been eliminated.

T. Reclassification of Components' Balances

Certain balances were reclassified from the components' financial statements for consolidation purposes. These changes were immaterial.

U. Reporting of Comparative Data

OMB 97-01, as amended, does not require the reporting of comparative data in FY 1999.

V. 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 will invariably differ from those estimates.

NOTE 2: FUND BALANCE WITH THE U.S. TREASURY

The Fund Balance with the U.S. Treasury amount reported in the financial statements represents the unexpended cash balance on the Department's books for all Department Treasury Symbols at September 30, 1999:

	Entity	Non-Entity	Total
Trust Funds	\$ 4,005,642	\$ 170,955	\$ 4,176,597
Revolving Funds	557,185	253,634	810,819
Appropriated Funds	11,201,955	—	11,201,955
Other Fund Types	1,896,223	58,015	1,954,238
Total	\$ 17,661,005	\$ 482,604	\$ 18,143,609

NOTE 3: CASH, FOREIGN CURRENCY AND OTHER MONETARY ASSETS

	Entity	Non-Entity	Total
Cash	\$ 22,884	\$ 4,791	\$ 27,675
Foreign Currency	347	—	347
Other Monetary Assets	3,548	—	3,548
Deposits-In-Transit	23,188	1,052	24,240
Total	\$ 49,967	\$ 5,843	\$ 55,810

NOTE 4: INVESTMENTS — FEDERAL SECURITIES, NET

Investments are short term nonmarketable Federal debt securities issued by the Bureau of Public Debt and purchased exclusively through the U.S. Treasury's Financial Management Service. When securities are purchased, the investment is recorded at par value (the value at maturity). Premiums and/or discounts are amortized through the end of the reporting period. The following schedule shows the investment balance at September 30, 1999:

	Acquisition Cost	Unamortized Premium	Unamortized Discount	Investments Net	Market Value Disclosure
Intragovernmental Securities:					
Non-Marketable					
Market-Based:					
Entity	\$ 744,915	\$ 1,136	\$ (2,931)	\$ 743,120	\$ 743,302
Non-Entity	617,576	—	(2,190)	615,386	615,457
Total	\$ 1,362,491	\$ 1,136	\$ (5,121)	\$ 1,358,506	\$ 1,358,759

These notes are an integral part of the financial statements

NOTE 5. ACCOUNTS RECEIVABLE, NET

Accounts Receivable, Net for all Department Treasury Symbols at September 30, 1999:

Gross Receivable	Entity	Non-Entity	Total
Intragovernmental Accounts Receivable	\$ 257,997	\$ 6,712	\$ 264,709
Accounts Receivable	169,640	21,339	190,979
Less: Allowance for Uncollectible Accounts	(36,776)	(18,812)	(55,588)
Net Receivables	\$ 390,861	\$ 9,239	\$ 400,100

NOTE 6. OTHER ASSETS

Entity Assets	
Intragovernmental:	
Prototype Product Cost	\$ 5
Assets in Transit	82
Other Deferred Prepaid Expenses	(16)
Others	30
Total Intragovernmental	\$ 101
Farm Livestock	\$ 1,478
Total Other Entity Assets	\$ 1,579

NOTE 7. INVENTORY AND RELATED PROPERTY

All WCF inventories are held for sale and are intended to be sold in the normal operations of the WCF. Inventory is primarily composed of new and rehabilitated office furniture. The value of new stock is determined on the basis of acquisition cost and the value of rehabilitated stock is determined on the basis of rehabilitation and transportation costs. WCF inventory on hand at year end is reported at the lower of original costs (using the first-in, first-out method) or current market value. Recorded values of inventories are adjusted for the results of physical inventories conducted at the close of the fiscal year for WCF.

BOP inventories are comprised of merchandise on hand at 84 reporting sites located in the United States and Puerto Rico. Inventories consist of merchandise that are either not normally provided or are of a different quality than is regularly issued. Inventory sales are restricted to inmates and consist primarily of foods and beverages, tobacco products, hobby craft items, coins and stamps, clothing, health and hygiene commodities, and other sundry items. BOP has no allowance for inventory obsolescence because management considers such amounts insignificant. The FPI inventories are categorized into five product categories: metals, plastics and electronics, graphics, services and optics. FPI records, as an inventory allowance (contra-asset) account, anticipated inventory losses for contracts where the current estimated cost to manufacture the item exceeds the total sales price, as well as estimated losses for inventories which may not be utilized in the future.

These notes are an integral part of the financial statements

NOTE 7. INVENTORY AND RELATED PROPERTY – CONTINUED

Raw Materials and Factory Supplies		
Inventory Held for Current Sale	\$	43,815
Excess, Obsolete and Unserviceable Inventory		3,240
<hr/>		
Total Raw Materials and Factory Supplies	\$	47,055
Work-In-Process		
Inventory Held for Current Sale	\$	28,519
Finished Goods		
Inventory Held for Current Sale	\$	23,068
Inventory Held in Reserve for Future Sale		355
Excess, Obsolete and Unserviceable Inventory		57
<hr/>		
Total Finished Goods	\$	23,480
Less Inventory Allowance – Excess Inventory Allowance	\$	(6,681)
<hr/>		
Operating Materials/Supplies Held for use		92,373
Inventory Purchased		
Operating Material Held for Use/Sale	\$	31,960
<hr/>		
Total Inventory	\$	124,333

NOTE 8. FORFEITED AND SEIZED PROPERTY

Analysis of Change in Forfeited Property

Forfeited property consists of monetary instruments, real property and tangible personal property acquired through forfeiture proceedings. Forfeited property represents assets for which the U.S. Government has title, and is held for disposition by the custodial agency. Adjustments have been made to convert the forfeited property from unadjusted carrying value (market value at the time of seizure) to an estimate of the fair value (market value at the time of forfeiture), which is the amount recorded in the financial statements. The net value of this property has been reduced by all known liens of record. Federal Financial Accounting and Auditing Technical Release 4, "Reporting Non-Valued Seized and Forfeited Property" requires disclosure of property that does not have a legal market in the United States. This requirement was implemented in the Department during FY 1999. Additional property categories reported in FY 1999 that were not disclosed in FY 1998 include alcohol, chemicals, drug paraphernalia, and gambling devices. Weapons and some other categories of non-valued property were included in the seized and forfeited property balances reported in FY 1998. To ensure accuracy in the analysis of change for FY 1999, the values for the categories of non-valued property reported in FY 1998 with a value were deducted from the Beginning Balance Restated.

These notes are an integral part of the financial statements

NOTE 8. FORFEITED AND SEIZED PROPERTY – CONTINUED

The following table represents the analysis of change in forfeited property for fiscal year 1999. The number of items presented represents quantities calculated using many different units of measure.

Forfeited Property Category		Beginning Balance (Restated)	Forfeited During FY 1999	Disposed During FY 1999	Ending Balance	Liens and Claims	Ending Balance Net of Liens
Financial & Other							
Monetary Instruments							
	Number	354	737	917	174	7	167
	Value	\$ 23,096	\$ 154,389	\$ 165,708	\$ 11,777	\$ 716	\$ 11,061
Real Property							
	Number	406	460	554	312	6	306
	Value	\$ 48,925	\$ 55,546	\$ 69,324	\$ 35,147	\$ 162	\$ 34,985
Personal Property							
	Number	5,210	33,338	32,916	5,632	769	4,863
	Value	\$ 46,067	\$ 119,625	\$ 126,921	\$ 38,771	\$ 2,862	\$ 35,909
Other							
	Number	143	262	273	132	5	127
	Value	\$ 1,102	\$ 2,380	\$ 2,557	\$ 925	\$ 43	\$ 882
Non-Valued							
	Number	621	1,159	1,122	658	2	656
	Value	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total	Number	6,734	35,956	35,782	6,908	789	6,119
	Value	\$ 119,190	\$ 331,940	\$ 364,510	\$ 86,620	\$ 3,783	\$ 82,837

Analysis of Change in Seized Property and Evidence

A seizure is the act of taking possession of goods in consequence of a violation of public law. Seized property consists of monetary instruments, real property and tangible personal property in the actual or constructive possession of the seizing and the custodial agencies. Such property is not legally owned by the Department until judicially or administratively forfeited. Seized evidence includes cash, financial instruments, non-monetary valuables and illegal drugs.

Seized property and equipment (net of cash) are held for disposition by the custodial agency. This property is recorded at the estimated fair market value at the time of seizure. The fair market value of this property has been reduced by estimated liens and claims of innocent third parties. However, the estimate does not reflect all possible liens and claims. Such information becomes available as the individual cases proceed from seizure to forfeiture. Federal Financial Accounting and Auditing Technical Release 4, "Reporting Non-Valued Seized and Forfeited Property" requires disclosure of property that does not have a legal market in the United States. This requirement was implemented in the Department during FY 1999. Additional property categories reported in FY 1999 that were not disclosed in FY 1998 include alcohol, chemicals, drug paraphernalia, and gambling devices. Weapons and some other categories of non-valued property were included in the seized and forfeited property balances reported in FY 1998. To ensure accuracy in the analysis of change for FY 1999, the values for the categories of non-valued property reported in FY 1998 with a value were deducted from the Beginning Balance Restated.

These notes are an integral part of the financial statements

NOTE 8. FORFEITED AND SEIZED PROPERTY – CONTINUED

The following table represents the analysis of change in seized property for fiscal year 1999:

Seized Property Category	Beginning Balance (Restated)	Seized During FY 1999	Disposed During FY 1999	Ending Balance	Liens and Claims	Ending Balance Net of Liens
Financial & Other						
Monetary Instruments						
Number	1,178	923	842	1,259	63	1,196
Value	\$ 124,035	\$ 122,604	\$ 91,336	\$ 155,303	\$ 5,491	\$ 149,812
Real Property						
Number	490	326	483	333	94	239
Value	\$ 55,322	\$ 42,538	\$ 60,423	\$ 37,437	\$ 10,427	\$ 27,010
Personal Property						
Number	10,748	36,563	36,534	10,777	2,038	8,739
Value	\$ 72,975	\$ 178,839	\$ 158,759	\$ 93,055	\$ 24,467	\$ 68,588
Other						
Number	270	298	295	273	6	267
Value	\$ 5,303	\$ 3,628	\$ 3,560	\$ 5,371	\$ 67	\$ 5,304
Non-Valued						
Number	737	1,785	1,651	871	5	866
Value	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total	Number 13,423	39,895	39,805	13,513	2,206	11,307
	Value \$ 257,635	\$ 347,609	\$ 314,078	\$ 291,166	\$ 40,452	\$ 250,714

The DEA and FBI have custody of illegal drugs taken as evidence for legal proceedings. The drugs are subsequently destroyed. Illegal drugs have no value and are reported in weight only. Adjustments to beginning balances represent corrections of errors reported in FY 1998. These errors were the result of erroneous counts of drugs on hand and errors in converting pounds to kilograms.

Seized Narcotics Held for Evidence
Weight in Kilograms

Drug Evidence	Beginning Balance	Adjustments	Beginning Balance Restated	Seized During FY 1999	Disposed During FY 1999	Ending Balance
Heroin	1,908	-	1,908	410	806	1,512
Cocaine	202,225	-	202,225	35,350	61,001	176,574
Marijuana	17,224	-	17,224	17,311	14,971	19,564
Marijuana - Bulk	67,117	113,912	181,029	538,135	542,444	176,720
Methamphetamine	4,303	-	4,303	1,206	767	4,742
Other narcotics	11,793	-	11,793	8,097	7,493	12,397
Total	304,570	113,912	418,482	600,509	627,482	391,509

These notes are an integral part of the financial statements

NOTE 9. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

Items are generally depreciated using the straight line method. The Property, Plant and Equipment (PPE) balance as of September 30, 1999 included:

PPE Type	Acquisition Cost	Accumulated Depreciation	Net Book Value	Service Life
Aircraft	\$ 197,263	\$ (56,199)	\$ 141,064	7-25 yrs
Buildings	4,104,455	(992,209)	3,112,246	24-50 yrs
Capital Leases	108,106	(22,608)	85,498	5-20 yrs
Construction in Progress	928,046	-	928,046	N/A
Equipment	590,551	(318,874)	271,677	2-25 yrs
Land	147,913	-	147,913	N/A
Leasehold Improvements	162,137	(48,314)	113,823	2-20 yrs
Software	7,308	(4,361)	2,947	5 yrs
Structure & Facilities	484,059	(127,442)	356,617	10-50 yrs
Vehicles	198,390	(80,664)	117,726	2-25 yrs
Other Personal Property	7,932	(2,794)	5,138	10-20 yrs
Total	\$ 6,936,160	\$(1,653,465)	\$ 5,282,695	

NOTE 10. DEBT

During 1988, Congress granted the FPI borrowing authority pursuant to Public Law 100-690. Under this authority, during fiscal year 1989, FPI borrowed \$20,000 from the U.S. Treasury with a lump-sum maturity or optional renegotiation date of September 30, 1998. During 1995, the \$20,000 loan maturity date was extended to September 30, 2008. The funds received under this loan were restricted, by the FPI's Board of Directors, for use in the construction of factories and the purchase of equipment. The loan accrues interest, payable March 31 and September 30 of each year, at 5.5 percent (the rate equivalent to the yield of U.S. Treasury obligations of comparable maturities which existed on the date of the loan). Accrued interest payable under the loan is either fully or partially offset to the extent the FPI maintains non-interest bearing cash deposits with the U.S. Treasury. In this regard, there is no accrual of interest unless the FPI's cash balance, on deposit with the U.S. Treasury, falls below \$20,000. When this occurs, interest is calculated on the difference between the loan amount (\$20,000) and the FPI's cash balance.

The loan agreement provides for certain restrictive covenants and a prepayment penalty for debt retirements prior to 2008. Additionally, the agreement limits authorized borrowings in an aggregate amount not to exceed 25 percent of the FPI's net equity. There was no net interest expense for the year ended September 30, 1999.

NOTE 11. OTHER LIABILITIES

Other Liabilities Covered by Budgetary Resources	Current
Intragovernmental Liabilities	
Suspense, Deposit, and Clearing	\$ 1,896
Disbursements in Transit/Clearing	595
Miscellaneous Receipt Liability	969
Total Intragovernmental	\$ 3,460
Advances from Others	\$ 10,932
Undeposited Collections	457
Expected BCCI Distributions	184,091
Debit Card - Deferred Income	262
Liability for Inmate Telephone System Credits	1,158
Disbursements-in-transit	31,025
Cash Bonds - Immigration bonds	170,955
Legal Settlements	2,461
Other Monetary Assets	3,548
Total	\$ 408,349

Other Liabilities Not Covered by Budgetary Resources	Current
Intragovernmental	
Resource Payable to Treasury	\$ 93
Custodial Liability	654
Undeposited Collections	792
Foreign Currency	441
Undercover Liability	4,000
Advances from Others	31,312
Fines and Interest Payable	1,507
Total Intragovernmental	\$ 38,799
Canceled Payable	\$ 66
Legal Settlements	15,200
Total	\$ 54,065

These notes are an integral part of the financial statements

NOTE 12. LEASES

FBI reported capital leases for lease-to-own copiers of \$2,600. The lease terms range from three to five years.

BOP reported a 30-year capital lease for a Federal Detention Center in Oklahoma City. In FY 1996, this lease was accounted for as an operating lease and was changed in FY 1997 to a capital lease. The lease arrangement calls for semi-annual payments of \$4,500. BOP paid a total of \$9,000 in payments during FY 1999.

USMS reported two capital leases. The lease on a hangar has an estimated cost of \$20,000 over 20 years, with an estimated interest rate of 7 percent. The lease on a training center has an estimated cost of \$6,000 over 16 years with an estimated interest rate of 6.5 percent.

