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

FY 2008
PERFORMANCE & ACCOUNTABILITY REPORT

Stewards of the
American Dream

U.S. Department of Justice

Department Overview

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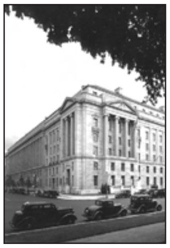     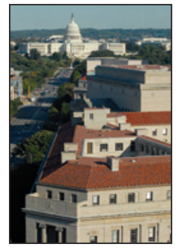  

History and Enabling Legislation

The Department of Justice, which has more than 110,000 employees and is often referred to as the largest law office in the world, began in 1789 with a staff of two: The Attorney General and a clerk. The Judiciary Act of 1789 created the Office of the Attorney General, providing for the appointment of "a person, learned in the law, to act as attorney-general for the United States." By 1870, the duties of the Office of the Attorney General had expanded so much that Congress adopted "An Act to establish the Department of Justice" with the Attorney General as its head.

Strategic Goals

Goal I: Prevent Terrorism and Promote the Nation's Security

Goal II: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People

Goal III: Ensure Fair and Efficient Administration of Justice

Mission

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

Location

The Department is headquartered in Washington, DC, at the Robert F. Kennedy Building, occupying a city block bounded by 9th and 10th Street and Pennsylvania and Constitution Avenues, NW. The Department also has field offices in all states and territories and maintains offices in 86 countries worldwide.

Component Organizations

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

U.S. DEPARTMENT OF JUSTICE

FY 2008
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ACCOUNTABILITY REPORT

NOVEMBER 2008

A MESSAGE FROM THE ATTORNEY GENERAL

November 12, 2008

The Department of Justice faces challenges vastly different from those it faced as recently as a decade ago. But the principles that guide the Department remain the same – to pursue justice by enforcing the law with unswerving fidelity to the Constitution. I have always had great respect for the men and women who follow those principles daily across the Department. I applaud their contributions to public service, and I am honored to be able to serve with them to protect our security, the safety of our children, and the rights and liberties that define us as a Nation.

This year marks a special occasion for the Department as we join with the Federal Bureau of Investigation in celebrating its 100th anniversary as an investigative agency and a century of service to the American people. Over the past century, the FBI has grown from a small group of 34 investigators into a cadre of more than 30,000 employees comprising one of the world's most respected law enforcement agencies, and is now adapting itself to the new and vital role of becoming an intelligence-gathering organization as well. We commend the way this agency has evolved and transformed its mission and operations to meet the changing threats facing our Nation. On behalf of a grateful Nation, we honor and thank the fine men and women who have carried the FBI badge for their dedication, skill, and professionalism in protecting our country, and who put their lives at risk daily to keep us safe.

The Department continues to vigorously pursue its mission of protecting our communities from crime. Due to the hard work of law enforcement nationwide, violent crime in the United States remains at its lowest level in 30 years. Where individual localities have seen increases in crime, the Department has responded, working with State and local partners to study the problem and implement strategies to reduce and deter crimes involving guns, gangs, drugs, child exploitation, corporate and public corruption, immigration, and civil rights violations. Our efforts to deter crime on all these fronts continue unabated.

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 2008 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 FY 2008 consolidated financial statements. For the second straight year, no material weaknesses were identified at the consolidated level in the auditor's report on internal control. While we continue as a Department to demonstrate noteworthy progress, we are committed to pursuing actions to correct areas where we have deficiencies.

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

The financial and performance data presented in this report are complete and reliable, providing timely and useful information on Department of Justice accomplishments to the American taxpayers. The Department is pleased with 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.

Michael B. Mukasey
Attorney General

PAR

U.S. Department of Justice – FY 2008 Performance and Accountability Report

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PAR Introduction

This Report's Purpose and Reporting Process

This Performance and Accountability Report (PAR) for fiscal year (FY) 2008 provides financial and performance information, enabling the President, Congress, and the American public to assess the annual performance of the Department of Justice (DOJ or the Department).

This report is prepared under the direction of the Department's Chief Financial Officer (CFO). The financial statements contained within this report are prepared by the Department's Justice Management Division, Finance Staff, and audited by the Office of the Inspector General (OIG). This report includes the Department's financial statements for FY 2008 and for the preceding fiscal year (FY 2007) and reports on all accounts and associated activities of each office, bureau, and activity of the Department. The Department's FY 2008 audited financial statements have been consolidated or combined based upon the results of audits undertaken in each of the nine departmental reporting entities.

The Department continues to enforce vigorously the broad spectrum of laws of the United States; notably, the fight against terrorism continues to be the first and overriding priority of the Department. In FY 2007, the Attorney General announced the Department's Strategic Plan for FYs 2007-2012 (available electronically on the Department's website at: http://www.usdoj.gov/jmd/mps/strategic2007-2012/index.html). This Strategic Plan includes three strategic goals and related objectives that are mentioned throughout this report.

Organization of the Report

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

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

Section II – FY 2008 Performance Report: This section provides the Department's FY 2008 Performance Report, which presents how the Department is working toward accomplishing its mission. The Performance Report provides a summary discussion of the Department's three strategic goals. It also reports on the key performance measures by detailing the program objectives and FY 2008 targets and actual performance, as well as whether targets were or were not achieved. In addition, this section provides an update on the Department's progress toward achieving the FY 2012 long-term outcome goals set forth in its FYs 2007-2012 Strategic Plan.

Section III – Financial Section: This section begins with a message from the Department's CFO and the OIG's Commentary and Summary. It also includes the reports of the Independent Auditors and the Department's consolidated financial statements and associated notes.

Section IV – Management Section: This section provides information on progress made during FY 2008 in each area of the President's Management Agenda. This section also outlines the Department's progress in terms of the OMB Program Assessment Rating Tool (PART) process. Lastly, this section includes the OIG-identified Top Management and Performance Challenges in the Department of Justice and Department management's response, along with the corrective action plans required by FMFIA for the internal control weaknesses.

Appendices: (A) the OIG Audit Division analysis and summary of actions necessary to close the FY 2008 annual financial statement audit report; (B) the Department's financial structure; (C) the Improper Payments Information Act reporting details; (D) the FY 2008 financial management status report and five-year plan summary; (E) a list of major program evaluations completed during FY 2008; (F) an intellectual property report; (G) a list of acronyms; and (H) a list of Department websites.

This report is available at http://www.usdoj.gov/ag/annualreports/pr2008/TableofContents.htm.

Compliance with Legislated Reporting Requirements

This report meets the following legislated reporting requirements:

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

Federal Managers' Financial Integrity Act of 1982 (FMFIA) – Requires a report on the status of management controls and the most serious management problems identified within the agency

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

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

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

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

Improper Payments Information Act of 2002 (IPIA) – Requires reporting on agency efforts to identify and reduce improper payments

Section I Management's Discussion and Analysis (Unaudited)

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

Mission

The mission of the Department of Justice, as reflected in its Strategic Plan for the fiscal years (FY) 2007-2012, is as follows:

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

In carrying out our mission, we are guided by the following core values:

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

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

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

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

Strategic Goals and Objectives

From our mission and core values stem the Department's strategic and annual planning processes. The Department embraces the concepts of performance-based management. At the heart of these concepts is the notion that improved performance is realized through greater focus on mission, agreement on goals and objectives, and timely reporting of results. In the Department, strategic planning is the first step in an iterative planning and implementation cycle. This cycle, which is the center of the Department's efforts to implement performance-based management, involves setting long-term goals and objectives, translating these goals and objectives into budgets and program plans, implementing programs, monitoring performance, and evaluating results. In this cycle, the Department's Strategic Plan provides the overarching framework for component and function-specific plans as well as annual performance plans, budgets, and reports. In FY 2007, the Attorney

General issued a revised Strategic Plan for FYs 2007-2012 (The Strategic Plan is available electronically on the Department's website at: http://www.usdoj.gov/jmd/mps/strategic2007-2012/index.html).

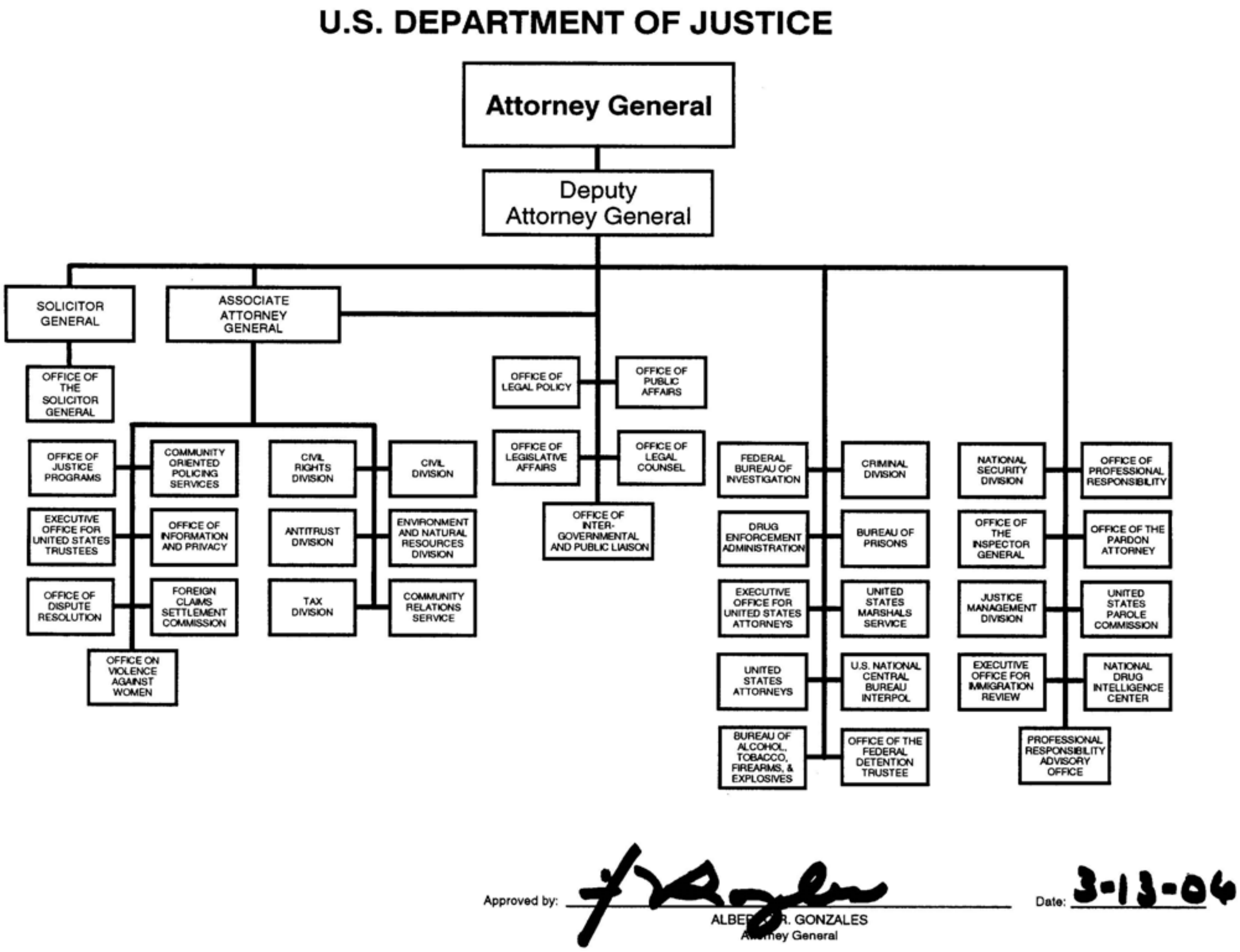
The table below provides an overview of the Department's strategic goals and objectives.

Strategic Goal		Strategic Objectives
I	Prevent Terrorism and Promote the Nation's Security	**1.1** Prevent, disrupt, and defeat terrorist operations before they occur **1.2** Strengthen partnerships to prevent, deter, and respond to terrorist incidents **1.3** Prosecute those who have committed, or intend to commit, terrorist acts in the United States **1.4** Combat espionage against the United States
II	Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People	**2.1** Strengthen partnerships for safer communities and enhance the Nation's capacity to prevent, solve, and control crime **2.2** Reduce the threat, incidence, and prevalence of violent crime **2.3** Prevent, suppress, and intervene in crimes against children **2.4** Reduce the threat, trafficking, use, and related violence of illegal drugs **2.5** Combat public and corporate corruption, fraud, economic crime, and cybercrime **2.6** Uphold the civil and Constitutional rights of all Americans **2.7** Vigorously enforce and represent the interests of the United States in all matters over which the Department has jurisdiction **2.8** Protect the integrity and ensure the effective operation of the Nation's bankruptcy system
III	Ensure the Fair and Efficient Administration of Justice	**3.1** Protect judges, witnesses, and other participants in federal proceedings, and ensure the appearance of criminal defendants for judicial proceedings or confinement **3.2** Ensure the apprehension of fugitives from justice **3.3** Provide for the safe, secure, and humane confinement of detained persons awaiting trial and/or sentencing and those in the custody of the Federal Prison System **3.4** Provide services and programs to facilitate inmates' successful reintegration into society, consistent with community expectations and standards **3.5** Adjudicate all immigration cases promptly and impartially in accordance with due process **3.6** Promote and strengthen innovative strategies in the administration of State and local justice systems **3.7** Uphold the rights and improve services to America's crime victims

Organizational and Financial Structure

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

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

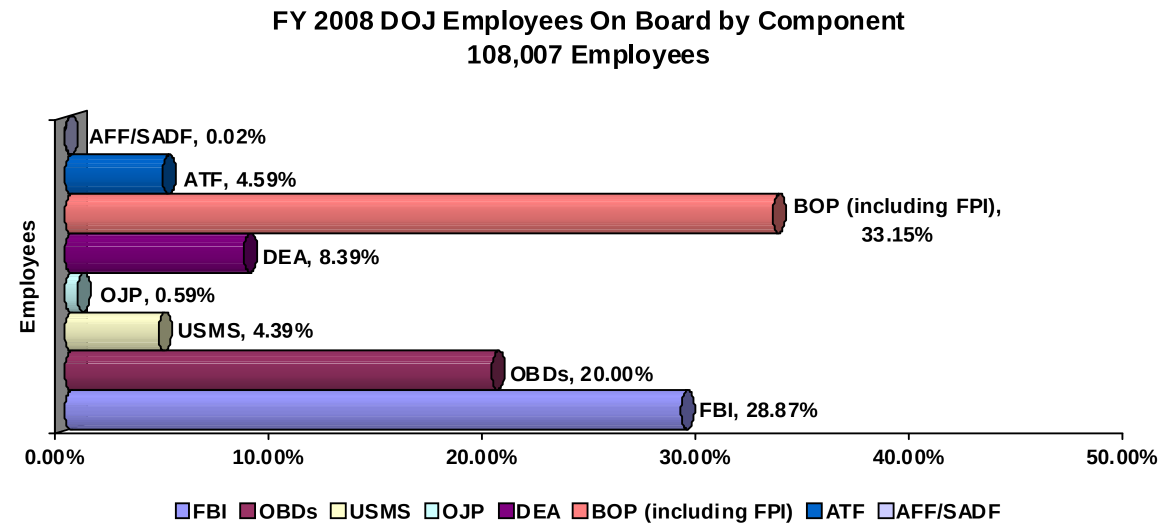


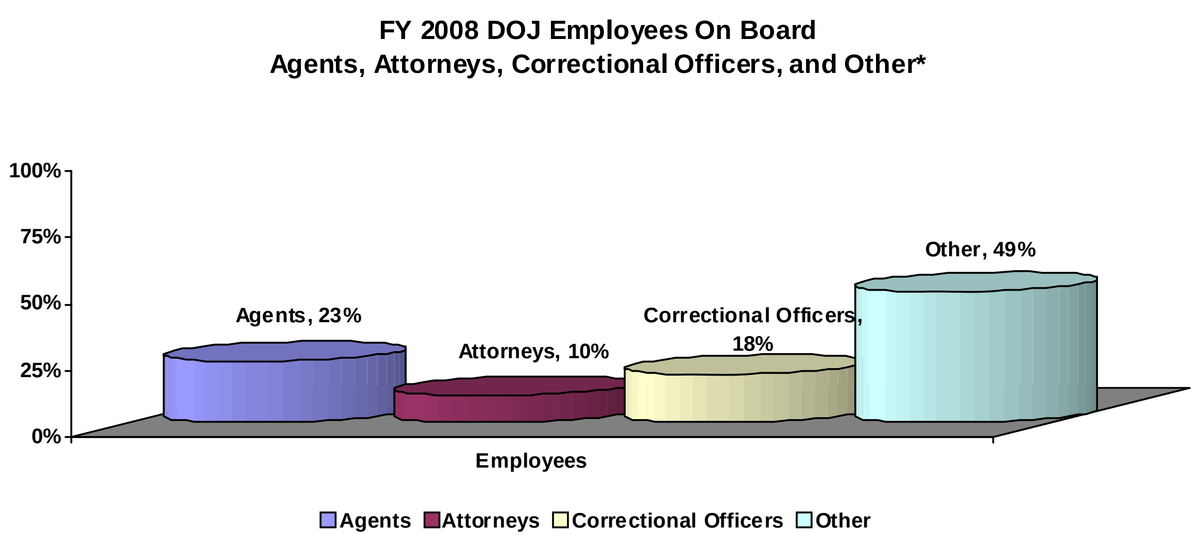
The Department's financial reporting structure is comprised of the following nine principal components:

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

FY 2008 Resource Information

The following pages provide summary-level resource and performance information regarding the Department's operations for FY 2008. The charts on this page reflect employees on board as of September 30, 2008.





