

A MESSAGE FROM THE ATTORNEY GENERAL

November 13, 2007

It is a pleasure for me to once again be associated with the Department of Justice. I look forward to working together with the many dedicated public servants throughout the Department to fulfill its important mission. The challenges facing the Department today are different from those it faced when I first served here 35 years ago. Today, we are confronted by the threat of terrorism and international instability. Our laws and system of justice are evolving to meet new challenges. Regardless of the changes, I know that the dedication, skill, and professionalism of the Department's employees has not changed and I look forward to working with them to confront the challenges.

Preventing terrorism and promoting the Nation's security are the Department's primary goals and we will continue every effort to meet these. Already, the Department disrupts terrorist threats through intelligence gathering, investigation, and aggressive prosecution. The Department remains committed to further developing its capacity to investigate terrorism and to identify, disrupt, and dismantle terrorist cells, plots, and financing within the United States and abroad. We cannot accomplish this alone. Therefore, the Department continues to strengthen partnerships with other federal agencies and State, local, and foreign governments.

The Department also works in partnership with State and local law enforcement to protect our communities from crime. We are working with communities to control drug trafficking, gangs and illegal guns, and to ensure federal prosecution in cases best handled in the federal system. We have applied this partnership model to other areas as well. Through Project Safe Childhood, a combined federal, State, and local initiative to end online exploitation of children, we have increased prosecutions of child pornographers by 20 percent in the last year. We have likewise promoted integrity in the marketplace and in public service by pursuing corporate fraud and public corruption with great vigor.

While the Department works to fulfill its vital missions of fighting terrorism and crime, it is committed to maintaining strong program and fiscal management. Prepared pursuant to the Reports Consolidation Act of 2000 and guidance in Office of Management and Budget (OMB) Circulars A-11, A-123, and A-136, the FY 2007 Department of Justice *Performance and Accountability Report* contains our performance report, as required by the Government Performance and Results Act; our audited consolidated financial statements, as required by the Chief Financial Officers Act and the Government Management Reform Act; and a statement of assurance regarding our internal control and financial management systems, as required by the Federal Managers' Financial Integrity Act (FMFIA).

The Department again earned an unqualified audit opinion on our financial statements as of September 30, 2007. For the third year in a row, all of the Department's components that produce financial statements received an unqualified opinion. For the first time in DOJ history, the Department had no material weaknesses in financial controls or information systems (IT) controls at the consolidated level. At the component level, six components had no material weaknesses, and two components with prior-year accounting or IT material weaknesses were able to successfully eliminate or reduce those weaknesses. While we demonstrated noteworthy progress, the Department is committed to correcting all remaining deficiencies.

The Department conducted its annual assessment of internal controls over program operations, and also conformance with financial management systems requirements. The program assessment identified two material weaknesses: one related to prison crowding and the other related to the

Federal Bureau of Investigation's use of National Security Letters. Based on this assessment, I can provide qualified assurance that our program internal controls met the objectives of Section 2 of the FMFIA. The assessment did not identify any substantial systems non-conformances required to be reported under Section 4 of FMFIA. I can provide reasonable assurance that our internal control over financial reporting met the objectives of OMB Circular A-123, Appendix A.

The financial and performance data presented in this report are complete and reliable, providing timely and useful information on Department of Justice accomplishments to the American taxpayers. The Department is proud of this past fiscal year's mission accomplishments, and we will continue to be resolute in our quest to protect our citizens by addressing terrorism and crime and working to enforce our federal laws with integrity.

A handwritten signature in black ink, appearing to read "Michael B. Mukasey". The signature is fluid and cursive, with a large initial "M" and "B".

Michael B. Mukasey