Capital Leases

Summary of Assets Under Capital Lease:

Land & Buildings	\$	103,910
Machinery & Equipment		4,193
Accumulated Amortization		(22,252)
Total	\$	85,851

Future Payments Due:

Fiscal Year	Building	Equipment	Total
Year 1 (2000)	\$ 9,490	\$ 2,111	\$ 11,601
Year 2 (2001)	9,490	2,066	11,556
Year 3 (2002)	9,490	1,814	11,304
Year 4 (2003)	9,490	1,548	11,038
Year 5 (2004)	9,490	1,286	10,776
After year 5	92,400	7,604	100,004
Total	\$ 139,850	\$ 16,429	\$ 156,279
Less: Imputed Future Lease Payments Interest	(58,872)	(5,617)	(64,489)
Net Capital Lease Payments	\$ 80,978	\$ 10,812	\$ 91,790
Liabilities covered by budgetary resources			\$ 207
Liabilities not covered by budgetary resources			\$ 91,583

Operating Leases

Future Operating Lease Payments Due:

Fiscal Year	Building
Year 1 (2000)	\$ 852,697
Year 2 (2001)	771,723
Year 3 (2002)	808,284
Year 4 (2003)	838,826
Year 5 (2004)	871,338
After year 5	52,048
Total Future Lease Payments	\$4,194,916

These notes are an integral part of the financial statements

NOTE 12. LEASES – CONTINUED

The majority of space occupied by the Department is leased from the General Services Administration (GSA). The space is assigned to the Department by the GSA based on the Department's square footage requirements. The rent charged to the Department is intended to approximate commercial rates. These leases may be terminated without incurring termination charges, however, it is anticipated that the Department will continue to lease space from the GSA in future years. Total future operating lease payments of \$4,194,916 include GSA leases for BOP, FPI, DEA, and WCF. However, it does not include approximately \$1,586,000 of GSA leases reported for INS. The remaining components did not identify GSA lease information.

The FBI leases are for copying machines. Operating leases have been established between three and five years and total payments per lease are below the \$25 capitalization threshold.

BOP has various operating lease agreements for certain of its facilities, including its central office in Washington, DC. Under these agreements, total rent expense amounted to approximately \$1,150. In addition, many of the BOP operating leases that expire over an extended period of time include an option to purchase the equipment at the current fair market value, or to renew the lease for additional periods.

DEA leases totaled \$99,700 for FY 1999. Of this amount, approximately \$98,600 was for office space, parking facilities, and warehouses, \$1,100 was for airplane hangars, and the remainder for office equipment and vehicles. As of September 30, 1999, DEA leased 16 airplane hangars from individuals. These leases are annual leases without early termination charges. Some of the leases give DEA the first option to continue to lease. Vehicles are leased from vendors for 12 months or less.

The WCF has no material non-cancelable operating leases. However, the Department allocates a portion of the GSA rent charges to the WCF according to the amount of space used by WCF operations. The FY 1999 WCF rent charge was approximately \$7,600.

NOTE 13. FUTURE FUNDING REQUIREMENTS

Total liabilities not covered by budgetary resources of \$1,891,216 on the Balance Sheet does not equal the total financing sources yet to be provided on the Statement of Financing of \$94,737. Only current unfunded expenses are included in the Statement of Financing, while liabilities not covered by budgetary resources on the balance sheet include both unfunded expenses for the current and prior fiscal years.

Generally, liabilities not covered by budgetary resources require future funding and can only be liquidated with the enactment of future appropriations. These liabilities include accrued leave, actuarial pension liabilities, and other contingent liabilities. However, some of the liabilities not covered by budgetary resources do not require appropriations and will be liquidated by the assets of these entities. They include civil and criminal debt collections of the WCF (\$253,782), liabilities of the FPI (\$127,853), and cash held as evidence (\$434) by the DEA.

These notes are an integral part of the financial statements

NOTE 14. IMPUTED FINANCING

Imputed Financing recognizes actual cost of future benefits which include the Judgment Fund, the Federal Employees Health Benefits Program (FEHB), the Federal Employees Group Life Insurance Program (FEGLI), and the Pension that are paid by other Federal entities. 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 No. 2, "Accounting for Treasury Judgment Fund Transactions: An Interpretation of Statements of Federal Financial Accounting Standards No. 4 and No. 5," requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable and the amount can be estimated.

SFFAS No. 5, "Accounting for Liabilities of the Federal Government," requires that employing agencies recognize the cost of pensions and other retirement benefits during their employees active years of service. SFFAS No. 5 requires OPM to provide cost factors necessary to calculate cost. OPM actuaries calculate the value of pension benefits expected to be paid in the future, and then determine the total funds to be contributed by and for covered employees. For FERS and CSRS employees, OPM calculated that 11.5 percent and 24.2 percent respectively of each employee's salary would be sufficient to fund these projected pension benefits. 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 the Federal Employees Health Benefits Program (FEHB) and the Federal Employees Group Life Insurance Program (FEGLI) that are paid by other Federal entities must also be disclosed.

Judgement Fund	\$ 65,502
Health Insurance	290,209
Life Insurance	980
Pension	213,079
Total	\$ 569,770

NOTE 15. UNEXPENDED APPROPRIATIONS

The unexpended appropriations for the DOJ reporting entity, as of September 30, 1999, is as follows:

Unexpected Appropriations	Total
Unobligated:	
Available	\$ 1,701,870
Unavailable	298,844
Undelivered Orders	11,622,609
Total	\$ 13,623,323

These notes are an integral part of the financial statements

NOTE 16. CONTINGENCIES AND COMMITMENTS

The DEA is involved in various legal actions, including administrative proceedings, lawsuits and claims. The balance sheet recognizes an estimate of \$3,451 in unfunded liabilities for those legal actions where adverse decisions are considered "probable" by DEA's Office of Chief Counsel. In addition, the potential amount of contingencies for events where the likelihood of adverse decisions are classified as "possible" is estimated at \$646.

The INS is party to various administrative proceedings, legal actions, and claims, including environmental damage claims, equal opportunity matters, and a contractual bid protest. The INS management has determined that it is probable that some of these proceedings and actions will result in the incurrence of liabilities, and the amounts are reasonably estimable. The estimated liability for these cases is \$34,737 and the amount has been recorded in the financial statements as of September 30, 1999.

The FBI recorded a total of \$1,996 in contingent liabilities, however, a breakdown of items was not available at the time the Department's statements were prepared.

The BOP recorded a total of \$90,000 in contingent liabilities arising from litigation. BOP management believes loss with respect to this sum is probable.

The Department and its components are parties to various administrative proceedings, legal actions, and claims. Management, in consultation with legal counsel, has determined that it is probable that losses relating to these legal actions will occur. As of September 30, 1999, a contingent liability of \$130,184 has been recorded in the consolidated balance sheet.

NOTE 17. PRIOR PERIOD ADJUSTMENTS

AFF/SADF adjustments were made to correct the FY 1998 liability for allocation transfers, interest and forfeiture income, and forfeited cash.

INS corrections were the result of efforts to improve the financial data recorded in the accounting records. The adjustments were made to correct the accounts receivable, unexpended appropriations, accounts payable accruals, fund balance with Treasury, FECA liability, advances and prepayments, property and equipment.

Corrections were made on the OBD statements to restate COPS grants beginning advances, accounts payable, and net position balances, and to correct an understatement as of FY 1998 of non-COPS grants accounts payable balances, U.S. Trustees Chapter 11 quarterly fees, FECA liabilities, capitalize property balances, reimbursement revenue and expense with other agencies. In addition, an adjustment was made to extract Court Services and Offender Supervision Agency (CSOSA) from the OBD statements. Through arrangements made with OMB, funding for CSOSA was allotted through the General Administration appropriation, however, CSOSA is not a component of the Department of Justice.

These notes are an integral part of the financial statements

NOTE 17. PRIOR PERIOD ADJUSTMENTS – CONTINUED

Prior Period Adjustments

Unexpended Appropriations	\$ 161,715
Earned Revenue/Expenses	77,430
Forfeited cash	39,500
Asset Value	3,781
COPS Grants Beginning Balances	(447,952)
Liabilities/Accounts Payable	(255,160)
Appropriated Capital Used	(90,736)
Fund Balance with Treasury	(27,540)
Transfers-In & Out	(24,742)
Advances from Others	(15,448)
Accounts Receivable	(13,068)
Actuarial FECA Liability	(7,512)
Construction in Process	(486)
Capital Property	(21)
Other	(2)
Total	\$ (600,241)

NOTE 18. CONSOLIDATED TOTAL COST AND EARNED REVENUE BY BUDGET FUNCTION CODE

Total Cost by Budget Functional Code

Budget Functional Code	Gross Costs	Intra-DOJ Costs	Net Costs
National Defense (54)	\$ 15,479	\$ -	\$ 15,479
International Development/Humanitarianism (151)	\$ 59	\$ -	\$ 59
International Security Assistance (152)	13,282	-	13,282
International Affairs (153)	592	-	592
Total International Affairs	\$ 13,933	\$ -	\$ 13,933
Administration of Justice (750)	\$ 514,452	\$ -	\$ 514,452
Law Enforcement (751)	10,807,287	(1,113,341)	9,693,946
Litigative and Judicial (752)	3,508,242	(208,336)	3,299,906
Federal Correctional Activities (753)	3,880,590	(161,038)	3,719,552
Criminal Justice Assistance (754)	4,240,681	(52,515)	4,188,166
Total Administration of Justice	\$ 22,951,252	\$ (1,535,230)	\$ 21,416,022
General Government (808)	\$ 5,971	\$ -	\$ 5,971
Total Cost	\$ 22,986,635	\$ (1,535,230)	\$ 21,451,405

These notes are an integral part of the financial statements

NOTE 18. CONSOLIDATED TOTAL COST AND EARNED
REVENUE BY BUDGET FUNCTION CODE – CONTINUED

Total Earned Revenue by Budget Functional Code

Budget Functional Code	Gross Revenue	Intra-DOJ Revenue	Net Revenue
Administration of Justice (750)	\$ (924)	\$ -	\$ (924)
Law Enforcement (751)	(2,552,452)	1,113,341	(1,439,111)
Litigative and Judicial (752)	(564,921)	208,336	(356,585)
Federal Correctional Activities (753)	(854,696)	161,038	(693,658)
Criminal Justice Assistance (754)	(59,614)	52,515	(7,099)
Total Earned Revenue	\$ (4,032,607)	\$ 1,535,230	\$(2,497,377)
Net Cost of Operations	\$ 18,954,028	\$ -	\$18,954,028

NOTE 19. EXCHANGE REVENUE

The exchange revenue for the AFF/SADF is for support from other government agencies for the U.S. Attorneys and the Consolidated Asset Tracking System.

The BOP and the FPI receive exchange revenues for daily care and maintenance of state and local offenders, for meals provided to Bureau staff at institutions, for rental of residences by Bureau staff, and for utilities used by FPI. Other exchange revenues are generated by the sale of merchandise and telephone services to inmates, and the sale of manufactured goods and services to other federal agencies. The pricing policy for goods and services provided is based on a formula that incorporates cost plus a predetermined gross margin ratio. Merchandise sold and services provided are marketed at fair market value.

The largest source of exchange revenue for the DEA is related to the Controlled Substances Act. This Act requires physicians, pharmacists, and chemical companies to be licensed by the DEA to manufacture and distribute certain controlled substances. The DEA charges a licensing fee for this service. Other revenue sources for the DEA include State and Local Task Force Participation, Joint Intragovernmental Agency Investigations, and the Asset Forfeiture Fund. The pricing policy of the exchange revenue is full cost for the controlled substances, and direct cost for all other revenues.

The OBD and the USMS receive exchange revenue from services rendered for legal activities provided to other Department components and other government agencies. The pricing policy for the exchange revenue is actual cost.

The majority of exchange revenue for the WCF includes the Space Management and Data Processing Services. The remaining revenue is from Telecommunication Services and other WCF activities. The pricing policy for the exchange revenue is full cost.

The INS exchange revenue from the fee accounts is earned through the performance of various services, such as inspecting commercial aircraft and sea vessel passengers and the processing of various applications. The FBI receives exchange revenue from the sale of FBI assets, principally vehicles.

These notes are an integral part of the financial statements

NOTE 20. NET CUSTODIAL REVENUE ACTIVITY

Debt Collection Management (DCM) is responsible for implementing the provisions of the Federal Debt Recovery Act of 1986, which authorizes the Attorney General to contract with private counsel to help the U.S. Attorneys collect delinquent Federal civil debts. Since FY 1994, the Attorney General has been authorized to credit to the WCF up to 3 percent of the Department's total civil cash collections to be used for paying the costs of "processing and tracking" such litigation. DCM is responsible for the operation of the Nationwide Central Intake Facility, the private counsel pilot project, and other projects funded by the 3 percent of the Department's civil debt collections.

NOTE 21. ANTICIPATED EQUITABLE SHARING IN FUTURE PERIODS

The statute governing the use of the AFF (28 U.S.C. 534(c)) permits the payment of equitable shares of forfeiture proceeds to participating foreign governments and state and local enforcement agencies. From 1994 through 1999, equitable sharing allocation levels averaged \$207,000. The anticipated equitable sharing allocation level for FY 2000 is \$330,000.

NOTE 22. PERMANENT INDEFINITE APPROPRIATIONS

The OBD has permanent indefinite authority for the Office of the Independent Counsel. 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.

NOTE 23. RESTRICTIONS ON USE OF THE UNOBLIGATED BALANCES

The restricted use of the unobligated balance includes cash bonds held in trust by the INS, undisbursed civil and criminal debt collections due to other agencies, annual appropriations that expire and will be transferred to the general fund, and unobligated balances from other Departmental appropriations transferred to the WCF.

These notes are an integral part of the financial statements

Supplemental Financial and Management's Information

Unaudited



Required Supplementary Information

CONSOLIDATED STEWARDSHIP INFORMATION

As of September 30, 1999 and 1998

The Office of Justice Programs Violent Offender Incarceration Program provides grants to the states to build or expand correctional facilities for violent offenders, certain juvenile offenders, nonviolent offenders and criminal aliens to free prison space for violent offenders. The facilities built with these funds constitute an investment in non-federal physical property. In FY 1999, amounts reflect expenditures. Expenditure data was not available for FY 1998, as a result amounts reflect outlays.

Dollars in Thousands	FY 1999	FY 1998
Cooperative Agreement Program Administered by the U.S. Marshals Service	\$ 9,515	\$ 25,000
Discretionary Grants to Indian Tribes	1,387	1,367
Formula Grants to States	82,445	204,536
Total	\$ 93,347	\$ 230,903

CONSOLIDATED DEFERRED MAINTENANCE

For the fiscal year ended September 30, 1999

Deferred Maintenance for fiscal year ending September 30, 1999, was \$11.5 million. This amount was determined using the requirements set forth by the Statement of Federal Financial Accounting Standards (SFFAS) Number 6, Accounting for Property, Plant and Equipment. The Immigration and Naturalization Service (INS) management estimates that this amount will be required to service and repair property, plant and equipment including vehicles, aircraft, buildings and other structures. Consistent with SFFAS No. 6, INS management estimated the amount of deferred maintenance based on the Total Life-Cycle Cost Method and is calculated as follows.