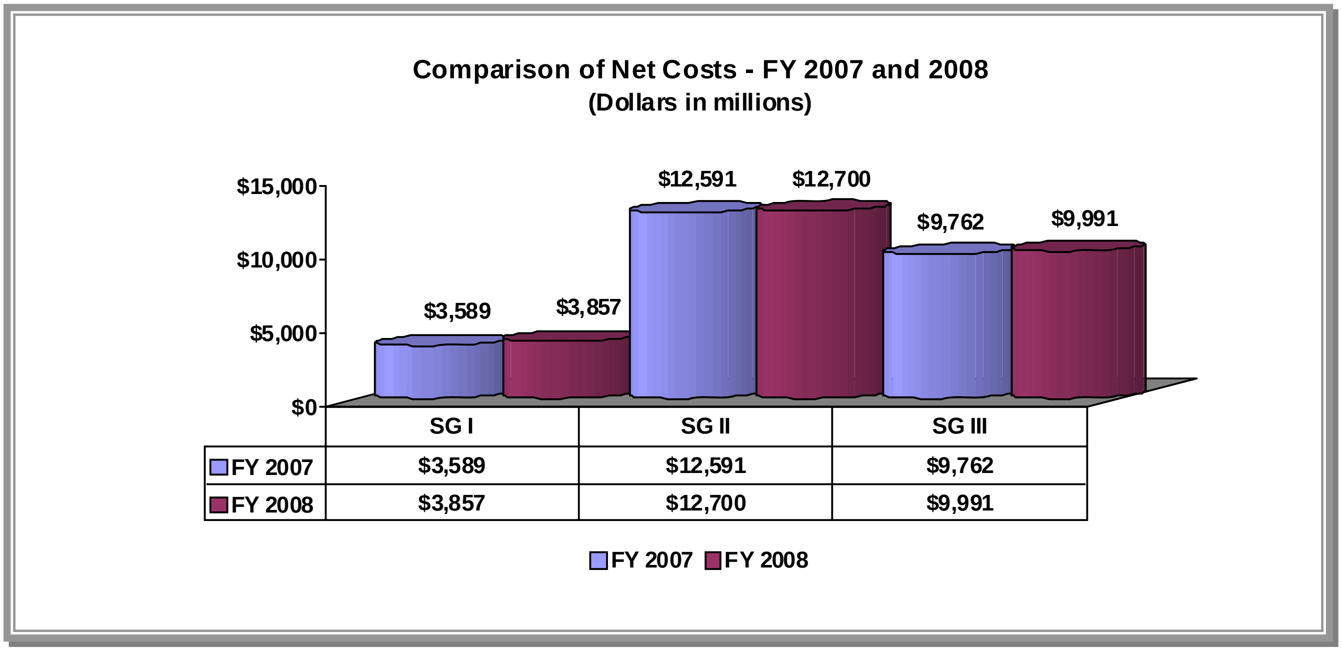
*"Other" includes pay class categories such as general administrative, clerical, analyst, information technology specialist, security specialist, legal services, and security specialist.

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

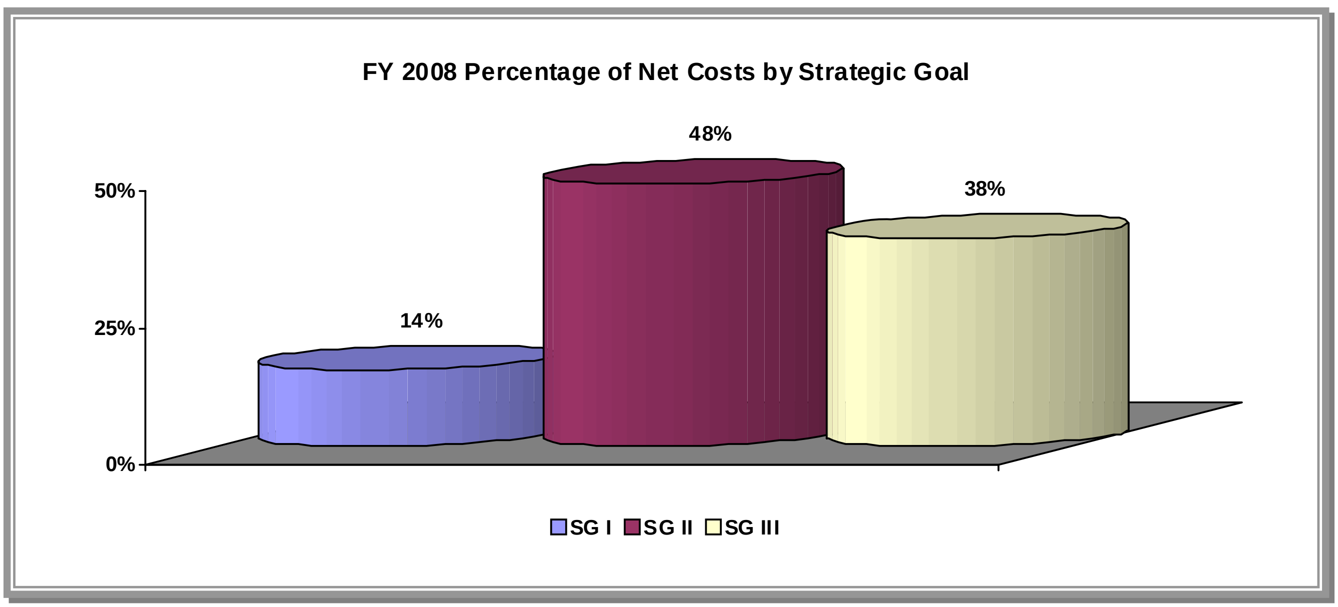
Source	FY 2008	FY 2007	% Change
Earned Revenue:	$3,020,230	$2,868,127	5.3%
Budgetary Financing Sources:			
Appropriations Received	24,080,707	23,278,824	3.4%
Appropriations Transferred In/Out	248,369	575,671	-56.9%
Nonexchange Revenues	981,803	1,132,312	-13.3%
Donations and Forfeitures of Cash and Cash Equivalents	1,222,643	1,409,015	-13.2%
Transfers In/Out Without Reimbursement	180,900	59,021	206.5%
Other Adjustments and Other Budgetary Financing Sources	(446,286)	(215,699)	-106.9%
Other Financing Sources:			
Donations and Forfeitures of Property	65,854	107,049	-38.5%
Transfers In/Out Without Reimbursement	(926)	(13,737)	93.3%
Imputed Financing from Costs Absorbed by Others	636,444	756,548	-15.9%
Total	**$29,989,738**	**$29,957,131**	0.1%

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

	Strategic Goal (SG)	FY 2008	FY 2007	% Change
I	Prevent Terrorism and Promote the Nation's Security			
	Gross Cost	$4,129,221	$3,843,184	
	Less: Earned Revenue	271,989	254,139	
	Net Cost	3,857,232	3,589,045	7.5%
II	Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People			
	Gross Cost	13,940,154	13,844,437	
	Less: Earned Revenue	1,239,832	1,253,871	
	Net Cost	12,700,322	12,590,566	0.9%
III	Ensure the Fair and Efficient Administration of Justice			
	Gross Cost	11,499,473	11,122,188	
	Less: Earned Revenue	1,508,409	1,360,117	
	Net Cost	9,991,064	9,762,071	2.3%
	Total Gross Cost	**29,568,848**	**28,809,809**	
	Less: Total Earned Revenue	**3,020,230**	**2,868,127**	
	Total Net Cost of Operations	**$26,548,618**	**$25,941,682**	**2.3%**



	SG I	SG II	SG III
FY 2007	$3,589	$12,591	$9,762
FY 2008	$3,857	$12,700	$9,991



Analysis of Financial Statements

The Department's financial statements, which appear in Section III of this document, received an unqualified audit opinion for fiscal years ended September 30, 2008 and 2007. These statements have been prepared from the accounting records of the Department in conformity with the accounting principles generally accepted in the United States and Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. These principles are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB).

The following provides highlights of the Department's financial position and results of operations in FY 2008. The complete set of financial statements, related notes, and the opinion of the Department's auditors can be found in Section III of this document.

Assets: The Department's Consolidated Balance Sheet as of September 30, 2008 shows $29.3 billion in total assets, a decrease of $113.2 million over the previous year's total assets of $29.5 billion. Fund Balance with U.S. Treasury was $15.6 billion, which represents 53 percent of total assets.

Liabilities: Total Department liabilities were $8.6 billion as of September 30, 2008, a decrease of $534.1 million from the previous year's total liabilities of $9.1 billion.

Net Cost of Operations: The Consolidated Statement of Net Cost presents the Department's gross and net cost by strategic goal. The net cost of Department operations totaled $26.5 billion for the year ended September 30, 2008, an increase of $606.9 million (2.3 percent) from the previous year's net cost of operations of $25.9 billion.

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

Strategic Goal	Description of Major Costs
I	Includes resources dedicated to counterterrorism initiatives for ATF, Criminal Division, DEA, FBI, NSD, USAs, and USMS
II	Includes resources for the AFF, ATF, BOP, COPS, CRS, DEA, FBI, Foreign Claims Settlement Commission (FCSC), Organized Crime Drug Enforcement Task Force (OCDETF) program , Office of Dispute Resolution (ODR), OJP, Office of Legal Counsel (OLC), Office of the Pardon Attorney (OPA), Office of the Solicitor General (OSG), OVW, USAs, USMS, U.S. National Central Bureau (USNCB), UST, and the Antitrust, Civil, Civil Rights, Criminal, Environment and Natural Resources, and Tax Divisions
III	Includes resources for BOP, EOIR, Fees and Expenses of Witnesses, FPI, OJP, Justice Prisoner Alien Transportation System, USMS, U.S. Parole Commission, and services to America's crime victims

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

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

Budgetary Resources: The Department's FY 2008 Combined Statement of Budgetary Resources shows $37.8 billion in total budgetary resources, an increase of $1.0 billion from the previous year's total budgetary resources of $36.8 billion.

Net Outlays: The Department's FY 2008 Combined Statement of Budgetary Resources shows $26.9 billion in net outlays, an increase of $3.3 billion from the previous year's total net outlays of $23.6 billion.

Data Reliability and Validity

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

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

Analysis of Performance Information

According to the Government Performance and Results Act (GPRA) of 1993, an agency's Strategic Plan must be updated and revised at least every three years and cover a period of not less than five years forward from the fiscal year in which it is submitted. In May 2006, the Department began revising its FY 2003-2008 Strategic Plan and reviewing its related long-term measurable outcome goals. In April 2007, the FY 2007-2012 Strategic Plan was approved by OMB and sent to Congress for review and approval. The final FY 2007-2012 Strategic Plan was made available to the public in July 2007.

The Department's FY 2007-2012 Strategic Plan condenses the Department's four-goal structure into three goals. Additionally, the Department established 25 key performance measures addressing its highest priorities toward achieving these long-term outcome goals. The measures are included in the Department's annual *Budget and Performance Summary* and reported on in this document. The Department's full Performance Report for these measures, including an update on our progress toward meeting our FY 2012 long-term outcome goals, is included in Section II of this document.

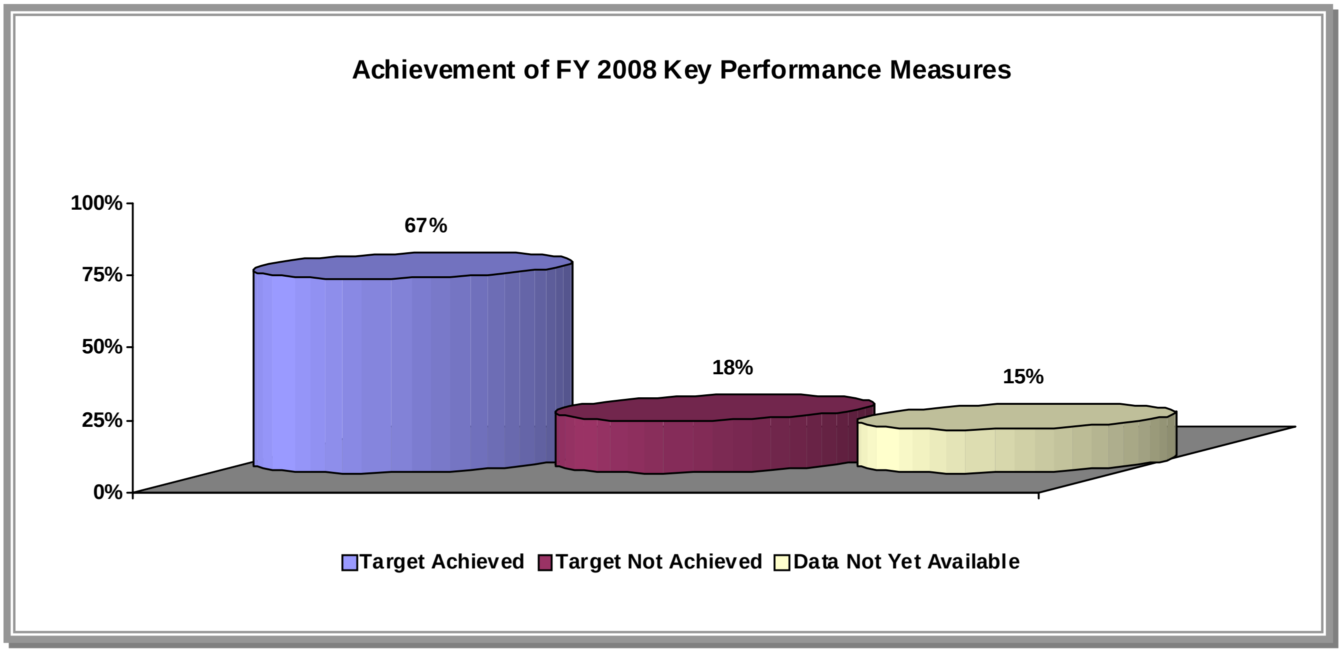
During FY 2008, Departmental leadership continued to display a clear commitment to performance management through the reliance on formal quarterly status reviews. Additionally, Departmental components have worked to improve the quality and timeliness of financial and performance information that inform quarterly status reporting and operating plans.

The Department achieved 67 percent of its key indicators in FY 2008, which is slightly lower than last year's overall success. However, this percentage may be higher as additional FY 2008 data become available; i.e., data for 15 percent of the key performance measures are on a calendar year reporting schedule or are subject to necessary data validation prior to release. Much of the Department's success can be attributed to increased emphasis on long-term and annual performance measure development due to OMB's Program Assessment Rating Tool (PART), placement of key performance indicators on cascading employee work plans beginning in December 2004, and the Department-wide quarterly status reporting implemented in the second quarter of FY 2005.

The Department achieved or surpassed 67 percent of its FY 2008 performance targets and maintained or surpassed its FY 2007 performance in 52 percent of the key performance measures. Performance improvements are still needed in areas where planned performance was not achieved. Knowing that focusing on mission, agreeing on goals, and reporting results are the keys to improved performance, the Department will continue to examine its performance management system overall and implement improvements, where necessary. Additional improvement areas include continuing to improve the quality and utility of performance information, developing the capacity to use performance information through the use of technology and reliable data systems, and continuing to work with OMB and other federal agencies to develop mechanisms to target and measure efficiency of law enforcement and regulatory programs.

In addition to its annual progress, the Department will continue to monitor progress made against its FY 2012 long-term performance goals for each of the 25 key performance measures. As of the close of FY 2008, 94 percent of the Department's long-term key measures are on-track for full achievement against FY 2012 targets. There are still four full years of performance remaining until the Department reports against planned progress, and a number of mechanisms are in place to ensure that the current progress is maintained, including quarterly status reporting, performance-informed budget submissions to request necessary/additional resources, and the OMB's PART to assist in making any serious deficiencies known to Departmental leadership so they can be corrected and remedied.

The chart below and the table that follows summarizes the Department's achievement of its FY 2008 key performance measures.



Note: The Department of Justice has 25 key performance measures. Some measures have more than one annual target; therefore, for purposes of illustrating the Department's achievement rate in the chart above, a universe of 33 instead of 25 was used.

[ ] Designates the reporting entity	**FY 2008 Target**	**FY 2008 Actual**	**Target Achieved/ Not Achieved**
Strategic Goal I: Prevent Terrorism and Promote the Nation's Security			
Terrorist acts committed by foreign nationals against U.S. interests within U.S. borders **[FBI]**	Zero	Zero	Achieved
Catastrophic acts of domestic terrorism **[FBI]**	Zero	Zero	Achieved
Strategic Goal II: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People			
Number of organized criminal enterprises dismantled **[FBI]**	34	34	Achieved
Number of child pornography websites or web hosts shut down **[FBI]**	1,000	1,525	Achieved
Percentage of firearms investigations resulting in a referral for criminal prosecutions **[ATF]**	58%	60%	Achieved
DOJ's reduction in the supply of illegal drugs available for consumption in the U.S. **[ADAG/Drugs]**	Progress towards establishing baseline[1]	TBD	TBD
[1] *Measuring reduction in the illegal drug supply is a complex process reflective of a number of factors outside the control of drug enforcement. Moreover, the impact of enforcement efforts on the illegal drug supply and the estimated availability are currently not measurable in a single year. However, the Department is intent on achieving an interim goal of setting a baseline by the close of FY 2009. Once the baseline is set, the Department intends to achieve a 6 percent total reduction in the supply of illegal drugs available for consumption in the United States over the next three years.*			
Consolidated Priority Organizations Target (CPOT)-linked drug trafficking organizations **[DEA, FBI (Consolidated data - ADAG/Drugs)]**			
Dismantled	115	102	Not Achieved[2]
[2] *The FY 2008 targets were very ambitious. Even though the Department experienced resource reductions for the OCDETF program in FY 2008, it was still able to achieve 102 dismantlements, a 19 percent increase over the 86 dismantlements in FY 2007. This achievement fell only 13 dismantlements (or 11 percent) short of the Department's ambitious goal.*			

[ ] Designates the reporting entity	FY 2008 Target	FY 2008 Actual	Target Achieved/ Not Achieved
Disrupted	220	293	Achieved
Number of high-impact Internet fraud targets neutralized **[FBI]**	11	11	Achieved
Number of criminal enterprises engaging in white-collar crimes dismantled **[FBI]**	150	194	Achieved
Percent of cases favorably resolved: [**ENRD, ATR, CRM, USA, TAX, CIV, CRT (Consolidated data - JMD/Budget Staff)]**			
Criminal Cases	90%	92%	Achieved
Civil Cases	80%	79%	Not Achieved[3]
[3] *The target for civil cases favorably resolved was missed. In Spring 2008, after it was announced that defendants who were convicted of Title 21 violations involving cocaine base or crack could be resentenced, the USAOs received a deluge of motions requesting that a resentencing hearing be held. The Department tracks these resentencing hearings through civil Legal Information Online Network Systems (LIONS). Based on the limited disposition choices available in LIONS, if a defendant's motion for resentencing was denied, or if at a defendant's resentencing hearing, the defendant was given the same sentence that was previously imposed, that case was placed in a Judgment for the United States category. However, if a defendant's motion for resentencing was granted and the defendant's sentence was decreased in any way, the case was tracked as a Judgment against the United States. Departmental records indicate that civil case terminations are up approximately 30.5 percent and that this number is largely due to crack resentencings. In conclusion, the crack resentencings have significantly skewed the numbers, making it numerically appear that there is a drop off in "favorably resolved" cases, when, in fact, the change in numbers actually reflects decreases in crack sentences and not changes in judgments for or against the United States.*			
Percent of assets/funds returned to creditors: **[USTP]**			
Chapter 7	58%	TBD[4]	TBD
Chapter 13	86%	TBD[4]	TBD
[4] *Data lags one year due to the requirement to audit data submitted by U.S. Trustees prior to reporting. (FY 2007 target -- Chapter 7: 56%; FY 2007 actual -- Chapter 7: 61%) (FY 2007 target -- Chapter 13: 84%; FY 2007 actual -- Chapter 13: 86%)*			
Homicides per site (funded under the Weed and Seed program) **[OJP]**	3.9	TBD[5]	TBD
[5] *Data are collected on a calendar year basis and reported with a one year lag. (CY 2007 target -- 4.1 homicides per site; CY 2007 actual –3.5 homicides per site)*			
Percent reduction in DNA backlog (casework only) **[OJP]**	26%	45%	Achieved
Percent of children recovered within 72 hours of an issuance of an AMBER alert **[OJP]**	75.0% or greater	81.9 %	Achieved
Strategic Goal III: Ensure the Fair and Efficient Administration of Justice			
Number of participants in the Residential Substance Abuse Treatment (RSAT) Program **[OJP]**	20,000	TBD[6]	TBD
[6] *Data are collected on a calendar year basis and reported with a one year lag. (CY 2007 target -- 20,000; CY 2007 actual – 26,991)*			
Graduation rate of program participants in the Drug Courts program (adult drug court participants only) **[OJP]**	24%	12%	Not Achieved[7]
[7] *The pool of program participants has increased by more than the pool of participants eligible for graduation, which has affected the graduation rate.*			
Ensure judicial proceedings are not interrupted due to inadequate security **[USMS]**	Zero	1	Not Achieved[8]
[8] *The Department was unable to meet its FY 2008 target of zero interrupted judicial proceedings due to inadequate security because of one courtroom incident. During this incident, a prisoner was being escorted to stand in front of the presiding judge. Before arriving in front of the judge, the prisoner lunged at the prosecuting attorney, attempting to choke her and forcefully knocking her to the ground. The Deputy U.S. Marshal made numerous strikes with an expandable baton to the prisoner's torso before placing a baton over the prisoner's throat and applying the minimum force necessary to cause the prisoner to break his hold. This move controlled the prisoner long enough to restrain him in handcuffs. At no time during the incident was the judge or the public in danger.*			
Total primary fugitives apprehended or cleared **[USMS]**			
Number	32,370	34,393	Achieved
Percent	54%	55%	Achieved
Per day jail costs **[OFDT]**	$65.62	$67.47	Not Achieved[9]
[9] *The target was not met due to several factors. Federal bed-space was not utilized as projected due to BOP reduction in available capacity. This resulted in using IGA bed-space at a higher cost. In addition, Operation Streamline did not generate the increase in ADP in specific locations and for the durations expected. This prevented OFDT from realizing the economies of scale factored for certain contracts. During FY 2009, OFDT will continue efforts to strengthen communication with our federal partners as they execute enforcement initiatives to stay abreast of impacts to detention as-well-as capitalize on maximum usage of federal beds to the extent possible.*			

[ ] Designates the reporting entity	**FY 2008 Target**	**FY 2008 Actual**	**Target Achieved/ Not Achieved**
Percent of system-wide crowding in federal prisons **[BOP]**	39%	36%	Achieved
Ensure zero escapes from secure BOP facilities **[BOP]**	Zero	Zero	Achieved
Comparative recidivism for Federal Prison Industries (FPI) inmates versus non-FPI inmates **[FPI / BOP provides data]**			
Percentage less likely to recidivate: 3 years after release	15%	34%	Achieved
6 years after release	10%	42%	Achieved
Rate of serious assaults In federal prisons (per 5,000 Inmates) **[BOP]**	14/5,000 Assaults/Inmates	12/5,000 Assaults/Inmates	Achieved
Inspection results—Percent of federal facilities with American Correctional Association (ACA) accreditations **[BOP]**	99%	100%	Achieved
Percent of Executive Office for Immigration Review (EOIR) priority cases completed within established timeframes **[EOIR]**			
Asylum	90%	86%	Not Achieved[10]
10 The target was missed due to the high number of immigration judge vacancies as well as the great progress the courts made in the agency's initiative to complete the oldest pending cases. In the coming year, EOIR intends to fill immigration judge vacancies, which will allow for more cases, especially complex asylum cases, to be completed in a timely manner.			
Institutional Hearing Program	90%	91%	Achieved
Detained Cases	90%	90%	Achieved
Detained Appeals	90%	96%	Achieved

TBD – Data are not available at this time, however, the discussion below the measure advises when data will be available.

President's Management Agenda: Summary of Implementation Efforts for FY 2008

In an effort to make government more citizen-centered and results-oriented, the OMB established the President's Management Agenda (PMA) in 2001, which heralded a strategy for improving the management of the federal government. The Department recognizes the importance of the PMA and, together with two additional initiatives specific to the Department, follows the PMA criteria to strengthen its management practices, increase transparency and accountability, and improve program performance.

In FY 2001, the OMB established criteria for determining if an agency was making progress in implementing the objectives outlined within the PMA. The OMB grades agency progress and provides status reports using a green, yellow, red grading system. A score of green identifies an agency as meeting all standards of success for a goal. A yellow score identifies an agency as achieving an intermediate level of performance for all criteria within a goal. The final rating of red defines an agency as having one or more weaknesses. The chart below provides the "overall status" regarding the Department's cumulative progress in meeting each of the objectives, as well as the "progress status" reflecting the Department's incremental progress as of September 30, 2008.

President's Management Agenda	Overall Status*	Progress Status	Overall Status Compared to FY 2007
Strategic Management of Human Capital	▼	●	⇩
Commercial Services Management**	●	●	⇔
Improved Financial Performance	▼	▼	⇧
Expanded Electronic Government	▼	▼	⇔
Performance Improvement Initiative	●	●	⇔
Faith-Based and Community Initiative	●	●	⇔
Real Property Asset Management Initiative	●	●	⇔

Legend: ● = Green; ▼ = Yellow; ⬣ = Red

*As of September 30, 2008
** Formerly, "Competitive Sourcing"

During FY 2008, although the Department dropped in Overall status in the Strategic Management of Human Capital initiative, the Department made significant progress in achieving the annual goals and long-term criteria outlined under the PMA. For example, the Department improved from "red" to "yellow" rating in the area of Improved Financial Performance due in part by receiving a clean audit opinion since FY 2005, possessing no chronic and significant Anti-Deficiency Act violations and having no material non-compliances with laws or regulations. Additionally, the Department maintained "green" in the Commercial Services Management, Performance Improvement, and Faith-based and Community and Real Property Asset Management Initiatives.

Additionally, the Department continued to create and retain a capable workforce; hold organizations and programs accountable by aligning budgets and performance; make decisions based on timely, sound financial information; expand technology to better serve the public; and manage our resources in ways that best serve the taxpayer. A full report outlining the FY 2008 progress under each PMA initiative is included in Section IV of this document.

Analysis of Systems, Controls, and Legal Compliance

Internal Control Program in the Department of Justice

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

The Department's internal control continues to improve through the corrective actions implemented by senior management. The Department's commitment to management excellence, accountability, and compliance with applicable laws and regulations shows in our efforts to establish reasonable controls, make sound determinations on corrective actions, and verify and validate the results. This commitment is further evidenced by the many control improvements and actions taken by Departmental leadership in response to the PMA, OMB initiatives, and OIG recommendations. For example, during FY 2008, Departmental management continued efforts to further strengthen and maximize the effectiveness of the Department's assessment of internal control over financial reporting, which is required by OMB Circular A-123, Appendix A. Examples of such efforts include:

- refining the framework and process for assessing internal control over financial reporting,
- enhancing the oversight process to ensure prompt and proper implementation of corrective actions,
- providing direct assistance to components with previously identified material weaknesses and reportable conditions, and
- continuing to support and commit resources to Departmental component internal review programs.

Details on additional actions taken by Departmental leadership to build and sustain a strong internal control program are included later in this section.

Management Assurances

Federal Managers' Financial Integrity Act of 1982

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

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

FMFIA Assurance Statement

Department of Justice management is responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of FMFIA. In accordance with OMB Circular A-123, the Department conducted its annual assessment of the effectiveness of internal controls to support effective and efficient programmatic operations and compliance with applicable laws and regulations (FMFIA § 2) and whether financial management systems conform to government-wide requirements (FMFIA § 4). Based on the results of the assessment for the period ending September 30, 2008, I provide qualified assurance that the Department met the objectives of FMFIA. The assessment did not identify any systems non-conformances required to be reported under FMFIA § 4; however, the assessment identified two programmatic material weaknesses required to be reported under FMFIA § 2. These weaknesses involve the need to reduce the Bureau of Prisons (BOP) crowding rate, currently at 36 percent over the rated capacity, and the Federal Bureau of Investigation's (FBI) past issues with the use of National Security Letters. Details of the exceptions are provided in the section S*ummary of Material Weaknesses and Corrective Actions*. Other than the exceptions noted, the internal controls were operating effectively, and no other material weaknesses were found in the design or operation of the controls.

In accordance with Appendix A of OMB Circular A-123, the Department conducted its assessment of the effectiveness of internal control over financial reporting, which included the safeguarding of assets and compliance with applicable laws and regulations. Based on the results of this assessment for the period ending June 30, 2008, I provide reasonable assurance that the Department's internal control over financial reporting was operating effectively, and no material weaknesses were found in the design or operation of the controls.

The Department of Justice is committed to strong program and fiscal management as we continue our mission of fighting terrorism and crime. We are dedicated to further improving the Department's internal controls and look forward to continued progress in this important area.

Michael B. Mukasey
Attorney General
November 12, 2008

Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act of 1996 (FFMIA) was designed to improve federal financial and program managers' accountability, provide better information for decision-making, and improve the efficiency and effectiveness of federal programs. FFMIA requires agencies to have financial management systems that substantially comply with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Standard General Ledger (USSGL) at the transaction level. Furthermore, the Act requires independent auditors to report on agency compliance with the three requirements in the financial statement audit report. The Federal Information Security Management Act (FISMA) states that to be substantially compliant with FFMIA, there are to be no significant deficiencies in information security policies, procedures, or practices.

FFMIA Compliance Determination

During FY 2008, the Department assessed its financial management systems for compliance with FFMIA and determined that, when taken as a whole, they substantially comply with FFMIA. This determination is based on the results of FISMA reviews and testing performed for OMB Circular A-123, Appendix A. Consideration was also given to issues identified during the Department's financial statement audit.

Summary of the Department's Financial Statement Audit and Management Assurances

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

Table 3. Summary of Financial Statement Audit

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

Table 4. Summary of Management Assurances

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

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

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

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

Summary of Material Weaknesses and Corrective Actions

A summary of the two material weaknesses identified in the Department's FY 2008 assessment of the effectiveness of internal control over programmatic operations (FMFIA § 2) follows, along with details regarding corrective actions. The associated Corrective Action Plans are available in Section IV of this document.

Programmatic Material Weakness and Corrective Actions – Prison Crowding

As of September 30, 2008, the BOP crowding rate at facilities housing federal inmates was 36 percent over the rated capacity. The BOP continues to manage the growing federal inmate population by contracting with the private sector and using State and local facilities for certain groups of low-security inmates, expanding existing institutions (where programmatically appropriate and cost effective to do so), and building new facilities. Effective use of these approaches will allow the BOP to keep pace with the growing inmate population, thereby ensuring safe and secure operations in facilities housing federal inmates.

To address this material weakness, the BOP will continue to increase the number of federal inmate beds to keep pace with projected increases in the inmate population. A formal corrective action plan has been developed to meet targeted goals that includes expanding existing institutions, acquiring surplus properties for conversion to correctional facilities, constructing new institutions, utilizing contract facilities, and exploring alternative options of confinement for appropriate cases. The BOP plans to validate progress on construction projects at new and existing facilities through on-site inspections or by reviewing monthly construction progress reports.

Programmatic Material Weakness and Corrective Actions – Federal Bureau of Investigation Use of National Security Letters

In March 2007, the Department of Justice OIG reported that the FBI's use of national security letters (NSL) has grown and shifted in focus since the enactment of the Patriot Act in October 2001. While the NSL remains a critical investigative tool, the OIG found significant weaknesses in the FBI's administration of the program. For example, weaknesses were reported involving the completeness and accuracy of the electronic database used for tracking NSL usage, consistent retention of signed copies of NSLs, and the lack of clear guidance on applying Attorney General Guidelines requirements for the use of NSLs.

To address this material weakness, the FBI has implemented many of the OIG recommendations and is in the process of completing additional corrective actions. An OIG follow-up report issued in March 2008 stated that the FBI and Department have made significant progress in implementing the recommendations in the initial OIG report. Improvements include strengthening the controls and automated workflow governing the request, review, and approval of NSLs; field office monthly reconciliations of NSL usage; and the database used for tracking NSL usage. The FBI has issued additional guidance to field offices to assist in identifying possible violations related to NSL use and continues to dedicate personnel and resources to fully remediate the findings reported by the OIG.

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

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

Restructuring the Intelligence Community

- In June 2005, in response to the recommendations presented by the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, the President directed the Department to create a National Security Division (NSD) within the Department. In addition, the FBI established the Directorate of Intelligence and is expanding its core of intelligence analysts. On March 9, 2006, President George W. Bush announced the new position of Assistant Attorney General for NSD in the Department. The new Division consolidates the resources of the Office of Intelligence Policy and Review and the Criminal Division's Counterterrorism and Counterespionage Sections in order to strengthen the Department's core national security functions. These organizational changes reinforce the Department's efforts to prevent terrorism and other threats to national security. The NSD improves coordination against terrorism within the Department of Justice, the Central Intelligence Agency, the Department of Defense, and other intelligence community agencies. The NSD became operational on September 28, 2006.

Technology

- Advances in high-speed telecommunications, computers and other technologies are creating new opportunities for criminals, new classes of crimes, and new challenges for law enforcement.

Economy

- Possible increases in consumer debt or shortage of commercial credit may affect personal and business bankruptcy filings.
- Economic growth and contraction, as well as globalization, are changing the volume and nature of anti-competitive behavior.
- The interconnected nature of the world's economy is increasing opportunities for criminal activity, including money laundering, white-collar crime, and alien smuggling.

Government

- Changes in the fiscal posture or policies of State and local governments could have significant effects on the capacity of State and local governments to remain effective law enforcement partners.

Globalization

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

Social-Demographic

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

The Unpredictable

- The Global War on Terrorism requires continual adjustments to new conditions. The Department is determined to proactively confront new challenges in its effort to protect the Nation.

- Responses to unanticipated natural disasters and their aftermath require the Department to divert resources in an effort to deter, investigate and prosecute disaster-related federal crimes, such as charity fraud, insurance fraud and other crimes.
- Changes in federal laws may affect responsibilities and workload.
- Much of the litigation caseload is defensive. The Department has little control over the number, size and complexity of the civil lawsuits they must defend.

Limitations of the Financial Statements

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

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

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

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Section II

Performance Section – FY 2008 Performance Report (Unaudited)

Overview

This section of the document presents to the President, the Congress, and the public a clear picture of how the Department of Justice (DOJ or the Department) is working toward accomplishing its mission. The Performance Report provides a summary discussion of the Department's three strategic goals. It also reports on the 25 key performance measures for these goals by detailing program objectives and FY 2008 targets and actual performance, as well as whether targets were or were not achieved. Each key performance measure also includes information related to data collection and storage, data validation and verification, and data limitations. In addition, this section includes information regarding the Department's progress toward achieving the FY 2012 long-term outcome goals set forth in its FYs 2007-2012 Strategic Plan.

At the Department, performance planning and reporting is companion to the budget process. We recognize that performance information is vital to making resource allocation decisions and should be an integral part of the budget. Our budget and performance integration efforts have included a full budgetary restructuring of all of the Department's accounts to better align strategic goals and objectives with resources. In addition, the Department provides detailed component-specific annual performance plans within individual budget submissions, which also serve as the Department's annual performance plan.

In FY 2008, the Department continued to demonstrate clear management commitment to timely and accurate financial and budget information through the use of Department-wide quarterly status reporting. As the Department continues to develop its capacity to gather and use performance information, we will continue to communicate performance information. Quarterly status reporting has provided the Department the ability to identify problems early, take necessary corrective actions, develop more effective strategies, and allocate necessary resources.

Measuring Departmental Impact

Throughout FY 2008, the Department continued to improve its key performance measures and track the progress of our long-term performance goals. Our long-term performance goals reflect results, not just workload or processes. For example, we have focused law enforcement efforts on disrupting and dismantling targeted criminal groups, such as major drug trafficking organizations. In areas such as litigation, where results-oriented measurement is particularly difficult, we continue to reevaluate our long-term targets to ensure that we are being aggressive enough in our goals for case resolutions for all of our litigating divisions. Many of our long-term measures developed in 2003 were approved during subsequent Program Assessment Rating Tool (PART) evaluations and approved by the Office of Management and Budget (OMB) as being viable long-term performance measures for the Department's programmatic efforts.

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

Measure Refinement, Data Revisions, and Subsequent Year Reporting

At the Department of Justice, we strive to present the highest-level outcome-oriented measures available and fully report the accomplishments achieved during the reporting period. However, data for the 25 key measures are compiled less than 30 days after the end of the fiscal year and, occasionally, data for an entire year are not available at the time of publication. In the pages that follow, data reported in the Department's *FY 2007 Performance and Accountability Report* that have since been revised/updated are reported as *FY 2007 Revised Actual*, where appropriate. Also, the Department is unable to report on a limited number of performance measures due to calendar year reporting or other limitations. In those instances, performance for those measures will be reported in the subsequent year's Performance and Accountability Report. For example, for performance that occurred in FY 2007, but was not available for reporting as of the publication of the *FY 2007 Performance and Accountability Report* due to calendar year reporting or other limitations, data are reported for the first time in the pages that follow.

As described in Section I, the Department has issued its Strategic Plan for FYs 2007-2012. The Department's Strategic Plan key performance measures fully align to current priorities and goals. Just as in the past, long-term outcome goals will be targeted in the Department's annual *Budget and Performance Summary* and reported each year in this report.

I

STRATEGIC GOAL 1: Prevent Terrorism and Promote the Nation's Security

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

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

FY 2012 Outcome Goal: No terrorist acts committed by foreign nationals within U.S. borders
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: The FBI is committed to stopping terrorism at any stage, from thwarting those intending to conduct an act of terrorism to investigating the financiers of terrorist operations. All Counterterrorism (CT) investigations are managed at FBI Headquarters, thereby employing and enhancing a national perspective that focuses on the strategy of creating an inhospitable environment for terrorists.

As the law enforcement component with primary responsibility for the Nation's CT efforts, the FBI must be cognizant of all dimensions of the threats facing the Nation and address them with new and innovative investigative and operational strategies. The FBI must be able to effectively respond to the challenges posed by unconventional terrorist methods, such as the use of chemical, biological, radiological, explosive, and nuclear materials. When terrorist acts do occur, the FBI must rapidly identify, locate, and apprehend responsible parties. As part of its CT mission, the FBI will continue to combat terrorism by investigating those persons and countries that finance terrorist acts.

Under the leadership of Director Mueller, the FBI has moved aggressively to implement a comprehensive plan that has fundamentally transformed the FBI. Director Mueller has overhauled the FBI's CT operations, expanded its intelligence capabilities, modernized its business practices and technology, and improved coordination with its partners. The FBI is no longer focused solely on investigating terrorist crimes after they occur; it is dedicated to disrupting terrorist plots before they are executed.