Dollars in Thousands	FY 1999
FY 1999 Initial Requirement	\$ 45,600
(Less) FY 1999 Maintenance Performed	(3,506)
Total FY 1999 Net Requirement	42,094
(Less) FY 1999 Actual Funded	(30,591)
Total FY 1999 Deferred Maintenance	\$ 11,503

CONSOLIDATED INTRA-GOVERNMENTAL ASSETS

As of September 30, 1999

Dollars in Thousands

Trading Partner	Fund Balance with Treasury	Investments	Accounts Receivable/ Advances and Other Assets
20 U. S. Treasury	\$ 18,143,609	\$ 1,358,506	\$ 36,258
09 U. S. House of Representatives	-	-	7
10 The Judiciary	-	-	1,466
11 Executive Office of the President	-	-	426
12 Department of Agriculture	-	-	1,223
13 Department of Commerce	-	-	447
14 Department of Interior	-	-	5,497
16 Department of Labor	-	-	646
17 Department of Navy	-	-	4,623
18 U. S. Postal Service	-	-	3,627
19 Department of State	-	-	33,326
21 Department of Army	-	-	212
23 United States Courts	-	-	202
24 Office of Personnel	-	-	545
25 National Credit Union Association	-	-	1
26 Thrift Investment Board	-	-	192
27 Federal Communications Commission	-	-	87
28 Social Security Administration	-	-	6,491
29 Federal Trade Commission	-	-	32,681
31 Nuclear Regulatory Commission	-	-	32
33 Smithsonian Institute	-	-	4
36 Department of Veterans Affairs	-	-	1,054
41 Merit System Protection Board	-	-	17
45 U. S. Equal Employment Opportunity Commission	-	-	980
47 General Services Administration	-	-	8,064
50 Securities and Exchange Commission	-	-	979
51 Federal Deposit Insurance Corporation	-	-	11
56 Central Intelligence Agency	-	-	1,187
57 Department of the Air Force	-	-	1,988

CONSOLIDATED INTRA-GOVERNMENTAL ASSETS

As of September 30, 1999

Dollars in Thousands

Trading Partner	Fund Balance with Treasury	Investments	Accounts Receivable/ Advances and Other Assets
58 Federal Emergency Management Agency	\$ -	\$ -	\$ 1,374
64 Tennessee Valley Authority	-	-	2
67 United States Information Agency	-	-	523
68 Environmental Protection Agency	-	-	478
69 Department of Transportation	-	-	7,157
72 Agency for International Development	-	-	19,146
73 Small Business Administration	-	-	20
75 Department of Health and Human Services	-	-	591
80 National Aeronautics and Space Administration	-	-	65
86 Department of Housing and Urban Development	-	-	140
00 Unapplied Total	-	-	50,322
88 National Archives and Records Administration	-	-	7
89 Department of Energy	-	-	70
91 Department of Education	-	-	5
95 Independent Agencies	-	-	415
96 U. S. Army Corps of Engineer	-	-	839
97 Office of the Secretary of Defense-Defense Agencies	-	-	85,760
Total	\$ 18,143,609	\$ 1,358,506	\$ 309,187

CONSOLIDATED INTRA-GOVERNMENTAL LIABILITIES

As of September 30, 1999

Dollars in Thousands

Trading Partner	Accounts Payable & Other Liabilities	Accrued FECA	Debt/ Borrowings from Other Agencies
00 Unknown	\$ 289,330	\$ -	\$ -
03 Library of Congress	357	-	-
04 Government Printing Office	1,544	-	-
10 The Judiciary	147	-	-
11 Executive Office of the President	21,278	-	-
12 Department of Agriculture	28,114	-	-
13 Department of Commerce	898	-	-
14 Department of Interior	30	-	-
16 Department of Labor	49	163,667	-
17 Department of Navy	7	-	-
18 U. S. Postal Service	26,193	-	-
19 Department of State	1,097	-	-
20 Department of the Treasury	21,758	-	20,000
21 Department of the Army	76	-	-
23 United States Courts	3,491	-	-
24 Office of Personnel Management	75,206	-	-
26 Federal Retirement Thrift Investment Board	4,014	-	-
27 Federal Communications Commission	0	-	-
28 Social Security Administration	7,188	-	-
36 Department of Veterans Affairs	713	-	-
45 U. S. Equal Employment Opportunity Commission	21	-	-
47 General Services Administration	165,478	-	-
49 National Science Foundation	0	-	-
56 Central Intelligence Agency	5,146	-	-
57 Department of the Air Force	4	-	-
58 Federal Emergency Management Agency	0	-	-
69 Department of Transportation	1,046	-	-
72 Agency for International Development	0	-	-
73 Small Business Administration	0	-	-

CONSOLIDATED INTRA-GOVERNMENTAL LIABILITIES

As of September 30, 1999

Dollars in Thousands

Trading Partner	Accounts Payable & Other Liabilities	Accrued FECA	Debt/ Borrowings from Other Agencies
75 Department of Health and Human Services	\$ 1,647	\$ -	\$ -
80 NASA	2	-	-
83 Export-Import Bank of the United States	0	-	-
89 Department of Energy	290	-	-
91 Department of Education	4	-	-
93 Federal Mediation and Conciliation Service	1	-	-
95 Independent Agencies	3,716	-	-
96 U. S. Army Corps of Engineers	2,143	-	-
97 Office of the Secretary of Defense-Defense Agencies	53,746	-	-
Total	\$ 714,734	\$ 163,667	\$ 20,000

CONSOLIDATED INTRA-GOVERNMENTAL
EARNED REVENUE AND RELATED COST
For fiscal year ended September 30, 1999

Dollars in Thousands

Trading Partner	Earned Revenue
03 Library of Congress	\$ 1
09 United States House of Representatives	224
10 The Judiciary	5,103
11 Executive Office of the President	1,348
12 Department of Agriculture	4,952
13 Department of Commerce	2,740
14 Department of Interior	9,532
16 Department of Labor	2,078
17 Department of Navy	4,320
18 U. S. Postal Service	24,225
19 Department of State	41,220
20 Department of the Treasury	80,728
21 Department of the Army	535
23 United States Courts	1,347
24 Office of Personnel Management	6,650
25 National Credit Union Association	5
26 Thrift Investment Board	1,281
27 Federal Communications Commission	448
28 Social Security Administration	108,456
29 Federal Trade Commission	104,629
31 United States Nuclear Regulatory Commission	227
33 Smithsonian Institute	25
36 Department of Veterans Affairs	7,058
41 Merit System Protection Board	111
45 U. S. Equal Employment Opportunity Commission	2,279
47 General Services Administration	58,527
50 Securities and Exchange Commission	1,502
51 Federal Deposit Insurance Corporation	84
54 Federal Labor Relations Authority	2
56 Central Intelligence Agency	1,799

CONSOLIDATED INTRA-GOVERNMENTAL
EARNED REVENUE AND RELATED COST
For fiscal year ended September 30, 1999

Dollars in Thousands

Trading Partner	Earned Revenue
57 Department of the Air Force	\$ 2,086
58 Federal Emergency Management Agency	2,069
64 Tennessee Valley Authority	23
67 United States Information Agency	3,053
68 Environmental Protection Agency	2,146
69 Department of Transportation	9,655
72 Agency for International Development	12,347
73 Small Business Administration	146
75 Department of Health and Human Services	4,995
80 National Aeronautics and Space Administration	381
86 Department of Housing and Urban Development	616
88 National Archives & Records Administration	46
89 Department of Energy	230
90 Selective Service System	1
91 Department of Education	60
95 Independent Agencies	1,438
96 U. S. Army Corps of Engineers	40
97 Office of the Secretary of Defense-Defense Agencies	413,000
00 Unknown	10,381
Total	\$ 934,149

Budget Functional Classification	Gross Cost to Generate Revenue
751 - Federal Law Enforcement Activities	\$ 237,030
752 - Federal Litigative and Judicial Activities	195,910
753 - Federal Corrections Activities	494,110
754 - Criminal Justice Assistance	7,099
Total	\$ 934,149

CONSOLIDATING BALANCE SHEET
As of September 30, 1999

Dollars in Thousands	AFF/SADF	WCF	OBD	USMS	OJP	DEA	FBI	INS	BOP	FPI	Eliminations	Consolidated
ASSETS												
Entity												
Intragovernmental												
Fund Balance with U.S. Treasury (Note 2)	\$ 91,099	\$ 467,071	\$ 4,252,642	\$ 259,987	\$ 7,479,790	\$ 503,377	\$ 906,711	\$ 1,527,967	\$ 2,083,052	\$ 89,309	\$ -	\$ 17,661,005
Investments, Net (Note 4)	617,417	-	104,420	-	-	-	-	-	21,283	-	-	743,120
Accounts Receivable, Net (Note 5)	1,722	79,189	189,048	71,098	1,125	21,432	92,628	28,533	43,711	84,846	(355,335)	257,997
Advances and Prepayments	-	-	306,295	-	12,629	33,121	10,397	3,528	5,452	-	(333,545)	37,877
Other Assets (Note 6)	-	-	-	-	-	-	-	-	-	101	-	101
Total Intragovernmental	710,238	546,260	4,852,405	331,085	7,493,544	557,930	1,009,736	1,560,028	2,153,498	174,256	(688,880)	18,700,100
Accounts Receivable, Net (Note 5)	-	-	59,561	-	3,899	81	11,913	45,645	10,488	1,277	-	132,864
Cash and Other Monetary Assets (Note 3)	-	-	49	31	-	12,932	28,223	3,153	5,579	-	-	49,967
Inventory and Related Property, Net (Note 7)	-	316	-	7,695	-	10,722	2,545	-	10,682	92,373	-	124,333
General Property, Plant and Equipment, Net (Note 9)	-	14,040	2,982	117,551	2,262	158,909	399,366	349,239	4,091,725	146,621	-	5,282,695
Forfeited Property, Net (Note 8)	82,837	-	-	-	-	-	-	-	-	-	-	82,837
Advances and Prepayments	-	8	100,063	25	397,710	11,120	22,289	-	4,567	333	-	536,115
Other Assets (Note 6)	-	-	-	-	-	-	-	-	1,478	-	-	1,478
Total Entity	\$ 793,075	\$ 560,624	\$ 5,015,060	\$ 456,387	\$ 7,897,415	\$ 751,694	\$ 1,474,072	\$ 1,958,065	\$ 6,278,017	\$ 414,860	\$ (688,880)	\$ 24,910,389
Non-Entity												
Intragovernmental												
Fund Balance with U.S. Treasury (Note 2)	\$ 29,129	\$ 253,634	\$ -	\$ 16,836	\$ -	\$ -	\$ 987	\$ 170,955	\$ 11,063	\$ -	\$ -	\$ 482,604
Accounts Receivable, Net (Note 5)	-	-	-	-	-	-	-	-	6,712	-	-	6,712
Investments, Net (Note 4)	615,386	-	-	-	-	-	-	-	-	-	-	615,386
Total Intragovernmental	644,515	253,634	-	16,836	-	-	987	170,955	17,775	-	-	1,104,702
Accounts Receivable, Net (Note 5)	-	-	-	-	-	743	-	1,507	277	-	-	2,527
Cash and Other Monetary Assets (Note 3)	-	-	-	-	-	4,791	-	1,052	-	-	-	5,843
Cash Held as Evidence	11,529	-	-	-	-	434	46,654	-	-	-	-	58,617
Total Non-Entity	\$ 656,044	\$ 253,634	\$ -	\$ 16,836	\$ -	\$ 5,968	\$ 47,641	\$ 173,514	\$ 18,052	\$ -	\$ -	\$ 1,171,689
TOTAL ASSETS	\$ 1,449,119	\$ 814,258	\$ 5,015,060	\$ 473,223	\$ 7,897,415	\$ 757,662	\$ 1,521,713	\$ 2,131,579	\$ 6,296,069	\$ 414,860	\$ (688,880)	\$ 26,082,078

The accompanying notes are an integral part of these financial statements

CONSOLIDATING BALANCE SHEET
As of September 30, 1999

Dollars in Thousands	AFF/SADF	WCF	OBD	USMS	OJP	DEA	FBI	INS	BOP	FPI	Eliminations	Consolidated
LIABILITIES												
Liabilities Covered by Budgetary Resources												
Intragovernmental												
Accounts Payable	\$ 61,950	\$ 114,245	\$ 32,600	\$ 35,803	\$ 10,901	\$ 14,685	\$ 27,025	\$ 196,627	\$ 37,943	\$ -	\$ (257,485)	\$ 274,294
Accrued FECA Liability	-	-	-	-	20	-	-	-	-	613	-	633
Accrued Payroll and Benefits	-	-	15,473	-	527	-	24,410	14,617	-	-	-	55,027
Advances from Other	-	-	43,462	-	348,401	584	28,561	-	-	-	(333,545)	87,463
Other Liabilities (Note 11)	97,850	-	-	969	-	1,896	-	595	-	-	(97,850)	3,460
Total Intragovernmental	159,800	114,245	92,504	35,803	359,849	17,165	79,996	211,839	37,943	613	(688,880)	420,877
Accounts Payable	43,049	51,412	498,847	100,170	360,863	53,361	135,099	169,410	138,381	-	-	1,550,592
Environmental Cleanup Cost	-	-	-	-	-	-	-	5,163	-	-	-	5,163
Accrued Payroll and Benefits	-	2,056	65,220	18,527	2,557	39,073	88,942	97,799	100,659	-	-	414,833
Deferred Revenue	82,837	-	-	-	-	54,423	-	507,243	-	-	-	644,503
Deposit/Suspense Fund	460,424	-	-	16,836	-	4,890	987	-	22,813	-	-	505,950
Cash Held as Evidence	11,529	-	-	-	-	46,654	-	-	90,000	-	-	58,183
Contingent Liabilities (Note 16)	-	-	-	-	-	-	-	-	-	-	-	90,000
Capital Lease Liabilities (Note 12)	-	-	-	-	-	207	-	-	-	-	-	207
Other Liabilities (Note 11)	184,091	-	-	10,680	-	133	34,692	173,873	1,420	-	-	404,889
Total Liabilities Covered by Budgetary Resources	\$ 941,730	\$ 167,713	\$ 656,571	\$ 182,016	\$ 723,269	\$ 169,252	\$ 386,370	\$ 1,165,327	\$ 391,216	\$ 613	\$ (688,880)	\$ 4,095,197
Liabilities Not Covered by Budgetary Resources												
Intragovernmental												
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,909	\$ -	\$ 1,909
Debt (Note 10)	-	-	-	-	-	-	-	-	-	20,000	-	20,000
Undisbursed Civil and Criminal Debt Collections	-	253,634	-	-	-	-	-	-	148	-	-	253,782
Accrued FECA Liability	-	599	5,318	9,977	-	19,825	20,516	54,378	52,421	-	-	163,034
Other Liabilities (Note 11)	-	-	-	-	-	5,980	-	1,507	-	31,312	-	38,799
Total Intragovernmental	-	254,233	5,318	9,977	-	25,805	20,516	55,885	52,569	53,221	-	477,524
Accounts Payable	-	-	-	-	-	-	-	-	-	63,346	-	63,346
FECA Actuarial Liabilities	-	1,978	22,775	42,278	136	86,942	90,147	210,297	219,859	4,501	-	5,309
Accrued Annual and Compensatory Leave	-	3,348	103,260	19,834	3,369	49,649	146,200	93,084	93,128	6,785	-	678,913
Capital Lease Liabilities (Note 12)	-	-	-	10,576	-	-	2,563	-	78,444	-	-	518,657
Contingent Liabilities (Note 16)	-	-	-	-	-	3,451	1,996	34,737	-	-	-	91,583
Cash Held as Evidence	-	-	-	-	-	434	-	-	-	-	-	40,184
Other Liabilities (Note 11)	-	-	-	-	-	-	66	15,200	-	-	-	434
Total Liabilities Not Covered by Budgetary Resources	\$ -	\$ 259,559	\$ 131,353	\$ 82,665	\$ 3,505	\$ 166,281	\$ 261,488	\$ 414,512	\$ 444,000	\$ 127,853	\$ -	\$ 1,891,216
Total Liabilities	\$ 941,730	\$ 427,272	\$ 787,924	\$ 264,681	\$ 726,774	\$ 335,533	\$ 647,858	\$ 1,579,839	\$ 835,216	\$ 128,466	\$ (688,880)	\$ 5,986,413
NET POSITION												
Unexpended Appropriations (Note 15)	\$ -	\$ -	\$ 4,162,890	\$ 167,060	\$ 5,585,255	\$ 392,233	\$ 733,366	\$ 830,912	\$ 1,751,607	\$ -	\$ -	\$ 13,623,323
Cumulative Results of Operations	507,389	386,986	64,246	41,482	1,585,386	29,896	140,489	(279,172)	3,709,246	286,394	-	6,472,342
Total Net Position	\$ 507,389	\$ 386,986	\$ 4,227,136	\$ 208,542	\$ 7,170,641	\$ 422,129	\$ 873,855	\$ 551,740	\$ 5,460,853	\$ 286,394	\$ -	\$ 20,095,665
TOTAL LIABILITIES AND NET POSITION	\$ 1,449,119	\$ 814,258	\$ 5,015,060	\$ 473,223	\$ 7,897,415	\$ 757,662	\$ 1,521,713	\$ 2,131,579	\$ 6,296,069	\$ 414,860	\$ (688,880)	\$ 26,082,078