The FBI has also established strong working relationships with other members of the Intelligence Community (IC). From the FBI Director's daily meetings with other IC executives, to regular exchange of personnel among agencies, to joint efforts in specific investigations and in the National Counterterrorism Center, the Terrorist Screening Center, and other multi-agency entities, the FBI and its partners in the IC are now integrated at virtually every level of operation.

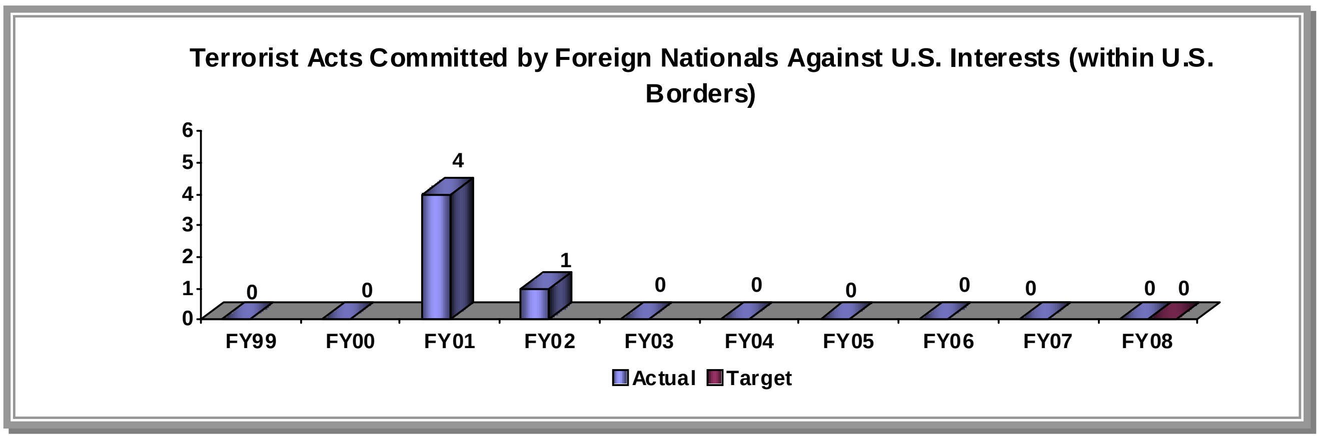
Finally, to develop a comprehensive intelligence base, the FBI will employ its Model Counterterrorism Investigative Strategy focusing each terrorist case on intelligence, specifically on identification of terrorist training, fundraising, recruiting, logistical support, and pre-attack planning.

***Performance Measure*:** Terrorist Acts Committed by Foreign Nationals Against U.S. Interests (within U.S. Borders)

FY 2008 Target: 0
FY 2008 Actual: 0

Discussion of FY 2008 Results: No incidents of this kind occurred during FY 2008. One notable arrest of an international terrorism subject identified by the FBI occurred in Afghanistan on July 17, 2008. Ghazni Province Afghanistan National Police personnel discovered a Pakistani woman, later identified as FBI Boston subject Aafia Siddiqui, and a teenage boy loitering and acting suspicious in the vicinity of the Ghazni governor's compound in Afghanistan. Siddiqui was taken into custody for "loitering and acting suspicious." A search of her personal items revealed a purse containing numerous documents, to include the creation of explosives, chemical weapons use, targeting of U.S. military assets, excerpts from the Anarchist's Arsenal, and a one gigabyte thumb drive with additional related material. Siddiqui also had unknown chemical materials, later identified as sodium cyanide, sealed in containers in her purse. On July 18, 2008, Siddiqui had to be subdued after grabbing and firing an unattended weapon at U.S. personnel who came to meet with her in custody.

Siddiqui was subsequently identified in custodial interviews in Pakistan as an operative of al-Qa'ida. Siddiqui is now charged in a criminal complaint filed in the Southern District of New York with one count of attempting to kill U.S. officers and employees and one count of assaulting U.S. officers and employees. If convicted, Siddiqui faces a maximum sentence of 20 years in prison on each charge.



Data Definition: Terrorist acts, domestic or internationally-based, count separate incidents that involve the "unlawful use of force and violence against persons or property to intimidate or coerce a government, the civilian population, or any segment thereof, in furtherance of political or social objectives." (28 C.F.R. Section 0.85). For the purposes of this measure, the FBI defines a terrorist act as an attack against a single target (e.g., a building or physical structure, an aircraft, etc.). Acts against single targets are counted as separate acts, even if they are coordinated to have simultaneous impact. For example, each of the September 11, 2001 acts (North Tower of the World Trade Center (WTC), South Tower of the WTC, the Pentagon, and the Pennsylvania crash site) could have occurred independently of each other and still have been a significant terrorist act in and of themselves. The FBI uses the term terrorist incident to describe the overall concerted terrorist attack. A terrorist incident may consist of multiple terrorist acts. The September 11, 2001 attacks, therefore, are counted as four terrorist acts and one terrorist incident.

Data Collection and Storage: The reported numbers were compiled through the expert knowledge of FBI CT senior management at headquarters.

Data Validation and Verification: See above.

Data Limitations: The decision to count or discount an incident as a terrorist act, according to the above definition, is subject to change based upon the latest available intelligence information and the opinion of program managers. In addition, acts of terrorism, by their nature, are impossible to reduce to uniform, reliable measures. A single defined act of terrorism could range from a small-scale explosion that causes property damage to the use of a weapon of mass destruction that causes thousands of deaths and massive property damage and has a profound effect on national morale.

FY 2012 Outcome Goal: No catastrophic acts of domestic terrorisms
FY 2008 Progress: The Department is on target to achieve this long-term goal.

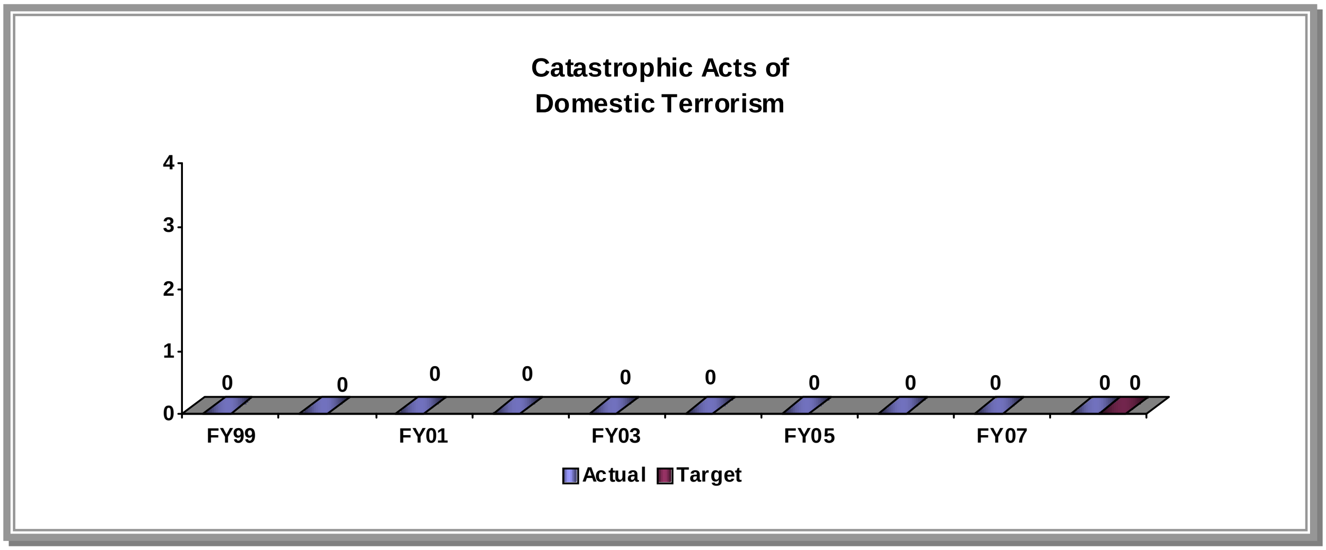
***Performance Measure*:** Catastrophic Acts of Domestic Terrorism
FY 2008 Target: 0
FY 2008 Actual: 0

Discussion of FY 2008 Results: No incidents of this kind occurred during FY 2008. Notable cases that occurred during the past year:

- In June 2008, Edward Wahler, Kathy Wahler, Richard Turner and Lewis Hughes were indicted for mail fraud, bank fraud, aiding and abetting, and conspiracy. The subjects are extremist members of the sovereign citizen organization identified as the Patriot Network, which includes a group of individuals who conspire to file fictitious obligations with financial institutions and other creditors in an attempt to eliminate personal mortgages and other debts.

- In July 2008, Katherine Christianson, Aaron Ellringer, and Brian Rivera were arrested for the vandalism of the U.S. Forestry Service (USFS) facility in Rhinelander, Wisconsin. During the evening of July 20, 2000, over 500 research trees were destroyed and significant damage was caused to seven vehicles at a research station operated by the USFS Laboratory. The attack resulted in over $1 million in damage, and set back research 10 to 15 years. The incident was claimed by the Earth Liberation Front (ELF).

- In 2008, Briana Waters was sentenced to 72 months incarceration and $6 million in restitution; Jennifer L. Kolar was sentenced to 60 months incarceration, $7 million in restitution, and five years of supervised release; and Lacey Phillabaum was sentenced to 36 months incarceration, $6 million in restitution, and three years of supervised release on various charges for their role in the May 21, 2001 arson of the University of Washington, Center for Urban Horticulture. The arson, committed by the subjects and members of the Animal Rights/Eco-Terrorism cell known as "The Family," resulted in $3 million to $5 million in damages. The group believed, mistakenly, that a researcher was genetically modifying poplar trees.



Data Definition: See above measure, "Terrorist Acts Committed by Foreign Nationals against U.S. Interests (within U.S. Borders)." For the purposes of this performance measure, a catastrophic domestic terrorist act is defined as an act resulting in significant loss of life and/or significant property damage (e.g., the attack on the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma on April 19, 1995).

Data Collection and Storage, Validation and Verification, and Limitations: See measure above.

II STRATEGIC GOAL 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People

48% of the Department's Net Costs support this Goal.

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

FY 2012 Outcome Goal: Dismantle a cumulative total of 212 organized criminal enterprises (FY 2007-2012)
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: Investigative subprograms that focus on criminal enterprises involved in sustained racketeering activities and that are mainly comprised of ethnic groups with ties to Asia, Africa, Middle East, and Europe are consolidated into the Organized Criminal Enterprise Program. Organized criminal enterprise investigations, through the use of the Racketeering Influenced Corrupt Organization statute (RICO), target the entire entity responsible for the crime problem. With respect to groups involved in racketeering activities, the FBI focuses on: the La Cosa Nostra (LCN), Italian and Balkan organized crime groups, Russian/Eastern European/Eurasian criminal enterprises, Middle Eastern criminal enterprises, and Asian criminal enterprises. Additionally, the FBI investigates Nigerian/West African criminal enterprises that are involved in myriad criminal activities.

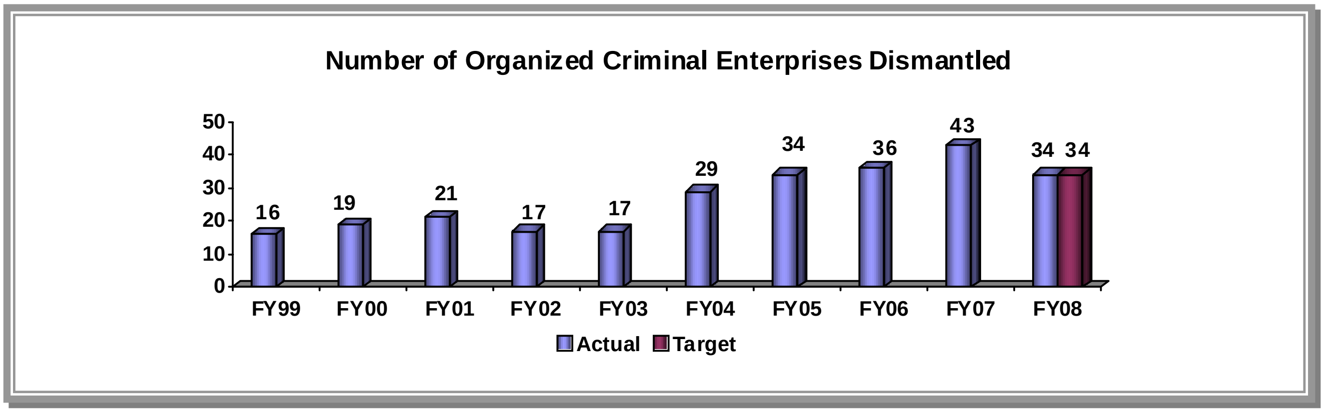
Performance Measure: Number of Organized Criminal Enterprises Dismantled
FY 2008 Target: 34
FY 2008 Actual: 34

Discussion of FY 2008 Results: The Organized Crime Program met its performance targets for FY 2008. Notable accomplishments are listed below:

- An FBI investigation targeted a large-scale Polish criminal enterprise involved in the interstate transportation of stolen motor vehicles, international distribution of ecstasy, the trafficking of counterfeit U.S. currency, mortgage fraud, and sale of false driver's licenses and passports. The case was worked jointly with FBI's New York office, a Chicago High-Intensity Drug Trafficking Area (HIDTA)/Drug Enforcement Administration (DEA) Task Force, the Royal Canadian Mounted Police, and investigators from the National Insurance Crime Bureau (NICB). A total of 10 subjects were charged, arrested, and convicted as a result of the investigation. Four vehicles, 10,000 ecstasy pills, $95,000 in counterfeit bills, and $826,000 was recovered during the investigation. On June 19, 2008, Piotr Misiolek, who was arrested in Prague, was sentenced to a 45 year prison term for conspiracy to traffic narcotics.

- V.P. Nguyen was a member of a violent Vietnamese gang named the "V" based out of San Jose, CA, who extended his criminal enterprise to Minneapolis, MN. Nguyen began to distribute large amounts of narcotics to Asian Organized Crime members such as the Vietnamese Crazy Boys and the Red Cambodian Blood in

Minneapolis, as well as other associates in Iowa. During a meeting in which underlings of Nguyen attempted to collect the debt of the narcotics, a gun fight ensued and three individuals were shot, including two members of the Red Cambodian Blood. The shooter was ultimately arrested and a search warrant at his residence revealed 2,000 pills of ecstasy sent from Nguyen to distribute in Minneapolis. Subsequent to a controlled purchase of 10,000 ecstasy pills from Nguyen in San Jose, as well as a seizure of an additional 12,000 pills in Minneapolis, Nguyen was arrested. Prior to his arrest, Nguyen also attempted to obtain weapons to conduct a home invasion in the Minneapolis area. This investigation resulted in the conviction of four individuals, including Nguyen, as well as the disruption of the Vietnamese Crazy Boys and the Red Cambodian Blood. These convictions were also the result of coordination with the DEA.



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

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

Data Validation and Verification: Before data are entered into the system, they are reviewed and approved by an FBI field manager. The data are subsequently verified through the FBI's inspection process. Inspections of ISRAA data occur at least once a year at each FBI Field Office. Using statistical sampling methods, data are traced back to source documents contained in FBI files.

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

FY 2012 Outcome Goal: Shut down a cumulative total of 6,000 websites or web hosts (FY 2007-2012)
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: Facilitation of crimes against children through the use of a computer and the Internet is a national crime problem that is growing dramatically. The Innocent Images National Initiative (IINI), a component of the FBI's Cyber Crimes Program, is an intelligence-driven, proactive, multi-agency investigative initiative to combat the proliferation of child pornography and/or child sexual exploitation facilitated by online computers. The mission of the IINI is to: identify, investigate, and prosecute sexual predators who use the Internet and other online services to sexually exploit children; identify and rescue witting and unwitting child victims; and establish a law enforcement presence on the Internet as a deterrent to subjects who seek to exploit children.

Performance Measure: Number of Child Pornography Websites or Web Hosts Shut Down
FY 2008 Target: 1,000
FY 2008 Actual: 1,525

Discussion of FY 2008 Results: The FBI surpassed the FY 2008 target for this measure. The downward trends in the data reported for this measure over the past few years are due to several factors attributable to implementation of the Prosecutorial Remedies and Other Tools to end the Exploitation of Children Today (PROTECT) Act of 2003, including:

- Changes in how Internet Service Providers (ISPs) are aggressively and automatically shutting down websites without law enforcement intervention.

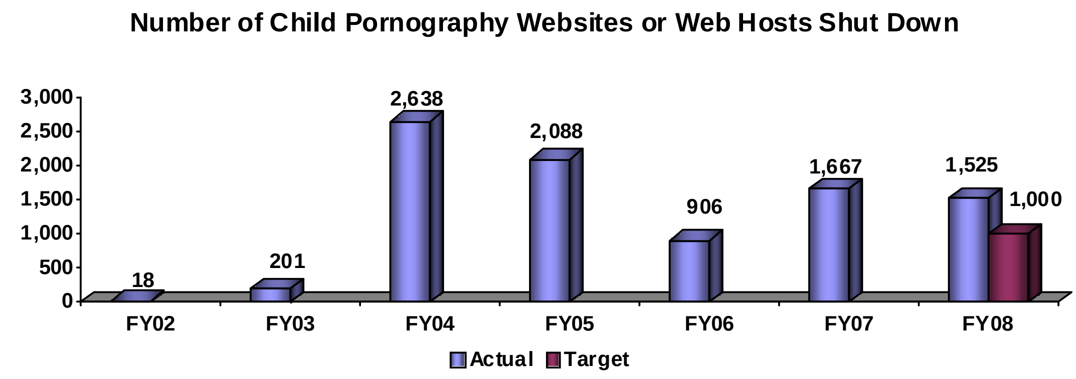
- Changes in reporting by the National Center for Missing and Exploited Children (NCMEC), resulting in fewer subpoenas being served but more websites shut down for each subpoena.

- Complaints being referred directly to the NCMEC instead of the FBI. NCMEC will only refer a lead to the FBI if an administrative subpoena is required.

In conjunction with the Program Assessment Rating Tool (PART) review conducted by the Office of Management and Budget (OMB) during Spring 2008, the FBI will replace this measure next year with a performance measure that records the number of children depicted in child pornography rescued as a result of FBI investigations. Notable Internet child pornography investigations during FY 2008 included:

- On June 16, 2008, James Bartholomew Huskey, 38 years old, was arrested by FBI Atlanta and assisted State/local authorities in Lafayette, Georgia, on federal child pornography charges. Huskey is alleged to have been the perpetrator who manufactured a horrific series of child sex abuse images and videos known to law enforcement as the "Tara" series. In these images/videos, "Tara," who ranged from five to nine years in age, was systematically raped on video by the subject. The images/videos of "Tara's" abuse became increasingly violent over time, leading law enforcement to fear for her life.