The accompanying notes are an integral part of these financial statements

CONSOLIDATING STATEMENT OF NET COST
For fiscal year ended September 30, 1999

Dollars in Thousands	AFF/SADF	WCF	OBD	USMS	OJP	DEA	FBI	INS	BOP	FPI	Eliminations	Consolidated
Program Costs												
Investigation and Prosecution of Criminal Offenses												
Production												
Intragovernmental	\$ 113,346	\$ -	\$ 146,502	\$ 8,725	\$ -	\$ 184,514	\$ 690,970	\$ -	\$ -	\$ -	\$ (487,988)	\$ 666,069
With the Public	170,018	-	478,637	36,817	-	1,217,827	2,802,653	-	-	-	-	4,705,952
Total	\$ 283,364	\$ -	\$ 625,139	\$ 45,542	\$ -	\$ 1,402,341	\$ 3,493,623	\$ -	\$ -	\$ -	\$ (487,988)	\$ 5,362,021
Less Earned Revenues	(924)	-	(19,293)	(679)	-	(240,282)	(406,154)	-	-	-	487,988	(179,344)
Net Program Costs	\$ 282,440	\$ -	\$ 605,846	\$ 44,863	\$ -	\$ 1,162,059	\$ 3,087,469	\$ -	\$ -	\$ -	\$ -	\$ 5,182,677
Assistance to Tribal, State, and Local Governments												
Production												
Intragovernmental	\$ -	\$ -	\$ 74,770	\$ -	\$ -	\$ -	\$ 55,034	\$ -	\$ -	\$ -	\$ (52,515)	\$ 77,289
With the Public	231,088	-	898,868	-	3,240,845	-	223,226	-	-	-	-	4,594,027
Total	\$ 231,088	\$ -	\$ 973,638	\$ -	\$ 3,240,845	\$ -	\$ 278,260	\$ -	\$ -	\$ -	\$ (52,515)	\$ 4,671,316
Less Earned Revenues	-	-	(1,373)	-	(59,614)	-	(104,119)	-	-	-	52,515	(112,591)
Net Program Costs	\$ 231,088	\$ -	\$ 972,265	\$ -	\$ 3,181,231	\$ -	\$ 174,141	\$ -	\$ -	\$ -	\$ -	\$ 4,558,725
Legal Representation, Enforcement of Federal Laws, and Defense of U.S. Interests												
Production												
Intragovernmental	\$ -	\$ -	\$ 727,365	\$ 488	\$ -	\$ -	\$ 10,781	\$ -	\$ -	\$ -	\$ (97,818)	\$ 640,816
With the Public	-	-	1,014,925	2,060	-	-	43,729	-	-	-	-	1,060,714
Total	\$ -	\$ -	\$ 1,742,290	\$ 2,548	\$ -	\$ -	\$ 54,510	\$ -	\$ -	\$ -	\$ (97,818)	\$ 1,701,530
Less Earned Revenues	-	-	(302,395)	(1,344)	-	-	-	-	-	-	97,818	(205,921)
Net Program Costs	\$ -	\$ -	\$ 1,439,895	\$ 1,204	\$ -	\$ -	\$ 54,510	\$ -	\$ -	\$ -	\$ -	\$ 1,495,609
Immigration												
Production												
Intragovernmental	\$ -	\$ -	\$ 42,749	\$ -	\$ -	\$ -	\$ -	\$ 1,043,675	\$ -	\$ -	\$ (47,181)	\$ 1,039,243
With the Public	-	-	86,204	-	-	-	-	2,004,292	-	-	-	2,090,496
Total	\$ -	\$ -	\$ 128,953	\$ -	\$ -	\$ -	\$ -	\$ 3,047,967	\$ -	\$ -	\$ (47,181)	\$ 3,129,739
Less Earned Revenues	-	-	(1,228)	-	-	-	-	(844,034)	-	-	47,181	(798,081)
Net Program Costs	\$ -	\$ -	\$ 127,725	\$ -	\$ -	\$ -	\$ -	\$ 2,203,933	\$ -	\$ -	\$ -	\$ 2,331,658

The accompanying notes are an integral part of these financial statements

CONSOLIDATING STATEMENT OF NET COST
For fiscal year ended September 30, 1999

Dollars in Thousands	AFF/SADF	WCF	OBD	USMS	OJP	DEA	FBI	INS	BOP	FPI	Eliminations	Consolidated
Detention and Incarceration												
Production												
Intragovernmental With the Public	\$ -	\$ -	\$ 1,821	\$ 214,607	\$ -	\$ -	\$ -	\$ 247,219	\$ 604,145	\$ 9,053	\$ (226,531)	\$ 850,314
Total	\$ -	\$ -	\$ 1,821	\$ 214,607	\$ -	\$ -	\$ -	\$ 247,219	\$ 604,145	\$ 9,053	\$ (226,531)	\$ 850,314
Less Earned Revenues	\$ -	\$ -	\$ 7,572	\$ 972,382	\$ -	\$ -	\$ -	\$ 1,021,570	\$ 3,310,440	\$ 570,150	\$ (226,531)	\$ 5,655,583
Net Program Costs	\$ -	\$ -	\$ (123)	\$ (118,790)	\$ -	\$ -	\$ -	\$ (270,326)	\$ (275,729)	\$ (578,967)	\$ 226,531	\$ (1,017,404)
	\$ -	\$ -	\$ 7,449	\$ 853,592	\$ -	\$ -	\$ -	\$ 751,244	\$ 3,034,711	\$ (8,817)	\$ -	\$ 4,638,179
Protection of the Federal Judiciary and Improvement of the Justice System												
Production												
Intragovernmental With the Public	\$ -	\$ -	\$ 46,817	\$ 55,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,127)	\$ 101,455
Total	\$ -	\$ -	\$ 177,455	\$ 235,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,127)	\$ 412,793
Less Earned Revenues	\$ -	\$ -	\$ 224,272	\$ 291,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,127)	\$ 514,248
Net Program Costs	\$ -	\$ -	\$ (116,705)	\$ (4,342)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,127	\$ (119,920)
	\$ -	\$ -	\$ 107,567	\$ 286,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 394,328
Management												
Production												
Intragovernmental With the Public	\$ -	\$ 610,179	\$ 63,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (622,070)	\$ 51,795
Total	\$ -	\$ 247,909	\$ 117,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (622,070)	\$ 365,173
Less Earned Revenues	\$ -	\$ 858,088	\$ 180,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (622,070)	\$ 416,968
Net Program Costs	\$ -	\$ (650,282)	\$ (35,904)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,070	\$ (64,116)
	\$ -	\$ 207,806	\$ 145,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 352,852
NET COST OF OPERATIONS	\$ 513,528	\$ 207,806	\$ 3,405,793	\$ 1,186,420	\$ 3,181,231	\$ 1,162,059	\$ 3,316,120	\$ 2,955,177	\$ 3,034,711	\$ (8,817)	\$ -	\$ 18,954,028

The accompanying notes are an integral part of these financial statements

CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
 For fiscal year ended September 30, 1999

Dollars in Thousands	AFF/SADF	WCF	OBD	USMS	OJP	DEA	FBI	INS	BOP	FPI	Eliminations	Consolidated
Net Cost of Operations	\$(513,528)	\$(207,806)	\$(3,405,793)	\$(1,186,420)	\$(3,181,231)	\$(1,162,059)	\$(3,316,120)	\$(2,955,177)	\$(3,034,711)	\$ 8,817	\$ -	\$(18,954,028)
Financing Sources (other than exchange revenues):												
Appropriations Used	-	-	3,566,160	1,173,118	2,839,471	1,132,536	3,148,900	2,753,738	3,139,479	-	-	17,753,402
Other Non-exchange Revenues	653,546	-	6,204	-	989,085	-	-	7,137	-	-	-	1,655,972
Imputed Financing (Note 14)	-	3,160	122,421	23,497	2,795	40,149	145,391	114,731	109,827	7,799	-	589,770
Donations	-	-	20	-	-	-	-	-	-	-	-	20
Transfers-in	-	154,663	39,616	4,431	-	4,466	2,474	-	608,558	-	(95,502)	718,706
Transfers-out	(105,516)	-	-	-	-	(1,821)	-	(8,000)	(604,634)	-	95,502	(624,469)
Rescissions	-	(107,000)	-	-	-	-	-	-	-	-	-	(107,000)
Other Financing Source	-	-	-	-	-	(2,471)	-	-	850	(1,029)	-	(2,650)
Net Results of Operations	\$ 34,502	\$(156,983)	\$ 328,628	\$ 14,626	\$ 650,120	\$ 10,800	\$(19,355)	\$(87,571)	\$ 219,369	\$ 15,587	\$ -	\$ 1,009,723
Prior Period Adjustments (Note 17)	74,257	(2)	(759,359)	(9,964)	-	(486)	35,704	80,482	(20,873)	-	-	(600,241)
Net Change in Cumulative Results of Operations	\$ 108,759	\$(156,985)	\$(430,731)	\$ 4,662	\$ 650,120	\$ 10,314	\$ 16,349	\$(7,089)	\$ 198,496	\$ 15,587	\$ -	\$ 409,482
Increase (Decrease) in Unexpended Appropriations	-	-	1,174,679	(44,931)	566,915	54,021	(211,493)	(315,060)	109,013	-	-	1,333,144
Change in Net Position	\$ 108,759	\$(156,985)	\$ 743,948	\$(40,269)	\$ 1,217,035	\$ 64,335	\$(195,144)	\$(322,149)	\$ 307,509	\$ 15,587	\$ -	\$ 1,742,626
Net Position-Beginning of Period	398,630	543,971	3,483,188	248,811	5,953,606	357,794	1,068,999	873,889	5,153,344	270,807	-	18,353,039
NET POSITION - END OF PERIOD	\$ 507,389	\$ 386,986	\$ 4,227,136	\$ 208,542	\$ 7,170,641	\$ 422,129	\$ 873,855	\$ 551,740	\$ 5,460,853	\$ 286,394	\$ -	\$ 20,095,665

The accompanying notes are an integral part of these financial statements

COMBINING STATEMENT OF BUDGETARY RESOURCES
 For fiscal year ended September 30, 1999

Dollars in Thousands	AFF/SADF	WCF	OBD	USMS	OJP	DEA	FBI	INS	BOP	FPI	Combined
Budgetary Resources											
Budget Authority											
Appropriations	\$ 699,109	\$ -	\$ 2,257,065	\$ 1,138,145	\$ 3,746,461	\$ 1,298,369	\$ 2,759,479	\$ 2,640,862	\$ 3,273,151	\$ -	\$ 17,812,641
Net Transfers, Current Year Authority	(95,789)	-	1,753,398	-	-	-	206,948	15,600	26,699	-	1,906,856
Unobligated Balances - Beginning of Period	293,914	382,587	320,108	40,470	830,787	115,182	293,352	149,776	1,198,669	-	3,624,845
Net Transfers, Prior Year Balance, Actual	-	154,662	(11,708)	-	-	(8,782)	(12,031)	(7,800)	(112,500)	-	1,841
Spending Authority from Offsetting Collections	2,269	659,826	492,916	145,596	379,694	182,132	546,343	1,372,703	275,552	-	4,057,031
Adjustments	21,604	(84,309)	231,179	36,846	146,629	29,277	9,276	49,325	4,484	-	444,311
Total Budgetary Resources	\$ 921,107	\$ 1,112,766	\$ 5,042,958	\$ 1,361,057	\$ 5,103,571	\$ 1,616,178	\$ 3,803,367	\$ 4,220,466	\$ 4,666,055	\$ -	\$ 27,847,525
Status of Budgetary Resources											
Obligations Incurred	\$ 514,462	\$ 997,038	\$ 4,528,733	\$ 1,299,958	\$ 4,562,090	\$ 1,555,569	\$ 3,609,016	\$ 4,121,559	\$ 3,835,181	\$ -	\$ 25,023,606
Unobligated Balances - Available	449,043	83,519	472,626	50,038	535,191	27,491	155,122	78,715	706,503	-	2,568,248
Unobligated Balances - Not Available	(42,398)	32,209	41,599	11,061	6,290	33,118	39,229	20,192	124,371	-	266,671
Total Status of Budgetary Resources	\$ 921,107	\$ 1,112,766	\$ 5,042,958	\$ 1,361,057	\$ 5,103,571	\$ 1,616,178	\$ 3,803,367	\$ 4,220,466	\$ 4,666,055	\$ -	\$ 27,847,525
Outlays											
Obligations Incurred	\$ 514,462	\$ 997,038	\$ 4,528,733	\$ 1,299,958	\$ 4,562,090	\$ 1,555,569	\$ 3,609,016	\$ 4,121,559	\$ 3,835,181	\$ -	\$ 25,023,606
Less: Spending Authority from Offsetting Collections and Adjustments	(42,885)	(682,516)	(755,906)	(182,642)	(529,323)	(264,978)	(555,759)	(1,422,028)	(280,037)	-	(4,716,074)
Other Adjustments	-	-	-	-	161,957	-	-	-	-	-	161,957
Subtotal	471,577	314,522	3,772,827	1,117,316	4,194,724	1,290,591	3,053,257	2,699,531	3,555,144	-	20,469,489
Obligated Balance, Net - Beginning of Period	223,747	201,051	3,719,670	281,492	4,848,612	314,384	733,353	1,220,721	938,139	-	12,481,169
Less: Obligated Balance, Net - End of Period	(197,441)	(368,931)	(3,773,467)	(198,918)	(5,958,604)	(395,374)	(747,155)	(1,325,302)	(1,281,327)	-	(14,246,517)
Total Outlays	\$ 497,883	\$ 146,642	\$ 3,719,030	\$ 1,199,890	\$ 3,084,732	\$ 1,209,601	\$ 3,039,457	\$ 2,594,950	\$ 3,211,956	\$ -	\$ 18,704,141

The accompanying notes are an integral part of these financial statements

COMBINING STATEMENT OF FINANCING
For fiscal year ended September 30, 1999

Dollars in Thousands	AFF/SADF	WCF	OBD	USMS	OJP	DEA	FBI	INS	BOP	FPI	Combined
Obligations and Nonbudgetary Resources											
Obligations incurred	\$514,462	\$ 997,038	\$ 4,528,733	\$ 1,299,958	\$ 4,562,090	\$ 1,555,569	\$ 3,609,016	\$ 4,121,559	\$ 3,835,181	\$ -	\$ 25,023,606
Less: Spending Authority from Offsetting Collections and Adjustments	(42,885)	(682,516)	(755,906)	(182,642)	(529,323)	(264,978)	(555,759)	(1,422,028)	(280,037)	-	(4,716,074)
Financing Imputed for Cost Subsidies	-	3,160	122,421	23,497	2,795	40,149	145,391	114,731	109,827	7,799	569,770
Transfers-in (out)	-	-	-	4,431	-	-	-	(8,000)	3,924	-	355
Property Transfers in, Net	-	-	-	-	-	(2,646)	-	-	-	-	(2,646)
Revenue Not in the Entity's Budget	-	-	(7,220)	-	-	-	7,976	7,137	-	-	7,893
Other	-	-	-	-	-	(35,035)	-	106	-	(20,473)	(55,402)
Total Obligations as adjusted, and Nonbudgetary Resources	\$ 471,577	\$ 317,682	\$ 3,888,028	\$ 1,145,244	\$ 4,035,562	\$ 1,293,059	\$ 3,206,624	\$ 2,813,505	\$ 3,668,895	\$ (12,674)	\$ 20,827,502
Resources That do not Fund Net Cost of Operations											
Change in Amount of Goods, Services, and Benefits Ordered but not yet Received or Provided	\$ 41,951	\$(109,873)	\$(204,401)	\$ 39,791	\$(1,350,309)	\$ (46,899)	\$ 66,304	\$ 1,178	\$ (418,859)	\$ -	\$ (1,981,117)
Change in Unfilled Customer Orders	-	-	53,800	-	1,869	819	32,572	12,675	-	-	101,735
Costs Capitalized on the Balance Sheet	-	(6,108)	(256)	(13,981)	(1,248)	(47,858)	(28,991)	(41,116)	(413,584)	(6,988)	(560,130)
Financing Sources That Fund Costs of Prior Periods	-	126	2,017	-	148,542	(52,180)	(7,459)	81,232	(23,082)	-	149,196
Revenue Collected in Advance	-	-	-	-	348,401	-	-	29,663	-	-	378,064
Other	-	-	(338,310)	(623)	-	(15,086)	-	-	20,873	-	(333,146)
Total Resources That do not Fund Net Cost of Operations	\$ 41,951	\$ (115,855)	\$ (487,150)	\$ 25,187	\$ (852,745)	\$ (161,204)	\$ 62,426	\$ 83,632	\$ (834,652)	\$ (6,988)	\$ (2,245,398)
Costs That do not Require Resources											
Depreciation, Amortization and Bad Debt	\$ -	\$ 5,478	\$ 1,052	\$ 9,097	\$ (499)	\$ 13,812	\$ 28,163	\$ 35,348	\$ 161,833	\$ 10,845	\$ 265,129
Gain/Loss on Disposition of Assets	-	-	-	-	-	-	5,007	149	3,675	-	8,831
Other	-	501	-	-	(1,087)	3,813	-	-	-	-	3,227
Total Costs That do not Require Resources	\$ -	\$ 5,979	\$ 1,052	\$ 9,097	\$ (1,586)	\$ 17,625	\$ 33,170	\$ 35,497	\$ 165,508	\$ 10,845	\$ 277,187
Financing Sources Yet to Be Provided	\$ -	\$ -	\$ 3,863	\$ 6,892	\$ -	\$ 12,579	\$ 13,900	\$ 22,543	\$ 34,960	\$ -	\$ 94,737
Net Cost of Operations	\$513,528	\$ 207,806	\$ 3,405,793	\$ 1,186,420	\$ 3,181,231	\$ 1,162,059	\$ 3,316,120	\$ 2,955,177	\$ 3,034,711	\$ (8,817)	\$ 18,954,028

The accompanying notes are an integral part of these financial statements

Appendix



Office of the Inspector General, Audit Division

Analysis and Summary of Actions Necessary to Close the Report

Department management was provided a draft of the Report of Independent Accountants on Internal Controls for their review and concurrence on the findings and recommendations. Their comments are incorporated into the body of the independent accountants' report following the recommendations. Since management concurred with all of the recommendations, this report is being issued resolved; however, additional corrective actions need to be completed in order for the OIG to close the recommendations and the report. The following describes those actions necessary for closure.

Internal Control Recommendation Number:

1. **Resolved.** This recommendation can be closed when the Chief Financial Officer issues Department-wide policies that emphasize the accounting principles that should be followed by all components. These policies should be based on generally accepted accounting principles and other Federal accounting requirements and should address multi-component accounting issues.
2. **Closed.** We will follow up on general control weaknesses and security issues by monitoring the status of the recommendations noted in the audit reports of the Department data centers and the individual components.
3. **Closed.** We will follow up on general control weaknesses and security issues by monitoring the status of the recommendations noted in audit reports of the Department data centers.
4. **Resolved.** This recommendation can be closed when the Chief Financial Officer has provided us with: (1) copies of the Department's FY 2000 financial statement audit reporting timetable; (2) JMD's plans for determining whether components' final statements (either in the template format or the stand-alone statement format) for FY 2000 are consistent with the Department's form and content requirements; (3) JMD's plan for resolving accounting issues that involve more than one component; and (4) a determination on whether a separate working group will be formed which would recommend to the Chief Financial Officer (a) form and content of the Department's financial statements and note disclosures, (b) resolution of multi-component accounting issues; and (c) guidelines for the components on how to complete and submit financial statements in a Departmental format.
5. **Resolved.** This recommendation can be closed when the Chief Financial Officer provides us with updates on the planning undertaken to coordinate the FY 2000 financial statement preparation and audit process with the Department components' program and administrative management. The Department components' program and administrative management should, at a minimum, participate in audit status meetings, attend working group meetings, and review financial statements and related report submissions.
6. **Closed.** We will continue to follow up on this recommendation through our monitoring of the status of recommendation number 5 in our prior report (OIG Report Number 98-07A).

APPENDICES



APPENDIX A

Glossary of Abbreviations and Acronyms

AARP	American Association of Retired Persons
ABS	Automated Booking Stations
ACA	American Correctional Association
ACEs	Asian Criminal Enterprises
ACE	Affirmative Civil Enforcement
ADA	Americans with Disabilities Act
ADP	automated data processing
ADR	alternative dispute resolution
APHIS	Animal and Plant Health Inspection Service
APIS	Advance Passenger Information Systems
APSS	Automated Prisoner Scheduling System
ATF	Bureau of Alcohol, Tobacco and Firearms
BIA	Board of Immigration Appeals
BIA	Bureau of Indian Affairs
BJA	Bureau of Justice Assistance
BJS	Bureau of Justice Statistics
BOP	Federal Bureau of Prisons
CALEA	Commission on Accreditation for Law Enforcement Agencies
CASA	Court Appointed Special Advocates
CCC	community corrections center
CDP	Center for Domestic Preparedness
CFC	Chlorofluorocarbon
CIO	chief information officer
CIRCLE	Comprehensive Indian Resources for Community and Law Enforcement
COPS	Office of Community Oriented Policing Services
CRS	Community Relations Service
CRT	Civil Rights Division
CSO	court security officer
CT	Counterterrorism
CVF	Crime Victims Fund
DC	District of Columbia
DCL	Dedicated Commuter Lane
DCPO	Drug Court Program Office
DEA	Drug Enforcement Administration
DHHS	Department of Health and Human Services
DOI	Department of the Interior
DOJNET	DOJ Intranet
E-FOIA	Electronic Freedom of Information Act
EDE	Electronic Document Exchange

ENRD	Environmental and Natural Resources Division
EOC	Eurasian Organized Crime
EOIR	Executive Office for Immigration Review
EOWS	Executive Office of Weed and Seed
EPA	Environmental Protection Agency
EPIC	El Paso Intelligence Center
FACE	Freedom of Access to Clinic Entrances
FBI	Federal Bureau of Investigation
FCI	Foreign Counterintelligence
FFMS	Federal Financial Management System
FFS	Federal Financial System
FHWA	Federal Highway Administration
FIRREA	Financial Institutions Reform and Recovery Enforcement Act
FMIS	Financial Management Information System
FOIA	Freedom of Information Act
FPI	Federal Prison Industries
GAO	U.S. General Accounting Office
GDP	Gross Domestic Product
GIS	Geographic Information Systems
HIDTA	High Intensity Drug Trafficking Area
HUD	Department of Housing and Urban Development
IAFIS	Integrated Automated Fingerprint Identification System
ICC	Indian Claims Commission
IFCC	Internet Fraud Complaint Center
IIRIRA	Illegal Immigration Reform and Immigrant Responsibility Act
INS	Immigration and Naturalization Service
INSPASS	INS Passenger Accelerated Service System
INTERPOL	International Criminal Police Organization
IP	intellectual property
IRB	Investment Review Board
IRP	Institutional Removal Program
IRS	Internal Revenue Service
IT	information technology
ITA	information technology architecture
ITIB	Information Technology Investment Board
ITOS	International Terrorism Operations Section
JMD	Justice Management Division
JPATS	Justice Prisoner and Alien Transportation System
LARP	Lateral Attorney Recruitment Program
LCN	La Cosa Nostra
M&R	Modernization and Repair
MET	Mobile Enforcement Team
MLAT	mutual legal assistance treaty
NCATF	National Church Arson Task Force

NCHIP	National Criminal History Improvement Program
NCIC	National Crime Information Center
NCMEC	National Center for Missing and Exploited Children
NDIC	National Drug Intelligence Center
NDPO	National Domestic Preparedness Office
NET	No Electronic Theft
NICS	National Instant Criminal Background Check System
NIJ	National Institute of Justice
NIPC	National Infrastructure Protection Center
NSOR	National Sex Offender Registry
OAS	Organization of American States
OCDETF	Organized Crime Drug Enforcement Task Force
ODR	Office of Dispute Resolution
OIG	Office of the Inspector General
OJJDP	Office of Juvenile Justice and Delinquency Prevention
OJP	Office of Justice Programs
OMB	Office of Management and Budget
OPR	Office of Professional Responsibility
OSLDPS	Office of State and Local Domestic Preparedness
PA	Privacy Act
POE	port-of-entry
RCPI	Regional Community Policing Institute
RICO	Racketeering Influenced and Corrupt Organizations
RRA98	Restructuring and Reform Act of 1998
SENTRI	Secure Electronic Network for Travelers' Rapid Inspection
SET III	Secure Encrypted Title III
SOD	Special Operations Division
SSTF	Safe Streets Task Force
STOP	Services, Training, Officers, Prosecutors
STTF	Safe Trails Task Force
UCR	Uniform Crime Report
USAs	U.S. Attorneys
USCS	U.S. Customs Service
USIC	U.S. Intelligence Community
USMS	U.S. Marshals Service
USPC	U.S. Parole Commission
USTP	U.S. Trustee Program
VAWA	Violence Against Women Act
VMI	Virginia Military Institute
WMD	weapons of mass destruction

APPENDIX B

Criminal Caseload Statistical Reports

INTELLECTUAL PROPERTY CASES UNITED STATES ATTORNEYS OFFICE FISCAL YEAR 1999

The information in this section is provided pursuant to the statutory mandate in Title 18, United States Code, Section 2320(e) and Title 28, United States Code, Section 522.

Below are statistics regarding Department of Justice prosecutions of intellectual property (IP) crimes. This information was provided by the Executive Office for United States Attorneys (EOUSA), which is charged with maintaining criminal caseload statistical information as reported by the U.S. Attorneys. These statistics contain the number of criminal IP matters referred to the U.S. Attorneys as well as cases filed and terminated during FY 1999. EOUSA does not maintain statistics on the quantity or value of property seized or on whether forfeited property has been destroyed. These statistics represent only the activities of the U.S. Attorneys and do not include Federal criminal referrals immediately declined for prosecution.

The pages that follow contain summaries of available statistics, segregated by statutory provision and preceded by a brief description of each offense. Also included are summaries of overall totals and totals associated with matters and cases referred by the U.S. Customs Service (USCS) to the U.S. Attorneys. Following these items is a comparison FY 1998 and FY 1999 figures and a list of districts and their abbreviations. The Criminal Caseload Statistical Reports are available on the Department's web site for viewing and/or downloading. For more information, please contact the Computer Crime and Intellectual Property Section (Criminal Division).

CRIMINAL INTELLECTUAL PROPERTY STATUTES SURVEYED

Title 18, United States Code, Section 2318 (18 U.S.C. 2318)

Trafficking in Counterfeit Labels for Phonorecords, and Copies of Motion Pictures or Other Audiovisual Works;

Title 18, United States Code, Section 2319 (18 U.S.C. 2319)

Criminal Infringement of a Copyright;

Title 18, United States Code, Section 2319A (18 U.S.C. 2319A)

Unauthorized Fixation of and Trafficking in Sound Recordings and Music Videos of Live Musical Performances; and

Title 18, United States Code, Section 2320 (18 U.S.C. 2320)

Trafficking in Counterfeit Goods or Services.

TITLE 18, UNITED STATES CODE, SECTION 2318 (18 U.S.C. 2318)

TRAFFICKING IN COUNTERFEIT LABELS FOR PHONORECORDS, AND COPIES OF MOTION PICTURES OR OTHER AUDIOVISUAL WORKS

Offense: Knowingly trafficking in a counterfeit label affixed or designed to be affixed to a phonorecord or a copy of a motion picture or other audiovisual work.

FY1999 - TOTALS (All Districts)*

Referrals and Cases

Number of Investigative Matters Opened by U.S. Attorneys	14
Number of Defendants	37
Number of Cases Filed	11
Number of Defendants	25
Number of Cases Resolved/Terminated	10
Number of Defendants	11

Disposition of Defendants in Concluded Cases

Number of Defendants Who Pled Guilty	7
Number of Defendants Who Were Tried and Found Guilty	0
Number of Defendants Against Whom Charges Were Dismissed	3
Number of Defendants Acquitted	0
Other Terminated Defendants	1

Prison Sentencing for Convicted Defendants (# represents defendants)

No Imprisonment	3
1 to 12 Months of Imprisonment	3
13 to 24 Months	0
25 to 36 Months	1
37 to 60 Months	0
61+ Months	0

Total Dollar Value of All Criminal Fines Imposed

Not Available.
(Fines can be assessed in lieu of or in addition to prison sentences.)

* These figures reflect the status of matters and cases as of September 30, 1999. Discrepancies may result from the carryover of matters and cases initiated during previous FYs.

TITLE 18, UNITED STATES CODE, SECTION 2319 (18 U.S.C. 2319)

CRIMINAL INFRINGEMENT OF A COPYRIGHT

Offense: Willful infringement of a copyright for purposes of commercial advantage or private financial gain, or through large-scale, unlawful reproduction or distribution of a protected work, regardless of whether a profit motive existed.

FY1999 - TOTALS (All Districts)*

Referrals and Cases

Number of Investigative Matters Opened by U.S. Attorneys	60
Number of Defendants	96
Number of Cases Filed	23
Number of Defendants	28
Number of Cases Resolved/Terminated	22
Number of Defendants	31

Disposition of Defendants in Concluded Cases

Number of Defendants Who Pled Guilty	26
Number of Defendants Who Were Tried and Found Guilty	0
Number of Defendants Against Whom Charges Were Dismissed	3
Number of Defendants Acquitted	0
Other Terminated Defendants	2

Prison Sentencing for Convicted Defendants (# represents defendants)

No Imprisonment	16
1 to 12 Months of Imprisonment	4
13 to 24 Months	6
25 to 36 Months	0
37 to 60 Months	0
61+ Months	0

Total Dollar Value of All Criminal Fines Imposed

Not Available.
(Fines can be assessed in lieu of or in addition to prison sentences.)

* These figures reflect the status of matters and cases as of September 30, 1999. Discrepancies may result from the carryover of matters and cases initiated during previous FYs.

TITLE 18, UNITED STATES CODE, SECTION 2319A (18 U.S.C. 2319A)

UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES.

Offense: Without the consent of the performer, knowingly and for purposes of commercial advantage or private financial gain, fixing the sounds or sounds and images of a live musical performance; reproducing copies of such a performance from an unauthorized fixation; transmitting the sounds or sounds and images to the public; or distributing, renting, selling, or trafficking (or attempting the preceding) in any copy of an unauthorized fixation.