- The Innocent Images Unit, Cyber Division, is investigating a sophisticated and extremely well organized enterprise of Internet newsgroup users involved in the prolific trade/distribution of child pornographic material. The enterprise consisted of approximately 45 active members worldwide and utilizes sophisticated encryption technology in furtherance of its criminal activities. This is a joint investigation by the FBI, Queensland Police Service (Australia), Child Exploitation and Online Protection Centre (United Kingdom), and the BKA (Germany) Child Pornography Unit. Since August 2006, more than 400,000 files have been downloaded and shared between the group members. On February 22, 2008, a federal grand jury in the Northern District of Florida returned a True Bill on a 35-count sealed indictment, including one count of Child Exploitation Enterprise and one count of Conspiracy on all 12 subjects to the Grand Jury. Substantive charges included transportation, advertisement, receipt, and obstruction for each subject as applicable. This is the first time the Child Exploitation Enterprise charge, passed with the enactment of the Adam Walsh Act in 2006, has been utilized in the United States. The statute was enacted to collectively prosecute those individuals that unite to exploit children everywhere. A total of 24 subjects were arrested during a coordinated global take down executed on February 29, 2008 in the United States, Australia, Germany, and the United Kingdom. As a result of this operation, another ongoing FBI Major Case, "Operation Koala" was initiated which has resulted in nearly 100 arrests.



Data Definition: A website/web host gets shut down at the request of the FBI once an administrative subpoena is served to obtain information on who is responsible for the illicit content. Often the subpoena would be the factor that alerted the ISP of the illegal content. The reported websites/web hosts shut down by the FBI's staff assigned to the NCMEC account for approximately half of the FBI's reported totals.

Data Collection and Storage: The data source is a database maintained by FBI personnel detailed to the NCMEC, as well as statistics derived by the FBI's Cyber Division's program personnel.

Data Validation and Verification: Data are reviewed and approved by FBI Headquarters program personnel.

Data Limitations: Data for this report are compiled less than 30 days after the end of the fiscal year, and thus may not fully represent the accomplishments during the reporting period. Information based upon reporting of locates and convictions is necessary for compilation of some of these statistics.

FY 2012 Outcome Goal: Increase the percentage of criminal investigations resulting in referrals for prosecution to 62% (FY 2007-2012)
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives*:* Violent firearms crime remains a significant and complex domestic problem, fueled by a variety of causes that vary from region to region. The common element, however, is the relationship between firearms violence and the unlawful diversion of firearms out of commerce into the hands of prohibited persons. ATF's unique statutory responsibilities and assets, including technology and information, are focused under the agency's integrated strategy to remove violent offenders, including gang members, from our communities; keep firearms from those who are prohibited by law from possessing them; discourage, prohibit, and interrupt illegal weapons transfers in accordance with the law; and prevent firearms violence through community outreach. This integrated strategy is ATF's contribution to the Administration's Project Safe Neighborhoods (PSN) initiative. ATF's efforts to reduce violent firearms crime include:

- Partnering with law enforcement agencies and prosecutors at all levels to develop focused strategies to investigate, arrest, and prosecute violent offenders, persons prohibited from possessing firearms, domestic and international firearms traffickers, violent gangs, and others who attempt to illegally acquire or misuse firearms;

- Assisting the law enforcement community in identifying firearms trafficking trends and resolving violent crimes by providing automated firearms ballistics technology, tracing crime guns, and developing advanced firearms investigative techniques;

- Ensuring that only qualified applicants who meet the eligibility requirements of the law enter the regulated firearms industry by employing appropriate screening procedures prior to licensing;

- Inspecting firearms dealers to identify any illegal purchases or diversion of firearms to criminals and to ensure the accuracy of records used in tracing firearms. ATF ensures that firearms industry members comply with the Gun Control Act, the National Firearms Act, and the Arms Export Control Act;

- Keeping restricted firearms such as machineguns out of the hands of prohibited persons by performing criminal records checks on applicants. ATF maintains the accuracy and integrity of the National Firearms Registration and Transfer Record so that the location and ownership of restricted firearms are kept current;

- Ensuring that only firearms that are legally importable under ATF and State Department rules are imported into the United States and are properly marked and recorded by the importer for sale domestically;

- Collaborating with schools, law enforcement agencies, community organizations, and the firearms industry to implement educational programs which help reduce firearms violence; and

- Informing the public and firearms industry about ATF policies, regulations, and product safety and security, so that they can better comply with the law. To do so, ATF uses diverse communication methods such as the Internet, trade and community publications, seminars, and industry meetings.

Performance Measure: Percentage of firearms investigations resulting in a referral for criminal prosecution.

FY 2008 Target: 58%
FY 2008 Actual: 60%

Discussion of FY 2008 Results: ATF met its target goal of the percentage of investigations within the firearms programs area that resulted in a defendant being referred for criminal prosecution. Meeting this measure reflects the impact ATF has towards reducing firearms violence in targeted violent cities across

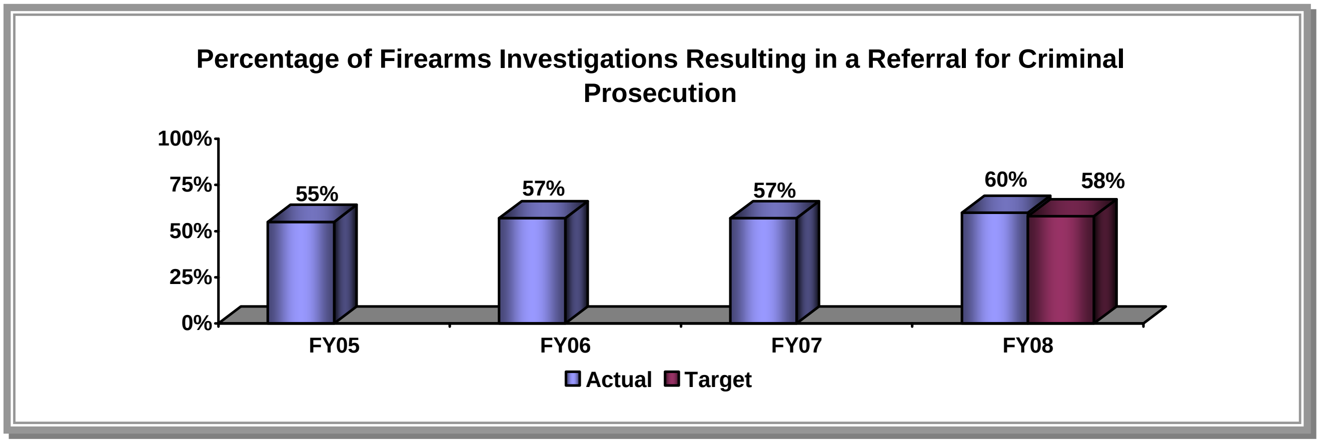
America. ATF is the federal law enforcement agency with unique expertise and statutory authority to enforce federal firearms laws and meeting this goal shows that ATF reduces firearms violence through investigations and their resulting law enforcement consequences (specifically the referral of criminals for prosecution).

ATF has been at the forefront of efforts across the country to reduce violent crime involving firearms. ATF is the lead federal agency in these efforts, actively initiating investigations against violent offenders and firearms traffickers and providing key services to its law enforcement partners. The following case examples highlight ATF's FY 2008 efforts:

Baltimore, Maryland: In February 2008, ATF conducted a round-up of violent gang members operating in Baltimore, Hagerstown and the Eastern Shore of Maryland. On the morning of February 25, ATF's Baltimore Violent Crime Impact Team (VCIT) led a contingent of more than 100 ATF, State and local law enforcement officers to execute 7 search warrants and 22 arrest warrants on members of the Tree Top Piru Bloods (TTP Bloods) gang. The operation was the culmination of a long-term joint investigation by ATF, the U.S. Attorney, the Baltimore City State's Attorney, the Baltimore city and county police departments, and numerous other local law enforcement agencies throughout Maryland. In total, 28 individuals were indicted as a result of this investigation for charges that include racketeering, drug trafficking and gun crimes. Moreover, the indictments include allegations of five murders in Maryland and conspiracy to obstruct a State murder trial. The defendants charged with drug trafficking face a maximum penalty of life in jail, while the defendants charged with racketeering face a maximum penalty of 20-years in prison. This investigation and prosecution is ongoing.

Waterbury, Connecticut: In October 2007, ATF's investigation into the illegal activities of the Latin Kings street gang in Waterbury, Connecticut led to the indictment of 18 individuals who are charged with various federal weapons and drug trafficking offenses. ATF conducted this investigation in conjunction with the Waterbury Police Department and the Connecticut State Department of Corrections. During the course of the investigation, law enforcement officers made controlled purchases of firearms and illegal narcotics from more than 50 suspected members of the Latin Kings. In addition to the 18 individuals that were charged federally, approximately 70 additional individuals are the subject of State prosecutions arising from this investigation. This investigation targeted gang members from four different factions of Latin Kings in Waterbury, as well as narcotics traffickers associated with the Latin Kings. This investigation and prosecution are ongoing.

Tampa, Florida: In March 2008, 11 members of a criminal organization were indicted on charges involving the illegal acquisition of firearms in Florida for the purpose of shipping them to drug organizations in Puerto Rico. The indictment resulted from a two-year investigation led by ATF in conjunction with other federal, State and local agencies. Individuals associated with the organization would travel from Puerto Rico to several Florida cities for the purpose of illegally obtaining firearms from more than 15 federal firearms licensees and at gun shows. They would then traffic the firearms back to known drug organizations in Puerto Rico, receiving money and illegal drugs as payment. The co-conspirators used fraudulently obtained Florida identifications and made false statements to federal firearms dealers in relation to the acquisition of the firearms. The group purchased well over 200 firearms in furtherance of the conspiracy, and it is expected as the investigation progresses that many more illegal firearm transactions will be detected. Many of the firearms have been recovered from criminal investigations in Puerto Rico, while other firearms were recovered in Florida prior to their shipment to Puerto Rico. Four additional defendants were indicted in this case in September 2007. This investigation and prosecution are ongoing.



Data Definitions: This measure reflects the percentage of investigations within ATF's firearms program area in which a defendant was referred for criminal prosecution. This measure is based on the premise that ATF is the federal law enforcement agency with unique expertise and statutory authority to enforce federal firearms laws, and that ATF reduces firearms violence through investigations and their resulting law enforcement consequences (specifically the referral for criminal prosecution and the ensuing incapacitation of criminals under these statutes).[1] More effective enforcement of federal firearms laws contributes to disrupting criminal activity, deterring violent crime, and safeguarding the legitimate firearms industry from exploitation by criminals. This measure allows ATF to gauge the impact of applying its federal statutory authority and resources to a national strategy to fight violent crime in our communities – targeting those who commit the violence and those who facilitate their commission by supplying firearms through straw purchases, unlicensed dealing, theft from federal firearms licensees and interstate carriers, and other illegal means.

Data Collection and Storage: The data source is ATF's National Field Office Case Information System (NFOCIS), which is ATF's integrated and centralized data management solution allowing real time monitoring and oversight of all criminal enforcement activities in the field.

Data Validation and Verification: There is an ongoing quality assurance and case management program in place within ATF which includes required regular review and approval of case information by ATF field managers. The data are subsequently verified through ATF's inspection process, performed internally by the Office of Professional Responsibility and Security Operations Directorate. The internal inspections occur on a four-year cycle and are performed at each ATF field office and division.

Data Limitations: ATF investigations are often complex and time consuming in nature, and often span multiple years from initiation through closure. The data used to calculate this percentage are based on the date investigations are closed, and are therefore likely to include investigations that have spanned previous time periods. This methodology is specifically used to eliminate the counting of investigations multiple times.

[1] "Although studies that focus exclusively on violent offenders is rare, empirical evidence about violent offending can be found in cross-sectional and longitudinal studies of general offending careers…The results from this research generally support the conclusion that incapacitation has nontrivial consequences for the control of violent crime." Commission on Behavioral and Social Sciences and Education: Understanding and Preventing Violence, Volume 4: Consequences and Control (1994).

FY 2012 Outcome Goal: Develop meaningful baselines for the supply of drugs available for consumption in the United States (FY 2007-2009). Achieve a 6% reduction in the supply of illegal drugs (FY 2010-2012) available for consumption in the United States using the baseline established by the close of FY 2009.
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: Measuring reduction in the drug supply is a complex process because supply reduction is a reflection of a number of factors. Drug seizures, eradication efforts, precursor chemical interdictions, cash and asset seizures, increased border/transportation security, international military operations, social and political forces, climatic changes, and even natural disasters all impact the drug supply at any given time. The Department's strategy focuses on incapacitating entire drug networks by targeting their leaders for arrest and prosecution, by disgorging the profits that fund the continuing drug operations, and eliminating the international supply sources. These efforts ultimately have a lasting impact upon the flow of drugs in the United States, although the results are not easily measureable in a single year. Accordingly, the Department recently reexamined its approach related to this goal and set realistic milestones in the Department's FY 2007-2012 Strategic Plan. For FYs 2007-2009, the Department will report progress toward establishing meaningful baselines for the supply of drugs available for consumption in the United States. During FYs 2010-2012, the Department will focus on a targeted reduction in the supply of illegal drugs available for consumption.

Discussion of FY 2008 Results: Measuring reduction in the drug supply is a complex process reflecting of a number of factors outside the control of drug enforcement. Moreover, the impact of enforcement efforts on drug supply and the estimated availability are currently not measurable in a single year. However, the Department is intent on achieving an interim goal of setting a baseline by the close of FY 2009. Once the baseline is set, the Department intends to achieve a 6 percent total reduction in the supply of illegal drugs available for consumption in the United States over the next three years.

FY 2012 Outcome Goal: Dismantle 810 Consolidated Priority Organization Target-linked drug trafficking organizations (FY 2007-2012). Disrupt 1,260 CPOT-linked drug trafficking organizations (FY 2007-2012).
FY 2008 Progress: The Department is not on target to achieve the long-term goal of disrupting 1,260 CPOT-linked drug trafficking organizations by FY 2012. However, the Department remains committed to target, disrupt and dismantle these priority organizations in the future. The Department is on target for achieving the long-term goal of dismantling 810 CPOT-linked drug organizations (FY 2007-2012).

Background/Program Objectives: The Department focuses its drug law enforcement efforts on reducing the availability of drugs by disrupting and dismantling the largest drug supply and related money laundering networks operating internationally and domestically, including those on the Attorney General's Consolidated Priority Organization Target (CPOT) List. The first CPOT List was issued in September 2002 and is reviewed and updated semi-annually. The List identifies the most significant international drug trafficking and money laundering organizations and those primarily responsible for the Nation's drug supply. The Attorney General has designated the Organized Crime Drug Enforcement Task Force (OCDETF) Program as the centerpiece of DOJ's drug supply reduction strategy. The Program coordinates multi-agency and multi-jurisdictional investigations targeting the most serious drug trafficking threats. The OCDETF Program functions through the efforts of the United States Attorneys; elements of the Department's Criminal and Tax Divisions; the investigative, intelligence, and support staffs of the Drug Enforcement Administration; Federal

Bureau of Investigation; Bureau of Alcohol, Tobacco, Firearms and Explosives; United States Marshals Service; U.S. Immigration and Customs Enforcement; U.S. Coast Guard; and Internal Revenue Service. The OCDETF agencies also partner with numerous State and local law enforcement agencies.

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

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

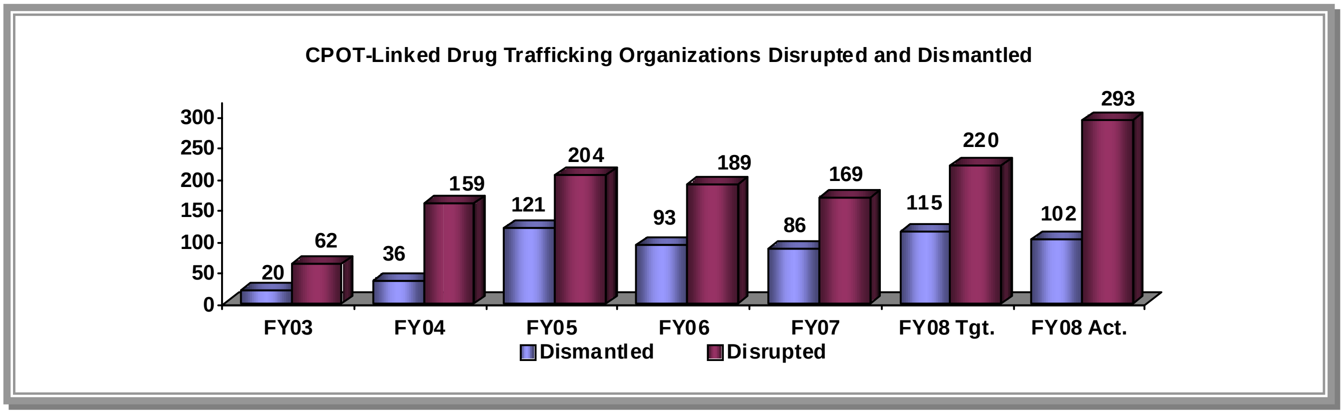
Revised FY 2007 Actual:
Disrupted: 169
Dismantled: 86
FY 2008 Target:
Disrupted: 220
Dismantled: 115
FY 2008 Actual:
Disrupted: 293
Dismantled: 102

Discussion of FY 2008 Results: The Department dismantled or disrupted 395 CPOT-linked organizations in FY 2008. This is an 18 percent increase over the 335 that were targeted to be dismantled or disrupted in FY 2008, a 55 percent increase over the 255 that were dismantled or disrupted in FY 2007, and a 22 percent increase over the 325 dismantled or disrupted in FY 2005, the highest number reported in the past prior to FY 2008.

The FY 2008 targets were very ambitious. Even though the Department experienced resource reductions for the OCDETF Program in FY 2008, it was still able to achieve 102 dismantlements, a 19 percent increase over the 86 dismantlements in FY 2007. This achievement fell only 13 dismantlements (or 11 percent) short of the Department's ambitious goals.

In addition to the reduction in OCDETF resources, DEA was, during this fiscal year, also recovering from a hiring freeze lasting almost a year and half. As DEA's new agents come onboard and gain experience, we expect that they will become increasingly productive.

It should be noted that again in FY 2008, the Department made important gains against these CPOT-linked organizations and the CPOTs themselves including significant successes against the leaders of the Autodefensas Unidas de Colombia/The United Self-Defense Groups of Colombia (AUC), FARC, and the Norte Valle Cartel.