FY1999 - TOTALS (All Districts)*

Referrals and Cases

Number of Investigative Matters Opened by U.S. Attorneys	5
Number of Defendants	6
Number of Cases Filed	2
Number of Defendants	2
Number of Cases Resolved/Terminated	0
Number of Defendants	0

Disposition of Defendants in Concluded Cases

Number of Defendants Who Pled Guilty	0
Number of Defendants Who Were Tried and Found Guilty	0
Number of Defendants Against Whom Charges Were Dismissed	0
Number of Defendants Acquitted	0
Other Terminated Defendants	0

Prison Sentencing for Convicted Defendants (# represents defendants)

No Imprisonment	0
1 to 12 Months of Imprisonment	0
13 to 24 Months	0
25 to 36 Months	0
37 to 60 Months	0
61+ Months	0

Total Dollar Value of All Criminal Fines Imposed

Not Available.
(Fines can be assessed in lieu of or in addition to prison sentences.)

* These figures reflect the status of matters and cases as of September 30, 1999. Discrepancies may result from the carryover of matters and cases initiated during previous FYs.

TITLE 18, UNITED STATES CODE, SECTION 2320 (18 U.S.C. 2320)

TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES

Offense: Intentionally trafficking or attempting to traffic in goods or services and knowingly using a counterfeit mark on or in connection with such goods or services.

FY1999 - TOTALS (All Districts)*

Referrals and Cases

Number of Investigative Matters Opened by U.S. Attorneys	125
Number of Defendants	194
Number of Cases Filed	72
Number of Defendants	106
Number of Cases Resolved/Terminated	60
Number of Defendants	99

Disposition of Defendants in Concluded Cases

Number of Defendants Who Pled Guilty	72
Number of Defendants Who Were Tried and Found Guilty	2
Number of Defendants Against Whom Charges Were Dismissed	20
Number of Defendants Acquitted	3
Other Terminated Defendants	2

Prison Sentencing for Convicted Defendants (# represents defendants)

No Imprisonment	54
1 to 12 Months of Imprisonment	14
13 to 24 Months	4
25 to 36 Months	1
37 to 60 Months	1
61+ Months	0

Total Dollar Value of All Criminal Fines Imposed

Not Available.
(Fines can be assessed in lieu of or in addition to prison sentences.)

* These figures reflect the status of matters and cases as of September 30, 1999. Discrepancies may result from the carryover of matters and cases initiated during previous FYs.

FISCAL YEAR 1999 TOTALS: ALL DISTRICTS - ALL STATUTES

18 U.S.C. 2318, 2319, 2319A, AND 2320

Referrals and Cases

Number of Investigative Matters Received by U.S. Attorneys	204
Number of Defendants	333
Number of Cases Filed	108
Number of Defendants	161
Number of Cases Resolved/Terminated	92
Number of Defendants	141

Disposition of Defendants in Concluded Cases

Number of Defendants Who Pled Guilty	105
Number of Defendants Who Were Tried and Found Guilty	2
Number of Defendants Against Whom Charges Were Dismissed	26
Number of Defendants Acquitted	3
Other Terminated Defendants	5

Prison Sentencing for Convicted Defendants (# represents defendants)

No Imprisonment	73
1 to 12 Months of Imprisonment	21
13 to 24 Months	10
25 to 36 Months	2
37 to 60 Months	1
61+ Months	0

Total Dollar Value of All Criminal Fines Imposed

Not Available.
(Fines can be assessed in lieu of or in addition to prison sentences.)

Note: These figures reflect the status of matters and cases as of September 30, 1999. Discrepancies may result from the carryover of matters and cases initiated during previous FYs.

STATISTICS ON MATTERS/CASES ORIGINATING WITH THE U.S. CUSTOMS SERVICE

FISCAL YEAR 1999

The results summarized on the preceding pages reflect the totals, including USCS matters, for each of the criminal IP statutory provisions. The following reflect the total of all matters and cases referred by USCS to U.S. Attorneys under all four statutory provisions: 18 U.S.C. 2318, 2319, 2319A, and 2320.

Number of Investigative Matters Referred by USCS	71
Number of Defendants	121
Number of USCS Matters Pending Resolution.	71
Number of Defendants	113
Number of USCS Matters Terminated.	36
Number of Defendants	57
Number of Cases Originating with USCS.	39
Number of Defendants	64
Number of USCS Cases Pending Resolution	60
Number of Defendants	86
Number of USCS Cases Resolved/Terminated	35
Number of Defendants	66

Note: These figures reflect the status of matters and cases as of September 30, 1999. Discrepancies may result from the carryover of matters and cases initiated during previous FYs.

FISCAL YEARS 1998 AND 1999: A COMPARISON

ALL DISTRICTS - ALL STATUTES 18 U.S.C. 2318, 2319, 2319A, AND 2320

Referrals and Cases	FY97	FY98
Number of Investigative Matters Opened by U.S. Attorneys	192	204
Number of Defendants	298	333
Number of Cases Filed	97	108
Number of Defendants	132	161
Number of Cases Resolved/Terminated	84	92
Number of Defendants	128	141
Disposition of Defendants in Concluded Cases		
Number of Defendants Who Pled Guilty	104	105
Number of Defendants Who Were Tried and Found Guilty	8	2
Number of Defendants Against Whom Charges Were Dismissed	28	26
Number of Defendants Acquitted	0	3
Other Disposition	6	5
Prison Sentencing for Convicted Defendants (# represents defendants)		
No Imprisonment	74	73
1 to 12 Months	27	21
13 to 24 Months	6	10
25 to 36 Months	3	2
37 to 60 Months	1	1
61+ Months	0	0

Note: All figures reflect the status of matters and cases as of September 30, 1999. Discrepancies may result from the carryover of matters and cases initiated during previous FYs or from reporting oversight.

STATISTICS ON MATTERS/CASES ORIGINATING
WITH THE U.S. CUSTOMS SERVICE

	FY97	FY98
Number of Investigative Matters Referred by USCS	64	71
Number of Defendants	104	121
Number of USCS Matters Pending Resolution	75	71
Number of Defendants	114	113
Number of USCS Matters Terminated	33	36
Number of Defendants	61	57
Number of Cases Originating with USCS	42	39
Number of Defendants	63	64
Number of USCS Cases Pending Resolution	61	60
Number of Defendants	98	86
Number of USCS Cases Resolved/Terminated	37	35
Number of Defendants	58	66

Note: All figures reflect the status of matters and cases as of September 30, 1999. Discrepancies may result from the carryover of matters and cases initiated during previous FYs or from reporting oversight.

U.S. Department of Justice Districts and Abbreviations

District	Abbreviation	District	Abbreviation	District	Abbreviation
Alabama, Middle	ALM	Kansas	KS	Ohio, Southern	OHS
Alabama, Northern	ALN	Kentucky, Eastern	KYE	Oklahoma, Eastern	OKE
Alabama, Southern	ALS	Kentucky, Western	KYW	Oklahoma, Northern	OKN
Alaska	AK	Louisiana, Eastern	LAE	Oklahoma, Western	OKW
Arizona	AZ	Louisiana, Middle	LAM	Oregon	OR
Arkansas, Eastern	ARE	Louisiana, Western	LAW	Pennsylvania, Eastern	PAE
Arkansas, Western	ARW	Maine	ME	Pennsylvania, Middle	PAM
California, Central	CAC	Maryland	MD	Pennsylvania, Western	PAW
California, Eastern	CAE	Massachusetts	MA	Puerto Rico	PR
California, Northern	CAN	Michigan, Eastern	MIE	Rhode Island	RI
California, Southern	CAS	Michigan, Western	MIW	South Carolina	SC
Colorado	CO	Minnesota	MN	South Dakota	SD
Connecticut	CT	Mississippi, Northern	MSN	Tennessee, Eastern	TNE
Delaware	DE	Mississippi, Southern	MSS	Tennessee, Middle	TNM
District of Columbia	DC	Missouri, Eastern	MOE	Tennessee, Western	TNW
Florida, Middle	FLM	Missouri, Western	MOW	Texas, Eastern	TXE
Florida, Northern	FLN	Montana	MT	Texas, Northern	TXN
Florida, Southern	FLS	Nebraska	NE	Texas, Southern	TXS
Georgia, Middle	GAM	Nevada	NV	Texas, Western	TXW
Georgia, Northern	GAN	New Hampshire	NH	Utah	UT
Georgia, Southern	GAS	New Jersey	NJ	Vermont	VT
Guam	GU	New Mexico	NM	Virginia, Eastern	VAE
Hawaii	HI	New York, Eastern	NYE	Virginia, Western	VAW
Idaho	ID	New York, Northern	NYN	Virgin Islands	VI
Illinois, Central	ILC	New York, Southern	NYS	Washington, Eastern	WAE
Illinois, Northern	ILN	New York, Western	NYW	Washington, Western	WAW
Illinois, Southern	ILS	North Carolina, Eastern	NCE	West Virginia, Northern	WVN
Indiana, Northern	INN	North Carolina, Middle	NCM	West Virginia, Southern	WVS
Indiana, Southern	INS	North Carolina, Western	NCW	Wisconsin, Eastern	WIE
Iowa, Northern	IAN	North Dakota	ND	Wisconsin, Western	WIW
Iowa, Southern	IAS	Ohio, Northern	OHN	Wyoming	WY

APPENDIX B

Addendum

CRIMINAL IP MATTERS BY DISTRICT*

District	Charge	Cases Referred: FBI	Cases Referred: Customs	Open Investigations: US Atty	Cases Filed	Defendants Charged	Cases Terminated	Defendants Terminated
ALM	18:2320		1		2	2	4	4
ALN	18:2319	1						
AZ	18:2319	1		3			1	1
	18:2320	1	1	1			1	1
ARE	18:2319	1		1				
ARW	18:2320	2		2	1	1	2	2
CAC	18:2318	2	3	2	5	17	3	3
	18:2319			1				
	18:2320	12	1	3	7	9	3	4
CAE	18:2320			1				
CAN	18:2318			1				
	18:2319	4	1	7	5	5	2	5
	18:2319A	1		1	1	1		
	18:2320		1	6	2	3	1	4
CAS	18:2318			1			1	1
	18:2319			1			1	1
	18:2320			2			1	1
CO	18:2320	4	1	1	3	3		
CT	18:2319		1	1				
	18:2320	1	1	2				
DC	18:2319	1		1				
	18:2320		1	2				
FLM	18:2318		1				1	1
	18:2319	1	2	3			1	1
	18:2319A		1	1				
	18:2320	1	11	6	3	16	4	17
FLN	18:2320		1	1				
FLS	18:2319						1	1
	18:2320	3	1	4	2	3	1	1
GAM	18:2320		1	1				
GAN	18:2319	2		1	1	1	2	2
	18:2320	1	1				1	2
GAS	18:2320						1	1
GU	18:2320		1	1	1	1	4	9
HI	18:2319	1		6			1	1
	18:2320	1			1	1		
ID	18:2320	1		2				
ILC	18:2320			1			1	1
ILN	18:2318				1	1	2	3
	18:2319	2		5	1	2		
	18:2320	1	1	2	2	2	1	1

District	Charge	Cases Referred: FBI	Cases Referred: Customs	Open Investigations: US Atty	Cases Filed	Defendants Charged	Cases Terminated	Defendants Terminated
ILS	18:2320		1		1	2		1
INN	18:2319 18:2320	1		1			1	1
INS	18:2319 18:2320		1	1 1				
IAS	18:2319A			1				
KS	18:2319 18:2320	1 3		1 4				
KYE	18:2320	2			1	1	2	3
KYW	18:2318 18:2319 18:2320			1 2			1	1
LAE	18:2319 18:2320				1 1	2 2		
LAM	18:2319 18:2320		1	1 1				
LAW	18:2318 18:2320	1	1 2	1 1	2	4	1	1
ME	18:2319						1	1
MD	18:2319	1			1	1		
MA	18:2319 18:2320	2 2		2 2	1	1		
MIE	18:2318 18:2319 18:2320	1 6 1		2 7 3	1 1	3 1		
MIW	18:2320		1	2				
MSN	18:2319	1		1				
MOE	18:2319			1				
MOW	18:2318 18:2320			1 1				
MT	18:2320						1	4
NE	18:2320	1			1	1		
NV	18:2319	1		1				
NH	18:2320	1		1				
NJ	18:2319 18:2320	2 1		3 1	1	2		1 1
NYE	18:2318 18:2319 18:2319A 18:2320			2 1 3	2 1 1 2	2 1 1 2	1 1 1	1 1 1
NYN	18:2319 18:2320		1	1			1	1
NYS	18:2318 18:2319 18:2320	1 5 3		1 7 8			1 7	3 9
NYW	18:2319 18:2319A 18:2320	1 1					1	1

District	Charge	Cases Referred: FBI	Cases Referred: Customs	Open Investigations: US Atty	Cases Filed	Defendants Charged	Cases Terminated	Defendants Terminated
NCE	18:2318			1				
	18:2319	1		1				
	18:2320		2	2	2	3		
NCM	18:2319	1		1				
	18:2320		1	1				
NCW	18:2319	1		1				
	18:2320	1	2	2	1	2	2	6
OHN	18:2318	1						
	18:2319			1				
	18:2320	2	2	2			1	1
OHS	18:2318						1	1
	18:2319	1		1	2	2	1	1
	18:2319A	1		1				
	18:2320	1		1	1	1	1	1
OKE	18:2318	1		1				
OKW	18:2319	1		1				
	18:2319A	1		1				
	18:2320	1		3			1	1
OR	18:2319	3		2	1	1		
PAE	18:2318				1	1		
	18:2319			2	1	1		
	18:2320	1		4	2	6		
PAW	18:2318			1				
	18:2319			1				
	18:2319A				2	2		
	18:2320	1					2	2
SC	18:2320	2	1	1	3	4	1	2
TNM	18:2319			1				
	18:2320	1	1	3			1	1
TXE	18:2318			1				
	18:2320	4			4	5	3	4
TXN	18:2318		2	2			1	2
	18:2319	1		8			3	4
	18:2320	1	1	3	2	3	3	4
TXS	18:2320	1	5	6	3	3		
TXW	18:2318	1		2				
	18:2319				1	1		
	18:2320		1		2	3		
UT	18:2320				1	1		
VAE	18:2319				1	1	1	1
	18:2320	1	3	3	6	7	5	6
WAE	18:2319		1	1				
	18:2320		2	1			1	1
WAW	18:2318			1	1	1	1	1
	18:2319	3		4	2	3	1	1
	18:2320		1		2	2		
WVN	18:2319	1		1				
	18:2320	2		1				
WVS	18:2319	2		1				
	18:2320	1			1	1		

District	Charge	Cases Referred: FBI	Cases Referred: Customs	Open Investigations: US Atty	Cases Filed	Defendants Charged	Cases Terminated	Defendants Terminated
WIE	18:2319	1		1				
	18:2319A				2	3		
	18:2320	1	2	1	2	2		
WIW	18:2319	1	1	1	1	2	1	2
Section Totals								
	18:2318	7	7	29	11	28	10	11
	18:2319	52	8	85	23	28	22	31
	18:2319A	4	1	4	2	2	0	0
	18:2320	68	57	106	72	106	60	99
Overall Totals								
	18:2318- 18:2320	131	73	224	108	164	92	141

* The figures displayed above include only the districts that reported such matters. In addition, only the relevant charge within those districts are displayed. Districts and charges not displayed reported no figures.