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

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

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

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

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

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

FY 2012 Outcome Goal: Neutralize a cumulative total of 78 high-impact Internet fraud targets (FY 2007-2012)
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: Internet fraud is any scam that uses one or more components of the Internet to present fraudulent solicitations to prospective victims, conduct fraudulent transactions, or transmit the proceeds of fraud to financial institutions or others that are connected with the scheme. Identity theft and Internet auction fraud are problems that plague millions of U.S. victims, and the threat of illegitimate online pharmacies exposes the American public to unregulated and often dangerous drugs.

The FBI and National White Collar Crime Center partnered in May 2000 to support the Internet Crime Complaint Center (IC3). For victims of Internet crime, IC3 provides a convenient and easy way to alert authorities of a suspected violation. For law enforcement and regulatory agencies, IC3 offers a central repository for complaints related to Internet crime, uses the information to quantify patterns, and provides timely statistical data of current trends. In addition, the FBI uses synchronized, nation-wide takedowns (i.e., arrests, seizures, search warrants, and indictments) to target the most significant perpetrators of on-line schemes.

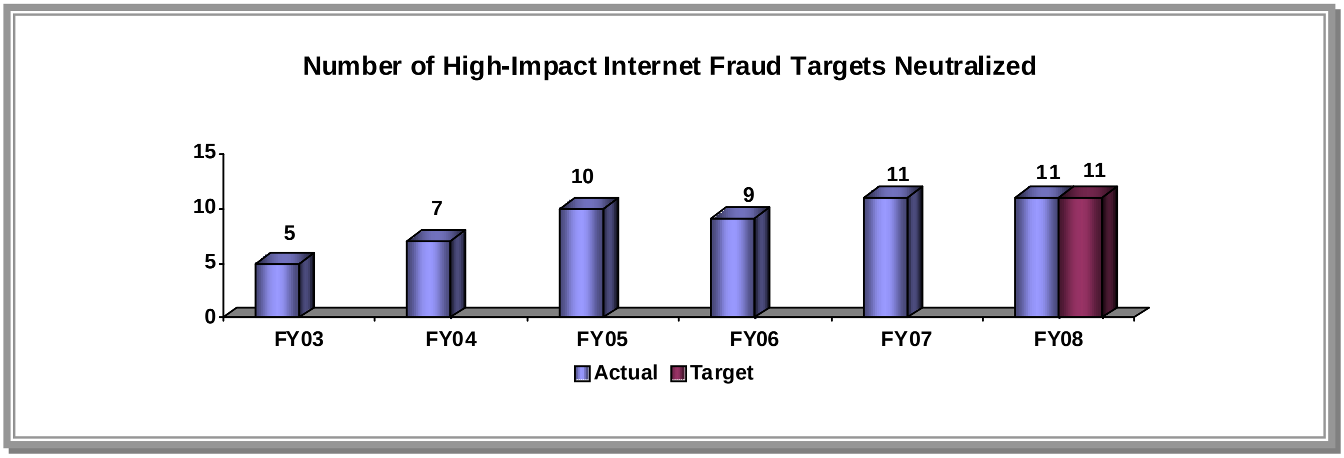
Performance Measure: Number of High-Impact Internet Fraud Targets Neutralized
FY 2008 Target: 11
FY 2008 Actual: 11

Discussion of FY 2008 Results: The FBI met its FY 2008 target for this measure. Notable cases in FY 2008 included the following:

- The "Luca Brazzi" case is an ongoing, multi-year investigation of a multi-million dollar Internet auction fraud ring that operates out of Chicago and has origins in Romania. There have been several indictments and guilty pleas and verdicts obtained in this case, with several of the subjects having been sentenced in federal court. Throughout the course of the investigation, the IC3 has provided nearly 1,500 victim complaints to Chicago, and the overall loss amount exceeds $5 million. On March 19, 2008, the FBI and ICE received information a subject of interest in this investigation was en route to New York on an Amtrak train from Canada; however, no warrant was on hand for the subject. The Assistant U.S. Attorney (AUSA) indicated his support for quickly obtaining a criminal complaint and arrest warrant for the subject. As such, the AUSA requested information regarding possible fraud transactions by the subject. The FBI provided the IC3 with several known aliases of the subject, which resulted in the IC3 immediately identifying and providing the AUSA with 56 IC3 complaints representing $164,000 in losses to the victims. A criminal complaint and arrest warrant were obtained, and the AUSA authorized the arrest of the subject as he entered the U.S. He is currently in custody in New York pending a preliminary hearing and bond hearing.

- Operation Cyber Jive is an investigation into Jive Network, Inc. (JIVE), an Internet company based in Daytona Beach, FL, which was run by Jude Lacour. JIVE was involved in the illegal sale of both controlled and non-controlled prescription drugs over the Internet. From February 25, 2002 through April 19, 2005, JIVE coordinated the distribution of approximately 1,000,000 on-line prescriptions, almost 70 percent of which were for controlled substances. Thirty-six pharmacies from throughout the U.S., one from the Bahamas, and one from Ireland filled prescriptions for JIVE. Twenty-one doctors were involved in the criminal enterprise by approving prescriptions for JIVE's customers. In each case prescriptions were issued based solely on an on-line questionnaire, and no doctor-patient relationship was ever established.

  By January 12, 2007, almost $14 million had been seized in Operation Cyber Jive, and an additional $1.5 million in a Bermudian bank account belonging to JIVE had been restrained. On May 7, 2008, a 73-count sealed federal indictment was returned against 11 defendants. On the same day, defendant Jude Lacour was arrested in Portland, OR; defendants Jeff Lacour and Hudsen Smith were arrested in FL; medical doctor/defendant Alexis Roman-Torres was arrested in San Juan, PR; and medical doctor/defendant Akhil Baranwal was arrested in Boston, MA. On May 12, 2008, pharmacist Guennet Chebssi was arrested in Baltimore, MD. Additional arrests in this case are pending.



Data Definition: Case data are reviewed by IC3 staff to determine if investigative targets meet certain criteria for being counted as “high impact: “Total loss amount greater than $100,000; Internal nexus; White Collar Crime-related fraud; Money Laundering Scheme, and Pharmaceutical Fraud; “Phishing” Attack/Identity Theft; High volume of victims. The IC3 evaluates and tracks the progress of investigations meeting these criteria throughout the year.

Data Collection and Storage: The data source is a record system maintained by the IC3. The list of targets is updated each year.

Data Validation and Verification: Targets are determined by subject matter expert teams at the IC3 and approved by the Unit Chief. IC3 staff maintains the list and determines when a target has been the subject of a take-down.

Data Limitations: There are no requirements for the IC3 to receive feedback from FBI field offices or state and local law enforcement regarding neutralizations that were a result of IC3 case referrals. Due to this lack of feedback, the IC3 may underreport the number of neutralizations.

FY 2012 Outcome Goal: Dismantle a cumulative total of 745 criminal enterprises engaging in white-collar crime (FY 2007-2012)
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: Through the White-Collar Crime (WCC) Program, the FBI investigates criminals and criminal enterprises that seek illicit gains through fraud and guile. Among the illegal activities investigated are: corporate fraud, health care fraud, financial institution fraud, government fraud (housing, defense procurement, and other areas), insurance fraud, securities and commodities fraud, mass marketing fraud, bankruptcy fraud, environmental crimes, and money laundering.

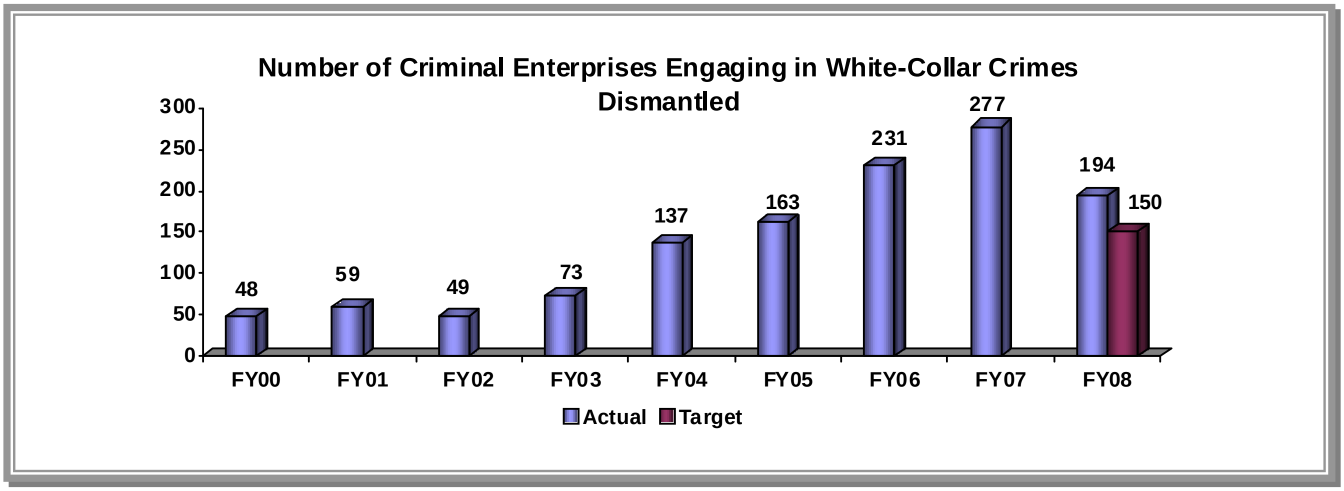
U.S. citizens and businesses lose billions of dollars each year to criminals engaged in non-violent fraudulent enterprises. The globalization of economic and financial systems, technological advances, declining corporate and individual ethics, and the sophistication of criminal organizations has resulted in annual increases in the number of illegal acts characterized by deceit, concealment, or violations of trust. The loss incurred as a result of these crimes is not merely monetary. These crimes also contribute to a loss of confidence and trust in financial institutions, public institutions, and industry.

Performance Measure: Number of Criminal Enterprises Engaging in White-Collar Crimes Dismantled
FY 2008 Target: 150
FY 2008 Actual: 194

Discussion of FY 2008 Results: The Department surpassed the target for this measure. Notable accomplishments for FY 2008 include the following:

National Century Financial Enterprises (NCFE): NCFE was one of the largest healthcare financing companies in the United States until they filed for bankruptcy in November 2002. Seven former executives of NCFE were charged with conspiring to defraud investors by lying about how the investors' funds would be used, diverting the funds, and then hiding the shortfall by moving money back and forth between subsidiaries' bank accounts. The NCFE executives were also accused of creating phony reports and records to cover up the scheme. On August 6, 2008, Donald H. Ayers (Ayers), former Vice Chairman and Chief Operating Officer, and four of his co-conspirators were ordered to jointly pay approximately $2.4 billion in restitution. The judge ordered a forfeiture money judgment of approximately $1.7 billion. To date, four of the five former executives who have pled guilty have been sentenced, including a sentence of 15 years incarceration for Ayers. Lance Poulsen, former NCFE President, Chairman and Director, is scheduled to begin trial in October 2008. In a related witness tampering case, Poulsen and his co-conspirator, Karl Dommler, were convicted on charges of conspiracy and witness tampering. Poulsen was sentenced to 10 years incarceration and Dommler is awaiting sentencing. The seventh NCFE executive is scheduled to begin trial December 1, 2008.

Peregrine Systems, Inc. (Peregrine): Peregrine is a computer software company that, in May 2002, announced a restatement of earnings for fiscal years 2000 and 2001 in the amount of approximately $250 million. Peregrine officers and employees conspired to develop schemes to fraudulently manipulate the sales and earnings of the company by recording income from fraudulent sales, back-dating transactions, and providing side letters and contingencies to buyers of Peregrine products. A total of nine former Peregrine executives and two associates have pled guilty and are cooperating in the investigation. The executives who pled guilty include the President and Chief Operating Officer, Chief Executive Officer, Chief Financial Officer, Controller, and Treasurer. Sentencing for the executives and associates are expected in November and December of 2008. The investigation also resulted in a forfeiture count of $53 million.



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

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

Data Validation and Verification: Before data are entered into the system, they are reviewed and approved by an FBI field manager. The data are subsequently verified through the FBI's inspection process. Inspections of ISRAA data occur at least once a year at each FBI Field Office. Using statistical sampling methods, data are traced back to source documents contained in FBI files.

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

FY 2012 Outcome Goal: Favorably resolve 90% of Criminal Cases (litigating divisions)
FY 2012 Outcome Goal: Favorably resolve 80% of Civil Cases (litigating divisions)
FY 2008 Progress: Although the Department missed its FY 2008 target for civil cases favorably resolved, the Department is on target for the achievement of this long-term goal.

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

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

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

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

The Civil Division (CIV) defends challenges to Presidential actions; national security programs; benefit programs; energy policies; commercial issues such as contract disputes, banking, insurance, patents, fraud, and debt collection; all manner of accident and liability claims; and violations of the immigration and consumer protection laws.

The Civil Rights Division (CRT) enforces federal statutes prohibiting discrimination in education, employment, credit, housing, public accommodations and facilities, voting, and certain federally funded and conducted programs.

The Criminal Division (CRM) develops, enforces, and supervises the application of all federal criminal laws except those specifically assigned to other divisions. The Division and the 93 U.S. Attorneys (the U.S. Attorneys Offices in Guam and Northern Mariana Islands share one U.S. Attorney) have the responsibility for overseeing criminal matters under the more than 900 statutes as well as certain civil litigation. Criminal Division attorneys prosecute many nationally significant cases.

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

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

Performance Measure: Percent of Cases Favorably Resolved

FY 2008 Target:
Criminal Cases: 90%
Civil Cases: 80%

FY 2008 Actual:
Criminal Cases: 92%
Civil Cases: 79%

Discussion of FY 2008 Results: The USAs target for civil cases favorably resolved was missed slightly, which affected the overall consolidated total of the General Legal Activities (GLA). In March 2008, after it was announced that defendants who were convicted of Title 21 violations involving cocaine base or crack could be resentenced, the USAOs received a deluge of motions requesting that a resentencing hearing be held. The Department tracks these resentencing hearings through Legal Information Online Network Systems (LIONS). Based on the limited disposition choices available in LIONS, if a defendant's motion for resentencing was denied, or if at a defendant's resentencing hearing the defendant was given the same sentence that was previously imposed, that case was placed in a Judgment for the United States category. However, if a defendant's motion for resentencing was granted and the defendant's sentence was decreased in any way, the case was tracked as a Judgment against the United States. Departmental records indicate that civil case terminations are up approximately 30.5 percent and that this number is largely due to crack resentencings. In conclusion, the crack resentencings have significantly skewed the numbers, making it numerically appear that there is a drop off in "favorably resolved" cases, when in fact, the change in numbers actually reflects decreases in crack sentences and not changes in judgments for or against the United States.

In FY 2008, investigations conducted by ATR led to $700.9 million criminal fines against antitrust violators. Of that amount, $675 million were assessed against some of the world's largest airlines in the air transportation industry, marking the highest total amount of fines ever imposed in an ATR investigation. This is important because international air transportation costs for both passengers and cargo affect many Americans either through the purchase of airline tickets or consumer goods. Far-reaching and ongoing investigations covering three continents and involving many governmental entities uncovered price fixing conspiracies to include setting prices for international air cargo rates and long-haul international passenger fares.

The Civil Division exceeded its target by defeating billions of dollars in unmeritorious claims, in addition to the successful defense of suits filed against the government as a result of the government's policies, laws, and involvement in commercial activities, domestic and foreign operations and entitlement programs, as well as law enforcement initiatives, military actions, and counterterrorism efforts. The Division also pursued affirmative litigation, bringing suits on behalf of the United States, which resulted in the return of over a billion dollars to the Treasury, Medicare, and other entitlement programs.

The Environment and Natural Resources Division achieved the single largest environmental enforcement settlement in history in FY 2008 (*United States, et al. v. American Electronic Power (AEP)* [S.D. Ohio]). In October 2007, AEP agreed to cut 813,000 tons of air pollutants (sulfur dioxide and nitrogen oxide) annually at an estimated cost of more than $4.6 billion, as well as pay a $15 million civil penalty and spend $60 million on projects to mitigate the adverse effects of its past excess emissions. Additionally, the settlement is projected to save $32 billion in health costs per year for Americans. An unprecedented coalition of eight states and 13 citizen groups joined the United States government in the settlement with AEP.

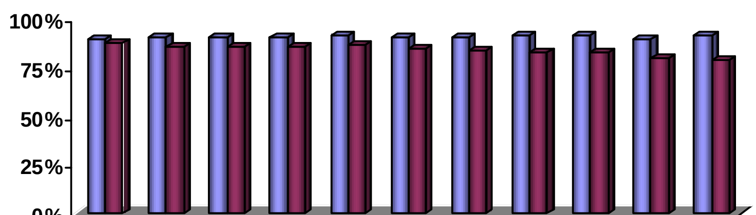
The United States Attorneys' Office (USAO) for the Eastern District of Pennsylvania has entered into a settlement agreement with the pharmaceutical manufacturer, Merck & Co., Inc. Under the agreement, Merck has agreed to pay $399 million, plus interest, to resolve civil liabilities for the Medicaid rebates the company allegedly underpaid to the federal government, the 49 states, and the District of Columbia for Zocor and Vioxx. This settlement also resolves allegations that Merck paid certain inducements to doctors and other healthcare professionals through 2001 in connection with its various sales programs.

Additionally, one of the many mortgage fraud cases prosecuted by United States Attorney's Offices during the year involved charges against the owners of Parish Marketing and Development, a long-time Minnesota home builder. They were convicted and sentenced in the District of Minnesota for conspiring to commit mortgage fraud and money laundering in connection with a scheme involving approximately 200 residences and approximately $100 million in loan proceeds. In July 2008, Michael Alan Parish was sentenced to 156 months in prison; Ardith Ann Parish was sentenced to 60 months; and Christopher David Troup, an agent for Parish Marketing, was sentenced to 120 months. The defendants, which also included the company, utilized "straw buyers" to purchase the properties built by Parish Marketing in several Twin Cities suburbs.

The Tax Division prosecuted the case against movie actor Wesley Snipes who was convicted on three counts of willful failure to file income tax returns and acquitted of two felony charges on February 1, 2008. His co-defendants, Eddie Kahn and Douglas Rosile were each convicted of one count of conspiring to defraud the United States and one count of making false claims against the United States. On April 24, 2008, a federal court in Ocala, Florida sentenced Snipes to 36 months incarceration to be followed by one year supervised release. His co-defendants, Kahn and Rosile, received respectively 120 months incarceration and 54 months incarceration, both to be followed by three years supervised release. At the sentencing hearing, Snipes handed over a $5 million check to the IRS to pay some of his tax liabilities.

Additionally, the Tax Division successfully obtained court approval for the issuance of a John Doe summons to Swiss banking giant UBS seeking the names of U.S. account holders with undeclared accounts. The approval and issuance of the summons generated worldwide publicity and should lead to greatly increased voluntary compliance by taxpayers.