TERMINATED CRIMINAL IP CASES AND PENALTIES BY DISTRICT*

District	Charge	Guilty Pleas	Disposed by Trial	Guilty Verdict	Acquitted	Dismissed	Other Term	Total Term	Total Guilty	No Prison	1-12 Mos.	13-24 Mos.	25-36 Mos.	37-60 Mos.	61+ Mos.	Other
ALN	18:2320	4						4	4	4						
AZ	18:2319	1						1	1	1						
	18:2320	1						1	1	1						
ARW	18:2320	2						2	2	2						
CAC	18:2318	2					1	3	2	2						
	18:2320	3				1		4	3		2		1			
CAN	18:2319	4					1	5	4	3	1					
	18:2320	3						3	3	2	1					
CAS	18:2318					1		1								
	18:2319					1		1								
	18:2320	1						1	1		1					
FLM	18:2318					1		1								
	18:2319					1		1								
	18:2320	15	2		2			17	15	15						
FLS	18:2319					1		1								
	18:2320	1						1	1	1						
GAN	18:2319	2						2	2	2						
	18:2320					2		2								
GAS	18:2320					1		1								
GU	18:2320		1	1		8		9	1						1	
HI	18:2319						1	1								
ILC	18:2320	1						1	1			1				
ILN	18:2318					1		1								
	18:2319	2						2	2			2				
	18:2320	1						1	1	1						
ILS	18:2320	1						1	1		1					
INN	18:2320	1						1	1	1						
KYE	18:2320	1				2		3	1	1						
KYW	18:2319	1						1	1	1						
LAW	18:2320	1						1	1		1					
ME	18:2319	1						1	1	1						
MT	18:2320	3				1		4	3	3						
NJ	18:2319	1						1	1		1					
	18:2320	1						1	1	1						
NYE	18:2318	1						1	1					1		
	18:2320	1						1	1		1					
NYN	18:2319	1						1	1			1				
NYS	18:2319	3						3	3		1	2				
	18:2320	8	1		1			9	8	6	2					
NCE	18:2319	1						1	1	1						
NCW	18:2320	7						7	7	7						
OHN	18:2320	1						1	1	1						
OHS	18:2318	1						1	1		1					
	18:2319	1						1	1	1						
	18:2320	1						1	1		1					

District	Charge	Guilty Pleas	Disposed by Trial	Guilty Verdict	Acquitted	Dismissed	Other Term	Total Term	Total Guilty	No Prison	1-12 Mos.	13-24 Mos.	25-36 Mos.	37-60 Mos.	61+ Mos.	Other
OKW	18:2318		1	1					1			1				
PAW	18:2320	2						2	2	2						
SC	18:2320					1	1	2								
TNM	18:2320	1						1	1		1					
TXE	18:2320	1				3		4	1	1						
TXN	18:2318	2						2	2	1	1					
	18:2319	4						4	4	3		1				
	18:2320	2				1	1	4	2	1		1				
VAE	18:2319	1						1	1	1						
	18:2320	6						6	6	3	2	1				
WAE	18:2320	1						1	1		1					
WAW	18:2318	1						1	1		1					
	18:2319	1						1	1		1					
WIW	18:2319	2						2	2	2						
Section Totals																
	18:2318	7	0	0	0	3	1	11	7	3	3	0	1	0	0	0
	18:2319	26	0	0	0	3	2	31	26	16	4	6	0	0	0	0
	182319A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	18:2320	72	5	2	3	20	2	99	74	54	14	4	1	1	0	0
Overall Totals																
	18:2318-	105	5	2	3	26	5	141	107	73	21	10	2	1	0	0
	18:2320															

* The figures displayed above include only the districts that reported such matters. In addition, only the relevant charge within those districts are displayed. Districts and charges not displayed reported no figures.

APPENDIX C

Index of Justice Component Web Sites

American Indian and Alaska Native Affairs Desk (OJP)	www.ojp.usdoj.gov/aian/
Antitrust Division	www.usdoj.gov/atr/index.html
Attorney General	www.usdoj.gov/ag/oag.html
Bureau of Justice Assistance (OJP)	www.ojp.usdoj.gov/BJA/
Bureau of Justice Statistics (OJP)	www.ojp.usdoj.gov/bjs/
Civil Division	www.usdoj.gov/civil/home.html
Civil Rights Division	www.usdoj.gov/crt/crt-home.html
Community Oriented Policing Services - COPS	www.usdoj.gov/cops/
Community Relations Service	www.usdoj.gov/crs/crs.htm
Corrections Program Office (OJP)	www.ojp.usdoj.gov/cpo/
Criminal Division	www.usdoj.gov/criminal/criminal-home.html
Drug Courts Program Office (OJP)	www.ojp.usdoj.gov/dcpo/
Drug Enforcement Administration	www.usdoj.gov/dea/
Environment and Natural Resources Division	www.usdoj.gov/enrd/enrd-home.html
Executive Office for Immigration Review	www.usdoj.gov/eoir/
Executive Office for U.S. Attorneys	www.usdoj.gov/usao/eousa/
Executive Office for U.S. Trustees	www.usdoj.gov/ust/
Executive Office for Weed and Seed (OJP)	www.ojp.usdoj.gov/eows/
Federal Bureau of Investigation	www.fbi.gov/
Federal Bureau of Prisons	www.bop.gov
Foreign Claims Settlement Commission of the United States	www.usdoj.gov/fcsc/
Immigration and Naturalization Service	www.ins.usdoj.gov/
INTERPOL B U.S. National Central Bureau	www.usdoj.gov/usncb/
Justice Management Division	www.usdoj.gov/jmd/
Justice Performance Review	www.usdoj.gov/jpr/
National Drug Intelligence Center	www.usdoj.gov/ndic/
National Institute of Corrections (FBOP)	www.nicic.org/inst/

National Institute of Justice (OJP)	www.ojp.usdoj.gov/nij/
Office of the Associate Attorney General	www.usdoj.gov/aag/
Office of the Attorney General	www.usdoj.gov/ag/oag.html
Office of the Deputy Attorney General	www.usdoj.gov/dag/dag.html
Office of Dispute Resolution	www.usdoj.gov/odr/
Office of Information and Privacy	www.usdoj.gov/oip/oip.html
Office of the Inspector General	www.usdoj.gov/oig/ighp01.htm
Office of Intelligence Policy and Review	www.usdoj.gov/oipr/
Office of Justice Programs	www.ojp.usdoj.gov/
Office of Juvenile Justice and Delinquency Prevention (OJP)	ojjdp.ncjrs.org/
Office of Legal Counsel	www.usdoj.gov/olc/olc.htm
Office of Legislative Affairs	www.usdoj.gov/ola/
Office of the Pardon Attorney	www.usdoj.gov/pardon/
Office of the Police Corps and Law Enforcement Education (OJP)	www.ojp.usdoj.gov/opclee/
Office of Policy Development	www.usdoj.gov/opd/
Office of Professional Responsibility	www.usdoj.gov/opr/index.html
Office of the Solicitor General	www.usdoj.gov/osg/
Office for State and Local Domestic Preparedness Support (OJP)	www.ojp.usdoj.gov/osldps/
Office of Tribal Justice	www.usdoj.gov/otj/index.html
Office for Victims of Crime (OJP)	www.ojp.usdoj.gov/ovc/
Tax Division	www.usdoj.gov/tax/
U.S. Attorneys	www.usdoj.gov/usao/eousa/usao.html
U.S. Marshals Service	www.usdoj.gov/marshals/
U.S. Parole Commission	www.usdoj.gov/uspc/parole.htm
U.S. Trustee Program	www.usdoj.gov/ust/
Violence Against Women Office (OJP)	www.ojp.usdoj.gov/vawo/

APPENDIX D

Component Missions

OFFICES, BOARDS, DIVISIONS, BUREAUS

Under the direction of the Attorney General, these responsibilities are discharged by the following principal components of the Department:

Antitrust Division	Justice Management Division
Associate Attorney General	National Drug Intelligence Center
Attorney General	Office of Policy Development
Civil Division	Office of the Inspector General
Civil Rights Division	Office of Pardon Attorney
Community Relations Service	Office of Intelligence Policy and Review
Community Oriented Policing Services	Office of Public Affairs
Criminal Division	Office of Legal Counsel
Deputy Attorney General	Office of Professional Responsibility
Drug Enforcement Administration	Office of the Solicitor General
Environment and Natural Resources Division	Office of Legislative Affairs
Executive Office for U.S. Trustees	Office of Intergovernmental Affairs
Executive Office for Immigration Review	Office of Dispute Resolution
Executive Office for U.S. Attorneys	Office of Information and Privacy
Federal Prison System	Office of Justice Programs
Federal Bureau of Investigation	Tax Division
Foreign Claims Settlement Commission	U.S. Marshals Service
Immigration and Naturalization Service	U.S. Parole Commission
INTERPOL-U.S. National Central Bureau	

BUREAU AND COMPONENT MISSIONS

The following segments provide an overview of the mission for each of the Department's bureaus and components.

Department Leadership includes the Office of the Attorney General, the Office of the Deputy Attorney General, and the Office of the Associate Attorney General. These offices advise the President on constitutional matters and legal issues involving execution of U.S. laws; formulate and implement policies and programs that advance the administration of justice in the United States; and coordinate criminal justice matters with Federal, state, and local law enforcement and criminal agencies.

Executive Support consists of the Offices of Policy Development, Public Affairs, Legislative Affairs, and Intergovernmental Affairs. These offices serve as the liaison between the Department and Congress, coordinating Department and Administration policy initiatives in the areas of civil and criminal justice and ensuring that

the public and the news media are kept informed of the Department's activities and policies in the fields of law enforcement and legal affairs.

Office of the Solicitor General represents the Federal Government in cases before the Supreme Court, decides which cases the Government should ask the Court to review, and decides what position the Government should take in cases before the Court.

Office of the Inspector General promotes efficient and effective management within the Department and detects and deters wrongdoing in programs and operations through the use and coordination of investigative, inspection, and audit resources.

Office of Legal Counsel assists the Attorney General's role as legal adviser to the Executive Branch, and drafts legal opinions of the Attorney General rendered in response to requests from the President and executive heads. It also provides written opinions and informal advice in response to requests from the various Government executive and military departments, as well as from offices within the Department and from presidential staff and advisors.

Intelligence Policy and Professional Responsibility consists of the Office of Intelligence Policy and Review and the Office of Professional Responsibility. These offices are responsible for assisting the Attorney General and other senior Department and Executive Branch officials in ensuring that the national security-related activities of the United States are consistent with relevant law. These offices also oversee investigation of allegations of criminal and ethical misconduct by the Department's attorneys, criminal investigators, or other law enforcement personnel.

Office of Information and Privacy manages and coordinates the Department's responsibilities under the Freedom of Information Act (for all Federal agencies) and the Privacy Act of 1974 (for the Department).

Office of Dispute Resolution promotes the broader use of alternative dispute resolution in appropriate cases to improve access to justice for all citizens and to engender more effective resolution of disputes involving the Government.

Justice Management Division provides advice to senior Department officials and develops Department policy in the areas of management and administration, ensures compliance by Department components with departmental and other Federal policies and regulations, and provides a full range of management and administrative support services.

United States Attorneys serve as the Nation's principal litigators in each of 94 judicial districts. Under general executive assistance provided by the Executive Office for U.S. Attorneys, responsibilities of the U.S. Attorneys include prosecuting criminal cases brought by the Federal government, prosecuting and defending civil cases in which the United States is a party, and collecting administratively uncollectible debts owed the Federal Government.

Antitrust Division promotes and maintains competition in the U.S. economy. The Division enforces the antitrust laws and seeks to prevent antitrust violations by providing information about antitrust laws and enforcement policies to the public and business communities. The Division appears before Federal regulatory agencies to advocate for more competition and less regulation, advises other Executive Branch departments and agencies, and makes recommendations to Congress on legislation affecting competition.

Civil Division fairly and consistently represents the interests of the United States in civil litigation and selected criminal cases. The Division confronts significant policy issues, defending and enforcing various Federal programs and actions.

Civil Rights Division enforces the constitutional and Federal rights of persons who have been subjected to discrimination on the basis of race, color, gender, age, disability, religion, familial status, and national origin. The Division also arranges payments to individuals of Japanese ancestry who were evacuated, relocated, or interned in the United States during World War II.

Criminal Division serves the public interest through the development and enforcement of criminal statutes in a vigorous, fair, and effective manner. It exercises general supervision over the enforcement of all Federal criminal laws, with the exception of those statutes specifically assigned to other divisions.

Environment and Natural Resources Division, through litigation in Federal and state courts, safeguards and enhances the American environment, acquires and manages public lands and natural resources, and protects and manages Indian rights and property.

Tax Division represents the United States and its officers in all civil and criminal litigation arising from the internal revenue laws, other than proceedings in the U.S. Tax Court.

INTERPOL - United States National Central Bureau facilitates international law enforcement cooperation as the U.S. representative with the International Criminal Police Organization (INTERPOL), on behalf of the Attorney General.

Executive Office for Immigration Review (EOIR) ensures fairness, competence, and efficiency in decisions regarding the status of individual aliens in the United States. EOIR interprets immigration laws and conducts administrative hearings and appellate reviews on a wide variety of immigration issues.

Office of the Pardon Attorney assists the President in the exercise of his constitutional pardoning power by providing him with the best information available on which to base a fair and just decision in particular cases.

United States Parole Commission makes parole release decisions for eligible Federal prisoners, determines conditions of parole supervision, and revokes paroles for conditional release violations.

United States Trustees supervise the administration of bankruptcy cases and private trustees in the Federal Bankruptcy Courts. Under general executive assistance of the Executive Office for U.S. Trustees, trustee activities ensure that bankruptcy cases are administered in a timely and cost-effective manner in compliance with the law. U.S. Trustees also see that assets are not dissipated, that creditors receive maximum distributions, and that private trustees adhere to fiduciary standards and observe consistent national procedures and policies. They refer violations of applicable criminal laws to law enforcement and regulatory agencies.

Community Relations Service provides services to communities and individuals to prevent and resolve disputes, disagreements, or difficulties related to actions, policies, or practices perceived to be discriminatory on the basis of race, color, or national origin—actions that impair the rights of citizens under the U.S. Constitution or law.

Foreign Claims Settlement Commission adjudicates claims against foreign governments for losses sustained by U.S. nationals according to programs authorized by statute or international agreement.

Office of Community Oriented Policing Services (COPS) is dedicated—through the COPS grants program and through partnerships with communities, police, and other organizations—to improving the quality of life in neighborhoods throughout the Nation. COPS grants provide state and local governments with funds to place more uniformed officers on the street. COPS activities include increasing America’s cops on the beat and promoting and demonstrating the effectiveness of community policing by reducing disorder, violence, and crime in our neighborhoods.

National Drug Intelligence Center coordinates and consolidates strategic organizational drug intelligence from national security and law enforcement agencies to produce requested assessments and analysis regarding the structure, membership, finances, communication, transportation, logistics, and other activities of drug trafficking organizations.

U.S. Marshals Service protects the Federal judiciary and witnesses, executes court orders, manages seized assets, and provides custody and transportation of unsentenced prisoners.

Office of Justice Programs provides leadership in developing the Nation’s capacity to prevent and control crime, administer justice, and assist crime victims.

Drug Enforcement Administration enforces the controlled substance laws and regulations of the United States and brings to the criminal and civil justice system those organizations and their principal members involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States. The agency also recommends and supports nonenforcement programs aimed at reducing the availability of illicit controlled substances on the domestic and international markets.

Federal Bureau of Investigation upholds the law through investigating violations of Federal criminal law; protects the United States from foreign intelligence and terrorist activities; provides leadership and law enforcement assistance to Federal, state, local, and international agencies; and performs these responsibilities in a manner responsive to the needs of the public and faithful to the U.S. Constitution.

Immigration and Naturalization Service determines the admissibility of persons seeking entry and adjusts the status of and provides other benefits to legally entitled noncitizens within the country, with proper regard for equity and due process. This includes assistance to those who seek permanent resident status and those who wish to become citizens through naturalization.