Percent of Cases Favorably Resolved



	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08 Tgt.	FY08 Act.
Criminal	90%	91%	91%	91%	92%	91%	91%	92%	92%	90%	92%
Civil	88%	86%	86%	86%	87%	85%	84%	83%	83%	80%	79%

Criminal Civil

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

Data Collection and Storage: Data are currently captured within each component's automated case management system and companion interface systems. Representatives from each component providing data for this measure were participating in a working group to build a litigation case management system (LCMS) to collect and manage case information, however, this group has been on a temporary hiatus since January 2008. Until LCMS is implemented, the following information about this measure should be noted.

Currently, cases worked on by more than one component are included in the totals from CRM, CRT, ENRD, and EOUSA. Also, a court's disposition date is used for reporting purposes for ATR, CIV, CRM, CRT, and

ENRD; however, EOUSA and TAX use the date it is entered into their current case management system. Additionally, CIV counts at the party level but CRM, ENRD, and EOUSA count cases at the defendant level, which may lead to multiple cases favorably resolved per case; CRT and TAX count Civil and Criminal cases. Lastly, ATR includes Criminal, Civil, Civil Merger, and Civil Non-Merger; ENRD includes affirmative, defensive, criminal, and condemnation cases in their totals. Once LCMS is fully implemented, all components will be using the same procedures for reporting.

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

Data Limitations: Data quality suffers from the lack of a single DOJ case management system and a standardized methodology for capturing case related data. Due to the inherent variances in data collection and management, cases may refer to cases or individuals. In addition, due to reporting lags, case closures for any given year may be under or over-reported. To remedy these issues, the Department is developing a LCMS to standardize methodologies between the components and capture and store data in a single database. Further, Criminal Division data for FYs 1999 through 2002 are estimates. Actual data are not available due to technical and policy improvements that were not implemented until FY 2003. Lastly, EOUSA data does not include information for the month of September 2005 for the Eastern District of Louisiana due to Hurricane Katrina.

FY 2012 Outcome Goal: Return 58% of assets/funds to creditors in Chapter 7 cases
FY 2012 Outcome Goal: Return 85% of assets/funds to creditors in Chapter 13 cases
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: The U.S. Trustee Program (USTP) was established nationwide (except in North Carolina and Alabama) in 1986 to separate the administrative functions from the judicial responsibilities of the bankruptcy courts and to bring accountability to the bankruptcy system. The USTP acts as the "watchdog" of the bankruptcy system and ensures that parties comply with the law and that bankruptcy estate assets are properly handled. The USTP appoints Trustees who serve as fiduciaries for bankruptcy estates and administer cases filed under Chapter 7 and Chapter 13. The U.S. Trustee regulates and monitors the activities of these private trustees and ensures their compliance with fiduciary standards. To promote the effectiveness of the bankruptcy system and maximize the return to creditors, the Department targets and reports the percent of assets/funds returned to creditors.

Performance Measure: Percent of Assets/Funds Returned to Creditors for Chapter 7 and Chapter 13

FY 2007 Target: Chapter 7: 56%
Chapter 13: 84%

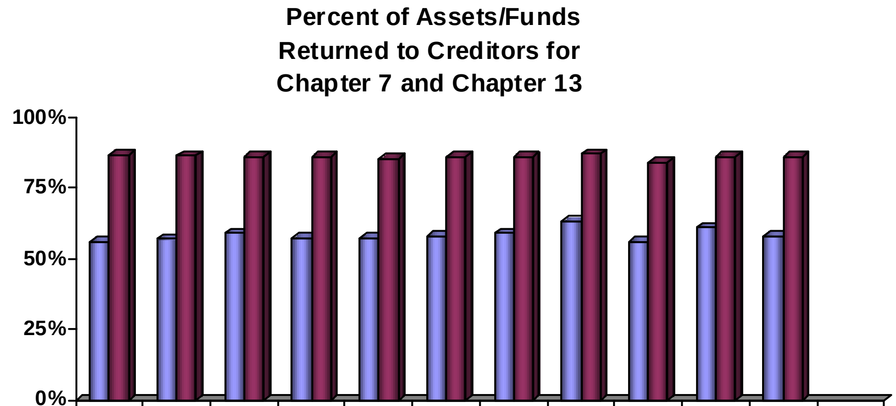
FY 2007 Actual: Chapter 7: 61%
Chapter 13: 86%

FY 2008 Target: Chapter 7: 58%
Chapter 13: 86%

FY 2008 Actual: Data not available until January 2009 for Chapter 7 and April 2009 for Chapter 13 because of the need to audit data submitted by private trustees prior to reporting.

Discussion of Results: The USTP utilizes a comprehensive process that ensures that cases filed each year are effectively and efficiently moved through the bankruptcy system. This includes following up on deficiencies, ensuring that old cases are closed promptly, ensuring that assets are identified and distributed in a timely manner and that action is initiated quickly when private trustees fail to comply with their obligations. In FY 2008, the USTP's civil enforcement efforts resulted in over $905 million in potential additional returns to creditors.

The USTP periodically reviews and reevaluates its performance targets and the Program's efforts toward reaching them. In FY 2007, the Program revised this performance measure to reflect more aggressive targets. The USTP's goal is to return to creditors the maximum amount possible, recognizing that certain legitimate expenses must be paid, and that returning 100 percent of assets will never be possible. Funds not distributed may include private trustee compensation, professional fees and costs associated with administering the bankruptcy case.



	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07 Tgt.	FY07 Act.	FY08 Tgt.	FY08 Act.
Chapter 7	56%	57%	59%	57%	57%	58%	59%	63%	56%	61%	58%	TBD
Chapter 13	87%	86%	86%	86%	85%	86%	86%	87%	84%	86%	86%	TBD

Data Definition: Chapter 7 bankruptcy proceedings are those where assets that are not exempt from creditors are collected and liquidated (reduced to money). Chapter 7 percentages are calculated by dividing the disbursements to secured creditors, priority creditors, and unsecured creditors by the total disbursements for the fiscal year. In Chapter 13 cases, debtors repay all or a portion of their debts over a three to five year period. Chapter 13 percentages are based on the Chapter 13 audited annual reports by dividing the disbursements to creditors by the total Chapter 13 disbursements.

Data Collection and Storage: The data are collected on an annual or semi-annual basis. For Chapter 7 cases, the USTP receives trustee distributions reports as part of the Final Account on each Chapter 7 case closed during the year. The Chapter 7 data are aggregated on a nationwide basis and reported twice a year in January and July. Chapter 13 data are gathered from the standing Chapter 13 trustees' annual reports on a fiscal year basis.

Data Validation and Verification: Data on these annual reports are self-reported by the trustees. However, each trustee must sign the reports certifying their accuracy. In Chapter 7 cases, independent auditors periodically review the annual reports, in addition to the USTP's on-site field examinations. Additionally, USTP Field Office staff review the trustee distribution reports. The Field Office and Executive Office staff performs spot checks on the audited reports to ensure that the coding for the distributions is accurate. They also verify whether there have been any duplicate payments. Finally, the USTP conducts biannual performance reviews for all Chapter 7 trustees. In Chapter 13 cases, independent auditors must audit each report. This indirectly provides an incentive for trustees to accurately report data. In addition, the Executive Office staff reviews the combined distribution spreadsheet to ensure that the amounts stated are what is reported in the audit reports.

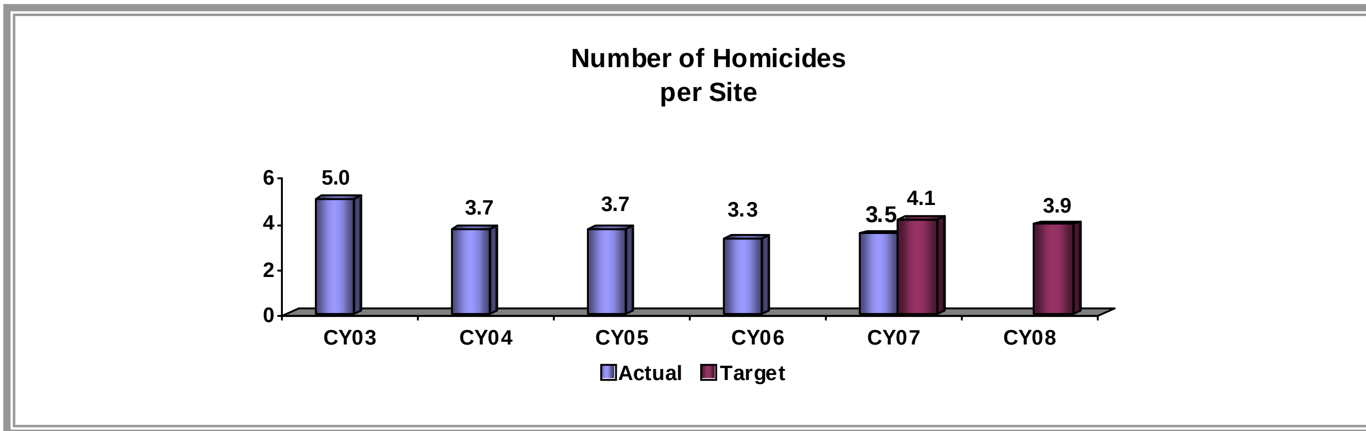
Data Limitations: Out-year performance cannot be accurately projected, as the USTP has no reliable method of calculating the disbursements of future bankruptcy cases. Additionally, data are not available until January (Chapter 7) and April (Chapter 13) following the close of the fiscal year because of the need to audit data submitted by private trustees prior to reporting.

FY 2012 Outcome Goal: Reduce homicides at Weed and Seed Program sites from 4.4 (CY 2005) to a maximum of 4.0 per Weed and Seed site by 2012
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: The OJP's Community Capacity Development Office (CCDO) administers the Weed and Seed program. The Weed and Seed program strategy is to assist communities in establishing strategies that link federal, State, and local law enforcement and criminal justice efforts with private sector and community efforts. It assists communities in "weeding out" violent crime, gang activity, drug use, and drug trafficking in targeted neighborhoods and then "seeding" the targeted areas with programs that lead to social and economic rehabilitation and revitalization. In addition to the weeding and seeding aspects of the strategy, the Weed and Seed sites engage in community policing activities that foster proactive police-community engagement and problem solving.

Performance Measure: Reduction in number of homicides per Site (funded under the Weed and Seed Program)
CY 2007 Target: Reduction to 4.1 homicides per site
CY 2007 Actual: Reduction to 3.5 homicides per site
CY 2008 Target: Reduction to 3.9 homicides per site
CY 2008 Actual: Data for this measure are collected on a calendar year basis and will be available in October 2009.

Discussion of Calendar Year (CY) 2007 Results: The target for CY 2007 was to reduce the number of homicides per site to a total of 4.1. In CY 2007, there were on average 3.5 homicides per site, which is better than the target by 14.6 percent. The Weed and Seed program is successful because it develops a strategy tailored individually for each site to target all of the factors that affect a high crime area. The Weed and Seed program works to develop effective community/police cooperation to ensure that the resources and efforts of local police departments and community groups are used more effectively and efficiently. In Homestead, Florida, for example, the Weed and Seed program partnered traditional law enforcement efforts with community enhancement efforts such as providing family counseling and parenting classes. These efforts contributed to a decrease not only in homicides, but also aggravated assaults and forcible rapes, from 2006 to 2007.



Data Definition: Although sites may be affected by a range of criminal activities, such as drugs and vandalism, CCDO has selected homicide statistics as the indicator for the severity of a site's crime problem. The number of homicides per site is an average calculated by summing the number of homicides reported for all of the sites and dividing by the number of sites reporting.

Data Collection and Storage: Weed and Seed grantees report performance measure data via a standard report required on an annual basis. The report is made available in the OJP's Grants Management System (GMS).

Data Validation and Verification: The CCDO validates and verifies performance measures through site visits and follow-up phone calls conducted by the Justice Research and Statistics Association and by CCDO's Federal Bureau of Investigation (FBI) Fellows. Additionally, homicide statistics obtained by jurisdictions are verified against the Uniform Crime Report published annually by the FBI.

Discrepancies in these reports are followed up for possible explanations, such as reporting system changes or errors. In 2007, the OJP validated previously reported actuals through the use of CCDO source documentation, and determined that the actuals were consistent with performance data reported in the Program Assessment Rating Tool (PART) Web.

Data Limitations: Data actuals are most effectively reported by calendar year given that the FBI Uniform Crime Report is based on calendar year data collection rather than fiscal year. There are slight variances in the group of local sites reporting each year due to some sites' "Official Recognition" status expiring and adding newly funded sites. For this reason, the OJP requests multiple years of crime data in every CCDO required annual GPRA report, so that we can do multi-year analyses for the same group of sites and jurisdictions. This means that the average number of homicides reported for a given calendar year will be different for each year's GPRA dataset.

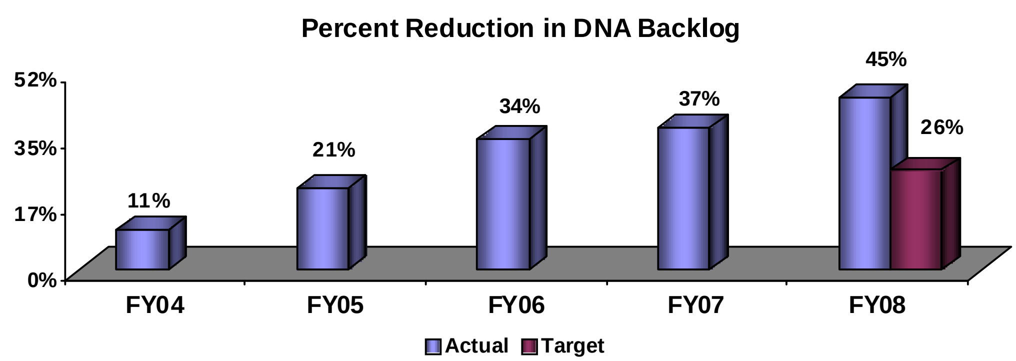
FY 2012 Outcome Goal: Realize a 31% reduction in the Casework DNA backlog by FY 2012.
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: The OJP's National Institute of Justice (NIJ) administers the DNA Backlog Reduction Program. The DNA Backlog Reduction Program exists to reduce the convicted offender DNA backlog of samples (i.e., physical evidence taken from a convicted offender, such as blood or saliva samples) awaiting analysis and entry into the Combined DNA Index System (CODIS). Reducing the backlog of DNA samples is crucial in supporting a successful CODIS system, which can solve old crimes and prevent new offenses from occurring through more timely identification of offenders. Funds are targeted toward the forensic analysis of all samples identified as urgent priority samples (e.g., samples for homicide and rape/sexual assault cases) in the current backlog of convicted offender DNA samples. Due to ongoing legislative changes in qualifying offenses enacted at the state level (i.e., the addition of classes of offenses from which samples can be collected), the total population of samples collected is constantly growing.

Performance Measure: Percent Reduction in DNA Backlog
FY 2008 Target: Casework: 26%
FY 2008 Actual: Casework: 45%

Discussion of FY 2008 Results: NIJ exceeded its target of 26 percent reduction in DNA backlog for casework in FY 2008 by 19 percentage points, with an actual result of 45 percent. This was due to two main factors: an increased funding of $10 million for this program and a greater request for casework assistance. Out-year targets are difficult to assess due to the direct relationship of funding to casework sample analysis. Additionally, the level of funding is not known at the time the targets are established.

As a direct result of this funding, local police departments around the country have been able to solve hundreds of cases, even some that were unsolved for decades. For example, in FY 2008, the Buffalo police department was able to solve the 1984 rape and murder of an elderly woman because the DNA sample produced a CODIS hit. The perpetrator was not a suspect at the time of the murder and most likely would not have been apprehended if the sample had not been entered into CODIS.



Data Definition: The objective of this program is to accelerate the analysis of backlogged DNA casework samples in order to provide CODIS-compatible data for all 13 CODIS core Standard Tandem Repeat (STR) loci for State and national DNA databases, so that law enforcement is provided with critical investigative information in a timely manner.

NIJ computes this measure by calculating the cumulative number of backlogged DNA cases federally-funded for analysis (30,350) and dividing it by the total number of backlogged DNA cases (67,470), as reported in the *Census of Publicly Funded Forensic Crime Laboratories,* 2005, Appendix table 1 (page 10), Bureau of Justice Statistics (BJS).

Data Collection and Storage: Data for this measure are collected by the program manager and are maintained in office files.

Data Validation and Verification: NIJ validates and verifies performance measures through monthly and quarterly progress reports from State and vendor laboratories.

Data Limitations: None known at this time.

FY 2012 Outcome Goal: Continue to ensure a 75% or greater recovery rate in the number of children recovered within 72 hours of the issuance of an AMBER alert through FY 2012
FY 2008 Progress: The Department is on target to achieve this long-term goal.

***Background/Program Objectives*:** In October 2002, at the first White House Conference on Missing, Exploited, and Runaway Children, President George W. Bush directed the Attorney General to designate a DOJ official to lead the effort in expanding the AMBER alert system nationwide. Since that time, the Assistant Attorney General (AAG) for the OJP has served as the National AMBER alert Coordinator.

Research shows that an abductor who intends to murder a child victim will likely do so within three to four hours following the abduction; therefore, it is critical to post and resolve AMBER alerts as soon as possible. The AMBER alert program supports training and technical assistance to State and regional AMBER alert teams to encourage them to use the best practices available so that children can be located and reunited with their families as quickly as possible.

The substantial increase in the number of recovered children since the strategy was put in place is evidence that the program is working well. Since AMBER alerts began in 1996, 426 children have been recovered. Over 91.8 percent of successful recoveries have occurred since October 2002, when AMBER alerts became a coordinated national effort.

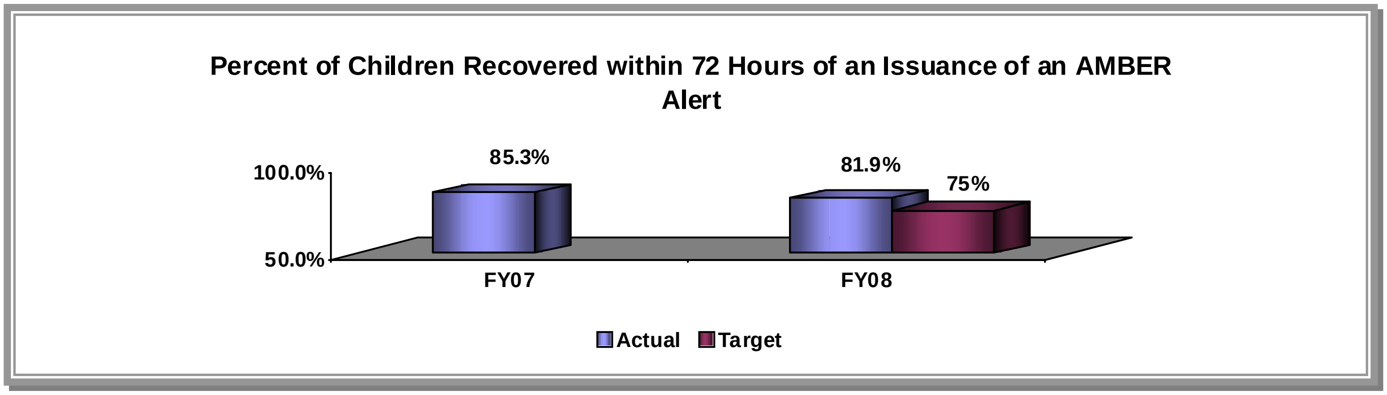
This progress is attributable to better coordination and training at all levels, increased public awareness, technological advances, and cooperation among law enforcement, transportation officials, and broadcasters. At the end of 2001, there were only four statewide AMBER alert plans, and now all 50 States have plans in place.