Federal Prison System encompasses the appropriate activities of the Federal Bureau of Prisons and its functional entities: the Federal Prison Industries, Inc., also known by the trade name UNICOR, and the Commissary Trust Fund.

Federal Bureau of Prisons protects society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, cost-efficient, humane, and appropriately secure, and which provide work and other self-improvement opportunities to help offenders become law-abiding citizens.

Federal Prison Industries employs and trains the requisite number of inmates in Federal correctional facilities necessary to ensure the safe and secure operation of such institutions. Federal Prison Industries produces market-priced, quality products and services for use by other Federal agencies, while operating in a self-sustaining manner that minimizes adverse impact on industry, business, and labor.

APPENDIX E

Data Sources and Validation

Data Source	Database Definition	Data Validation
ABS	USMS' Automated Booking Station, which decreases the processing time for booking a prisoner, eliminates redundant data collection, and enhances information sharing among law enforcement entities.	The USMS Information Technology Services Division coordinates data verification.
ACMS	USTP's Automated Case Management System.	The original program used to calculate "old" cases was written to age cases on an annual basis; therefore, it treats all cases opened in calendar year 1996 as 3 years old on January 1, 1999, regardless of whether the case was opened January 1, 1996, or December 31, 1996. This data limitation was to be addressed in the new case management system being developed, until FY 1999 budget constraints arrested development. The USTP hopes to resolve this issue either by enhancing the existing ACMS or by continuing development of the new system in FY 2000.
ANSIR	EOIR's Automated Nationwide System for Immigration Review, a nationwide case tracking and office automation system. This system is entirely integrated with routine case processing operations at both the trial and appellate levels.	Data are verified by on-line edits of virtually every data field. Further, headquarters and field office users and managers have manuals and handbooks that list the routine daily, weekly, and monthly reports, to check and verify data. In addition, audits are conducted using the system's random number generator, which compares automated data with corresponding hard case files. Finally, all data entered by courts nationwide are instantaneously transmitted and stored at EOIR headquarters. This process allows for the generation of timely and complete statistical and other data. Data validation is also performed on a routine basis through data comparisons between EOIR and INS databases.
APSS	USMS' Automated Prisoner Scheduling System, a detainee scheduling module that automates the scheduling process for prisoner movements. The USMS Prisoner Transportation Division determines the type of movement(s) required to move detainees to their destinations.	The USMS Prisoner Transportation Division verifies data.

Data Source	Database Definition	Data Validation
ASVI	INS' Alien Status Verification Index, a database used by agencies to determine an alien's eligibility for benefits.	Response time is calculated automatically and averaged through the system at any given reporting point. Data are validated through INS managers' reviews of transaction volumes and response times.
BOPDOCS	BOP's database, which maintains operational memoranda for BOP detention centers activated. ³	No concerns or problems have been identified regarding data on detention centers activated. For accidents and injuries, information is self-reported by institutions and subject to interpretation before it is used as valid data. No concerns or problems have characterized either per capita or accreditations data.
CASES	Civil Division's automated case management system.	The Civil Division has taken several steps to achieve data reliability, including regular attorney interviews; review of exceptions reports, which list questionable or inconsistent data; and quality assurance by an outside contractor. Despite these measures, incomplete data on case terminations and attorney time may cause the system to underreport these elements.
CATS	Consolidated Assets Tracking System.	The JMD Asset Forfeiture Management Staff verifies the data.
CLAIMS 4	INS' Computer Linked Application Information Management System, an automated system that supports application processing for immigration benefits case tracking and resolution.	The count of new naturalization applications provided by this system is processed entirely through CLAIMS 4. Percent usage is determined through a comparison of these data.
CMS (COPS)	COPS Management System, a database containing information on individual grants and grantees. Special runs can also be made to aggregate data on specific subgroups of grantees for management purposes.	Data are validated and verified by COPS program managers based on their review of grantee progress reports, on-site monitoring, telephone contacts with grantees, and the semi-annual COPS Count Survey.
CMS (ENRD)	ENRD's Case Management System.	ENRD has instituted a formal data quality assurance program to ensure quarterly reviews of its docket. Systems data are constantly monitored to maintain accuracy. CMS provides a level of quality and accuracy not previously achievable with the 20-year-old Lands Docket Tracking System that it replaced. However, as with any transition to a new computer system, the converted data will take time and effort to perfect.
CRSIS	CRS' Community Relations Service Information System for recording and classifying casework.	CRS regional directors review and approve case information entered into CRSIS. Analysts and managers at CRS Headquarters review and verify the data.

Data Source	Database Definition	Data Validation
DACS	INS' Deportable Alien Control System.	<p>The INS conducts monthly quality reviews and updates of DACS data for internal inconsistencies and missing data.</p> <p><i>NOTE: For Performance Goal 4.5.1, each month, these updates revise the statistics on formal removals for the 3 previous fiscal years and the current fiscal year. The lag time for data entry in DACS varies by type of removal. For FY 1999, the statistic for total removals was approximately 98 percent complete upon issuance of the first year-end summary.</i></p> <p><i>NOTE: For Performance Goal 5.1.1, seven percent of the detention case records are incomplete.</i></p>
DRAM	USPC's Data Recording and Management data entry system.	DRAM automatically verifies that all data items have valid values and that related data items are internally consistent with each other and with USPC rules and procedures.
ENFORCE	INS' Enforcement Case Tracking System, used at INS sites to provide initial processing information on apprehended individuals.	ENFORCE data are compared with management reports, regional reviews, and district office internal records. ENFORCE provides a count of cases processed. Percent usage is determined through a comparison of these data to total cases processed—provided by PAS. Guidance on data collection is documented in the INS Administrative Manual. See the "PAS" listing for more validation information.
ENVOY	INTERPOL's law enforcement information system, which consists of message workflow, database storage and retrieval, electronic case files repository, and Intranet accessibility.	Data are automatically posted to the database upon case assignment and are verified by the appropriate case management worker.
FBI Request Tracking System	FBI's system to track Freedom of Information Act (FOIA) requests.	All FOIA management receives monthly reports from the system to validate status of cases.
IDAS	FBI's Identification Automated Services System.	Manual samples of fingerprint cards are flagged to verify response times tracked through IDAS.
IDENT	INS' Automated Biometric Identification System, which provides the capability to identify individuals through biometric information.	IDENT data are compared with management reports, regional reviews, and district offices internal records. IDENT provides a count of cases processed. Percent usage is determined through a comparison of these data to total cases processed—provided by PAS. Guidance on data collection is documented in the INS Administrative Manual. See the "PAS" listing for more validation information.

Data Source	Database Definition	Data Validation
IDMS	OIG's Investigations Division Management System.	IDMS consists of six computer-based and three paper-based systems through which the Investigations Division records and monitors the status of allegations and the progress of investigations. OIG agents or investigative assistants collect the information, which is entered into IDMS. The Investigations Division, which is responsible for maintaining IDMS and for ensuring its accuracy and reliability, reviews the information semiannually, in connection with preparation of the OIG's Semiannual Report to Congress.
ISRAA	FBI's Integrated Statistical Reporting and Analysis Application database, which tracks statistical accomplishments of cases from inception to closure, e.g., arrests, information, indictments, and convictions.	Before data are entered into the system, they are reviewed and approved by an FBI field manager. They are subsequently verified through the FBI's inspection process. Inspections occur on a 2-3 year cycle, depending on funding. Using statistical sampling methods, data in ISRAA are tracked back to source documents contained in FBI files.
JUSTNET	The Justice Technology Information Network website, a gateway to the services of NIJ's National Law Enforcement and Corrections Technology Center System. It includes information systems that track user inquiries and responses.	NIJ's Office of Science and Technology Center validates the data.
Key Asset Database	The National Infrastructure Protection Center's (NIPC's) database. Through the key asset program, FBI field agents identify potential key assets in their jurisdictions and consult with the owners about their operations and impact on the localities' critical infrastructure. As each key asset is identified, it is entered into a database from which maps are created that help determine overlapping or secondary key assets that are interlinked.	The FBI is presently developing NIPC performance indices to gauge its overall capacity to use its assets and resources in support of operations to disrupt and defeat critical infrastructure threats. These statistical indices will more accurately capture the nuances of complex investigative concepts such as capacity-building and preparedness. Specifically, performance indices are intended to increase the validity of NIPC measures by incorporating multiple indicators that demonstrate progress towards the program's ultimate protection and prevention outcomes. These indices assign weights to reflect the severity level of indicators, such as intrusions, key assets, and threat and warning notifications.

Data Source	Database Definition	Data Validation
LIONS	USA'S Legal Information Office Network System, which allows individual districts to maintain information on pending workloads on the database and produce a variety of reports, such as criminal matters, cases, and appeals.	Before data are entered in the system, they undergo review by knowledgeable personnel, such as supervisory attorney or legal clerks, in each district. LIONS has an on-line error edit that prevents invalid code entry or dates. Error edit lists cannot be used as a sole quality control device, as they can only ensure that valid codes are reported in each field. There is no way to determine that a record has been classified and reported correctly. To mitigate data limitation, attorneys and support personnel must be held responsible to ensure that local procedures are followed for maintaining system integrity.
LYNX	INS' case tracking system, which collects worksite enforcement data, including investigations data, employer data, and litigation information captured by officers and field counsel.	LYNX data are compared with management reports, regional reviews, and district offices' internal records.
MAPS	USMS' Marshals Automated Personnel System, a paperless personnel action process that creates accurate employment, job, and personal employee data. MAPS also automates the process of rating and ranking employment applications.	The USMS Human Resource Division maintains oversight and verifies data.
MAR	FBI's Monthly Administrative Report.	Data are verified through FBI's inspections process. Inspections occur on a 2-3 year cycle, depending upon funding, using statistical sampling methods. Data are traced back to source documents.
MAR/ACS System	FBI's Monthly Administrative Report/Automated Case Support System, a data source for intrusions investigations.	The FBI is developing NIPC performance indices to gauge its overall capacity to use its assets and resources in support of operations to disrupt and defeat critical infrastructure threats. These statistical indices will more accurately capture the nuances of complex investigative concepts such as capacity-building and preparedness. Specifically, performance indices are intended to increase the validity of NIPC measures by incorporating multiple indicators that demonstrate progress towards the program's ultimate protection and prevention outcomes. The indices assign weights to reflect the severity of intrusions, key assets, and threat and warning notifications.
MTS	Antitrust Division's Matter Tracking System, a core database comprising the central repository of all Division activities, including investigations, cases, appeals, etc.	Data accuracy and reliability checks occur on three levels: manual, procedural, and automated. These levels include user training, software user's guides, on-line data verification, batch data analysis, and ad hoc reviews. On-line validation quickly and efficiently corrects any errors the system detects. Systematic data validation checks are performed as part of the normal systems development life cycle or on an ad hoc basis.

Data Source	Database Definition	Data Validation
NACJD	National Archive of Criminal Justice Data website clearinghouse, sponsored by BJS.	NACJD's program manager validates and verifies the data before BJS receives it.
NCLD	EPIC's National Clandestine Laboratory Database. EPIC obtains these data through a review of teletypes, DEA investigative forms (DEA Form-6), and Clandestine Laboratory Reports filed by DEA chemists following a laboratory seizure. Effective January 1, 1999, NCLD has become the official repository for DEA laboratory statistics.	NCLD was established to have one official central source for laboratory data and thereby improve data reliability. All laboratory seizures are documented on the EPIC Form 143 and forwarded for input into NCLD.
NCMEC	National Center for Missing and Exploited Children internal management information system.	The NCMEC system has internal checks, both automated and manual, to ensure the accuracy of reported data. OJP program managers verify the data, based on their review of grantee progress reports, on-site monitoring, and telephone contacts with program staff.
NICS	FBI's National Instant Criminal Background Check System.	The NICS program compares the identity of firearm purchasers against several databases containing the names of individuals.
OCDETF MIS	OCDETF Management Information System, which consists of three major forms supplemented by special reports: (1) the Investigation Initiation Form, used to explain each investigation considered for task force approval; (2) the Indictment/Information Form, used to record indictments returned in task force cases; and (3) the Disposition and Sentencing Report, used to verify all charges in task force cases and to record their outcomes. These forms are prepared at the field level and submitted to the OCDETF Executive Office for input into the OCDETF MIS.	OCDETF Executive Office staff validate data reported for each investigation through a systemic quality control review. Data are also sent back to the regional offices for additional validation and cross-checks. <i>NOTE: Previously reported data have been updated. OCDETF data continue to be updated by the nine regions and are not closed out at the end of each fiscal year. Participating agencies and the U.S. Attorneys update data on a continuing basis and, therefore, the data change each time a report is run.</i>

Data Source	Database Definition	Data Validation
PAS	INS' Performance Analysis System, which consists of database and manual reports from all INS domestic and overseas offices.	The INS conducts monthly quality reviews of PAS. In PAS, 100 percent of the records are entered within 20 working days of the close of the reporting month. PAS captures aggregate workload data that cannot be linked to individual case files. Manual case information is collected and verified by INS Headquarters. However, because PAS data are manually consolidated at the office level, field office methodologies vary, and data validations constructed from individual case records cannot be performed. To correct this situation, the INS is working to interface its automated case management systems with PAS.
Pilot Tracking System	INS database used for employment status verification.	This system automatically tracks verifications and calculates average processing time for any reporting period. Data are validated through INS managers' reviews of transaction volumes and response times.
PTS	USMS' Prisoner Tracking System, a tracking system that produces detention population data.	The USMS Prisoner Services Division maintains oversight and verifies data.
SENTRY	BOP's internal database. <i>NOTE: For accidents/ injuries, BOP's data source is the executive staff module, which contains information from SENTRY and individual divisional databases.</i>	Information is self-reported by institutions and is subject to interpretation before it is used as valid data.
STAPS	CRT's Submission Tracking and Processing System, which tracks redistricting requests.	The database is constantly updated and verified because of the time-sensitive status of redistricting submissions.
STARS	USMS' Standardized Tracking Accounting and Reporting System, which increases financial oversight and policy compliance for audited financial statements and ensures financial accountability.	The USMS Management and Budget Division maintains oversight and verifies data.

Data Source	Database Definition	Data Validation
STRIDE	<p>DEA's System to Retrieve Information from Drug Evidence, which is the source of drug removal statistics managed by the Office of Forensic Sciences (SF). STRIDE provides the total of all drugs purchased, seized, or otherwise obtained through DEA-controlled and DEA-cooperative investigations sent to DEA laboratories for analysis. It includes results of lab analyses.</p>	<p>STRIDE contains built-in data edit checks on various data fields, including location, substance identification, and DEA office code. On a monthly basis, each of the eight DEA laboratories retrieves 15 STRIDE records at random. These records are compared to the source documents (DEA Form-7 and DEA Form-86) for accuracy. Any identified errors are corrected. SF receives a monthly report from each laboratory on the results of the quality-control review. SF staff also visit each laboratory on a yearly basis to conduct an independent review of STRIDE records. In that review, 100 STRIDE records are pulled at random and compared to the source documents. This report reflects minor modifications to preliminary drug data previously reported.</p>
TaxDoc	<p>Tax Division's new case management system.</p>	<p>New procedures to collect and record pertinent data on activities related to specific issues will enable section chiefs to make projections and set goals based on complete, accurate, and relevant statistics.</p> <p><i>NOTE: The Tax Division currently lacks historical data on some activities.</i></p>
WIN	<p>USMS' Warrant Information Network, the USMS' main law enforcement information system that tracks investigative and administrative information on fugitives and judicial threats.</p>	<p>The USMS Investigative Services Division maintains oversight and verifies data through a random sampling of National Crime Information Center records generated by the FBI.</p>