In addition to its successful website (www.amberalert.gov), the AMBER alert program's strategy focuses on: (1) strengthening the existing AMBER alert system; (2) expanding the scope of the AMBER alert program; and (3) enhancing communication and coordination.

Performance Measure: Percent of Children Recovered within 72 Hours of an issuance of an AMBER alert
FY 2008 Target: 75%
FY 2008 Actual: 81.9%

Discussion of FY 2008 Results: The total recovery rate within 72 hours of the issuance of an AMBER alert was 81.9 percent for FY 2008, exceeding the target of 75.0 percent by 6.9 percentage points. This is attributable to better coordination and training at all levels, increased public awareness, technological advances, and cooperation among law enforcement, transportation officials, and broadcasters. In one case in Los Angeles, a father, who had abducted his child and shot the child's mother, dropped the child off with relatives upon hearing the AMBER alert. In another case in Colorado, the AMBER alert resulted in a child being located even though the child had disappeared in the middle of the night during the FY 2008 Presidential Candidate Nominating Conventions, when law enforcement and media resources were scarce.

Additionally, in FY 2008, the AMBER alert Program completed a number of activities. Below are actual results for various accomplishments that are tracked, based on the National Center for Missing & Exploited Children (NCMEC) monitored activity.



Data Definition: Recovery rate is determined by comparing the total number of AMBER alerts cancelled within 72 hours of issuance because the subject child/children are recovered divided by the total number of children involved in AMBER alerts issued multiplied by 100. The result is expressed as a percentage.

Data Collection and Storage: Data are collected by the National Center for Missing and Exploited Children (NCMEC) from law enforcement and the National Crime Information Center database. This database stores the child's name and other critical data elements, including the Child Abduction flag. The Child Abduction flag serves to automatically notify NCMEC and the FBI that a child abduction has occurred. These data are retrieved to provide information on recoveries.

Data Validation and Verification: Data for this measure are validated and verified through a review of progress reports submitted by grantees, telephone contact, and monitoring.

Data Limitations: None known at this time.

III STRATEGIC GOAL 3: Ensure the Fair and Efficient Administration of Justice

38% of the Department's Net Costs support this Goal.

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

FY 2012 Outcome Goal: 11,200 offenders remain arrest free 1 year following release from aftercare (FY 2007-2012)
FY 2008 Progress: The Department is on target to achieve this long-term goal.
Note: FY 2012 Outcome Goal was revised to agree with the long-term goal negotiated between OMB and the Department.

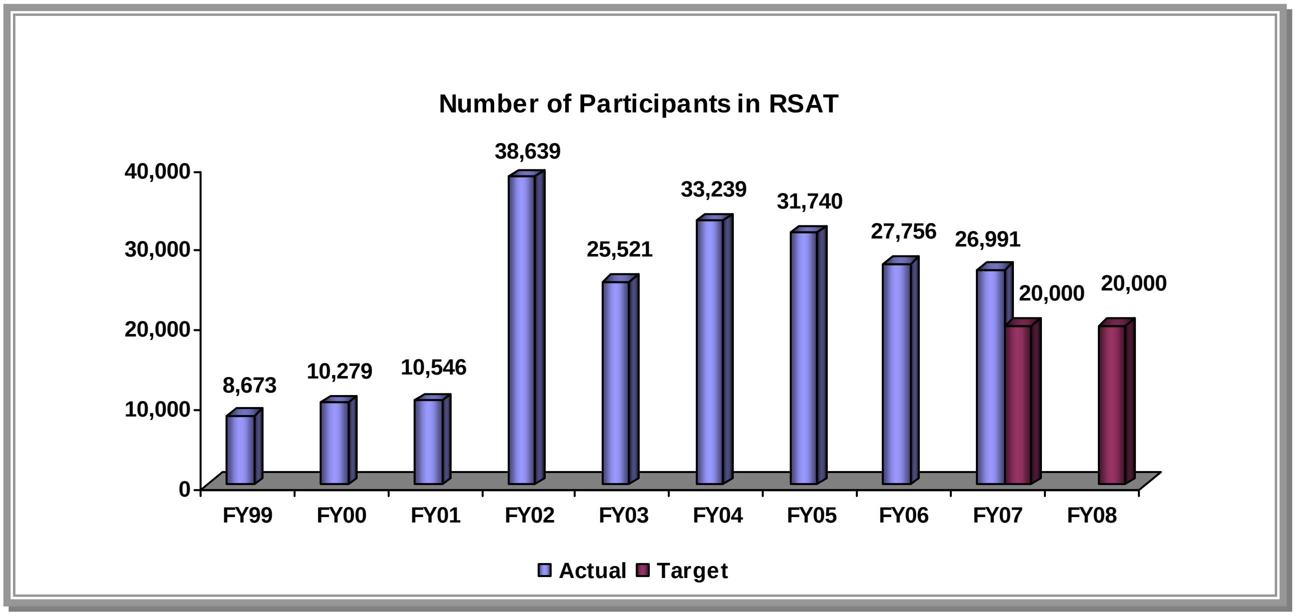
Background/Program Objectives**:** RSAT program formula grant funds may be used to implement four types of programs. For all programs, at least 10% of the total State allocation is made available to local correctional and detention facilities (provided such facilities exist) for either residential substance abuse treatment programs or jail-based substance abuse treatment programs as defined below.

The four types of programs are: 1) residential substance abuse treatment programs, which provide individual and group treatment activities for offenders in residential facilities that are operated by State correctional agencies; 2) jail-based substance abuse programs, which provide individual and group treatment activities for offenders in jails and local correctional facilities; 3) post release treatment component, which provides treatment following an individual's release from custody; and 4) an aftercare component, which requires States to give preference to subgrant applicants who will provide aftercare services to program participants. Aftercare services must involve coordination between the correctional treatment program and other human service and rehabilitation programs, such as education and job training, parole supervision, halfway houses, self-help, and peer group programs that may aid in rehabilitation.

***Performance Measure**:* Number of Participants in RSAT

2007 Target: 20,000
2007 Actual: 26,991
2008 Target: 20,000
2008 Actual: 2008 data for this measure is collected on a calendar year basis and will be available in October 2009.

Discussion of 2007 Results: There were 26,991 participants in the RSAT Program for CY 2007, exceeding the target by 35 percent. There are many contributing factors that determine the number of people who complete the RSAT program, including eligible offenders, available staff and treatment providers, security issues, and the State's ability to provide the required 25 percent matching funds.



Data Definitions: The number of RSAT Program participants is the sum of program participants during the reporting period. The number of participants is collected from grantees.

Data Collection and Storage: Program managers obtain data from reports submitted by grantees, telephone contact, and on-site monitoring of grantee performance.

Data Validation and Verification: Data are validated and verified through a review by program managers each year.

Data Limitations: Data collected and reported for 2008 for the RSAT program is according to the grantee's fiscal year, which is not the same year for all grantees (i.e., some grantees have a fiscal year end as of June 30 and others as of September 30), however, data reported does cover a single consecutive 12-month period.

FY 2012 Outcome Goal: Increase the graduation rate of drug court participants from 21% (FY2005) to 32% by FY 2012
2008 Progress: Although the Department missed its FY 2008 target, the Department is on target to achieve this long-term goal. Current cumulative average toward long-term goals average is 21%.

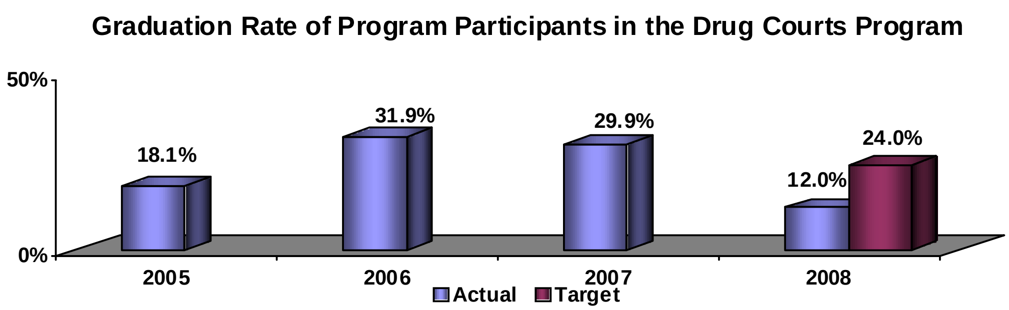
Background/Program Objectives: The National Crime Victimization Survey published in 2008 reported 6.1 million violent victimizations of residents age 12 or older. Victims of violence were asked to describe whether they perceived the offender to have been drinking or using drugs. Approximately 27 percent of victims reported that the offender was using drugs, or drugs in combination with alcohol. These facts demonstrate that the need for drug treatment services is tremendous. The OJP has a long history of providing resources to its constituencies in an effort to break the cycle of drugs and violence by reducing the demand, use, and trafficking of illegal drugs.

The OJP's Drug Court Program is administered by BJA and the Office of Juvenile Justice and Delinquency Prevention (OJJDP). The Drug Court Program was established in 1995 to provide financial and technical assistance to States, State courts, local courts, units of local government, and Indian tribal governments in order to establish drug treatment courts. Drug courts employ an integrated mix of treatment, drug testing, incentives and sanctions to break the cycle of substance abuse and crime. This community-level movement is supported through drug court grants and targeted technical assistance and training. Since 1989, more than 1,000 jurisdictions have established or are planning to establish a drug court. Currently, every State either has a drug court or is planning a drug court.

Performance Measure: Graduation Rate of Program Participants in the Drug Courts Program (Adult drug court participants only)

2008 Target: 24.0%
2008 Actual: 12.0%

Discussion of 2008 Results: The total graduation rate for FY 2008 was 12 percent, lower than the target of 24 percent by 50 percent. The pool of program participants has increased by more than the pool of participants eligible for graduation, which has affected the graduation rate. A total of 536 participants graduated from the Drug Court program during 2008. This alternative treatment program resulted in fewer offenders being sent to jail, which frees up space for more violent offenders and provides participants with training and knowledge to succeed and refrain from recidivating in the future.



Data Definitions: Drug Courts Program participants are the number of eligible adult program participants during the reporting period. The graduation rate is calculated by dividing the number of graduates during the reporting period (numerator) and number of eligible program participants during the reporting period (denominator).

Data Collection and Storage: Program managers obtain data from reports submitted by grantees, telephone contact, and on-site monitoring of grantee performance.

Data Validation and Verification: Data are validated and verified through a review of grantee support documentation by program managers.

Data Limitations: Beginning with data reported for 2007, data collected and reported covers a single consecutive 12-month period. The 12-month period will cover from July 1, 2007 through June 30, 2008. Prior to 2007, data were reported based on semi-annual reports.

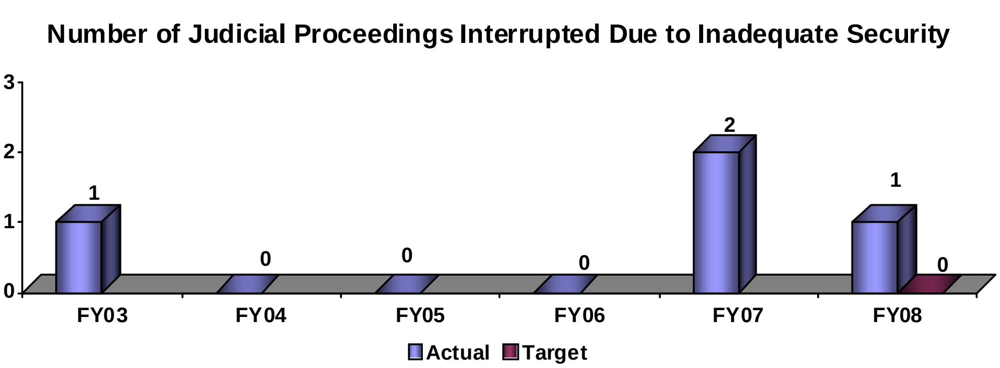
FY 2012 Outcome Goal: Ensure that no judicial proceedings are interrupted due to inadequate security
FY 2008 Progress: The Department missed its target due to one minor disruption to a court proceeding. Because the long-term goal is to ensure that no judicial proceedings are interrupted, there is no room for error. However, the Department remains committed to ensuring that no proceedings are interrupted in the future.

Background/Program Objectives: The USMS maintains the integrity of the judicial security process by: 1) ensuring that each federal judicial facility is secure – physically safe and free from any intrusion intended to subvert court proceedings; 2) guaranteeing that all federal judges, magistrate judges, bankruptcy judges, prosecutors, witnesses, jurors, and other participants have the ability to conduct uninterrupted proceedings; 3) maintaining the custody, protection and safety of prisoners brought to court for any type of judicial proceeding; and 4) limiting opportunities for criminals to tamper with evidence or use intimidation, extortion, or bribery to corrupt judicial proceedings. The number of interrupted judicial proceedings due to inadequate security is measured by proceedings that require either removal of the judge from the courtroom, or the addition of the USMS Deputy Marshals to control a situation.

Performance Measure: Number of Judicial Proceedings Interrupted Due To Inadequate Security
FY 2008 Target: 0
FY 2008 Actual: 1

Discussion of FY 2008 Results: The USMS was unable to meet its FY 2008 target of zero interrupted judicial proceedings due to inadequate security because of one courtroom incident. During this incident, a prisoner was being escorted to stand in front of the presiding judge. Before arriving in front of the judge, the prisoner lunged at the prosecuting attorney, attempting to choke her and forcefully knocking her to the ground. The court reporter and the defense attorney came to the assistance of Deputy U.S. Marshals (DUSMs). One of the DUSMs made numerous strikes with an expandable baton to the prisoner's torso before placing his baton over the prisoner's throat and applying the minimum force necessary to cause the prisoner to break his hold. This move controlled the prisoner long enough to restrain him in handcuffs. At no time during the incident was the judge or the public in danger.

As a result of the incident, a significant number of judges in the District have allowed the USMS to seat prisoners behind the defense table in the courtroom instead of standing at the rail in front of the judge and near the Assistant U.S. Attorney. By sitting at the table, the response time of the deputies to control a prisoner incident is dramatically enhanced as the distance between the prisoner and the judge/U.S. Attorney is increased by 15 feet or more.



Data Definition: An “interruption” occurs when a judge is removed as a result of a potentially dangerous incident and/or where proceedings are suspended until the USMS calls on additional deputies to guarantee the safety of the judge, witness, and other participants.

Data Collection and Storage: The USMS uses Weekly Activity Reports and Incident Reports collected at Headquarters as the data source.

Data Validation and Verification: Before data are disseminated via reports, they are checked and verified by the program managers. These reports are collected manually.

Data Limitations: This measure was not tracked or reported until FY 2003.

Revised FY 2012 Outcome Goal: Apprehend or clear 56% or 33,192 primary fugitives
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: The USMS has maintained its own "15 Most Wanted" fugitives list since 1983. Additionally, the USMS sponsors interagency fugitive task forces throughout the United States, focusing its investigative efforts on fugitives wanted for crimes of violence and drug trafficking.

On the international front, the USMS has become the primary American agency responsible for extraditing fugitives wanted in the United States from foreign countries. The USMS also apprehends fugitives within the United States who are wanted abroad.

The USMS is responsible for assisting other law enforcement agencies with the location and apprehension of non-compliant sex offenders, as well as investigating and charging for violations of the Adam Walsh Child Protection and Safety Act of 2006. A non-compliant sex offender is a sex offender who has failed to comply with his or her sex offender registration requirements.

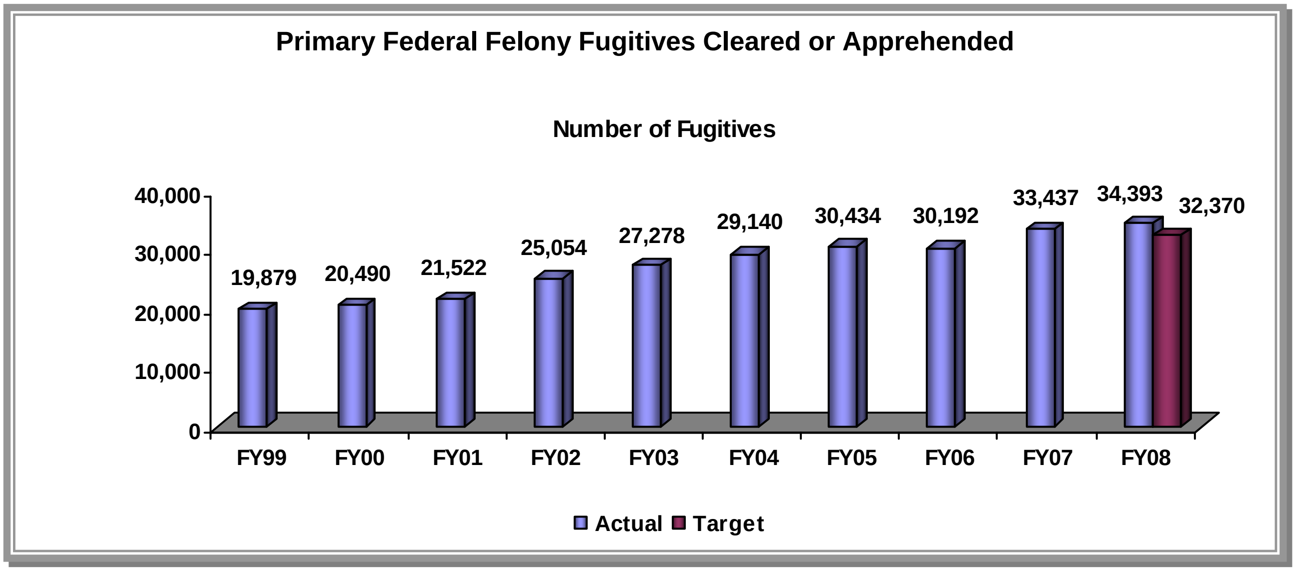
The USMS provides investigative support such as telephone monitoring, electronic tracking, audio-video recording, and analytical expertise. The USMS maintains its own central law enforcement computer system, the Warrant Information Network (WIN), which is instrumental in maintaining its criminal investigative operations nationwide.

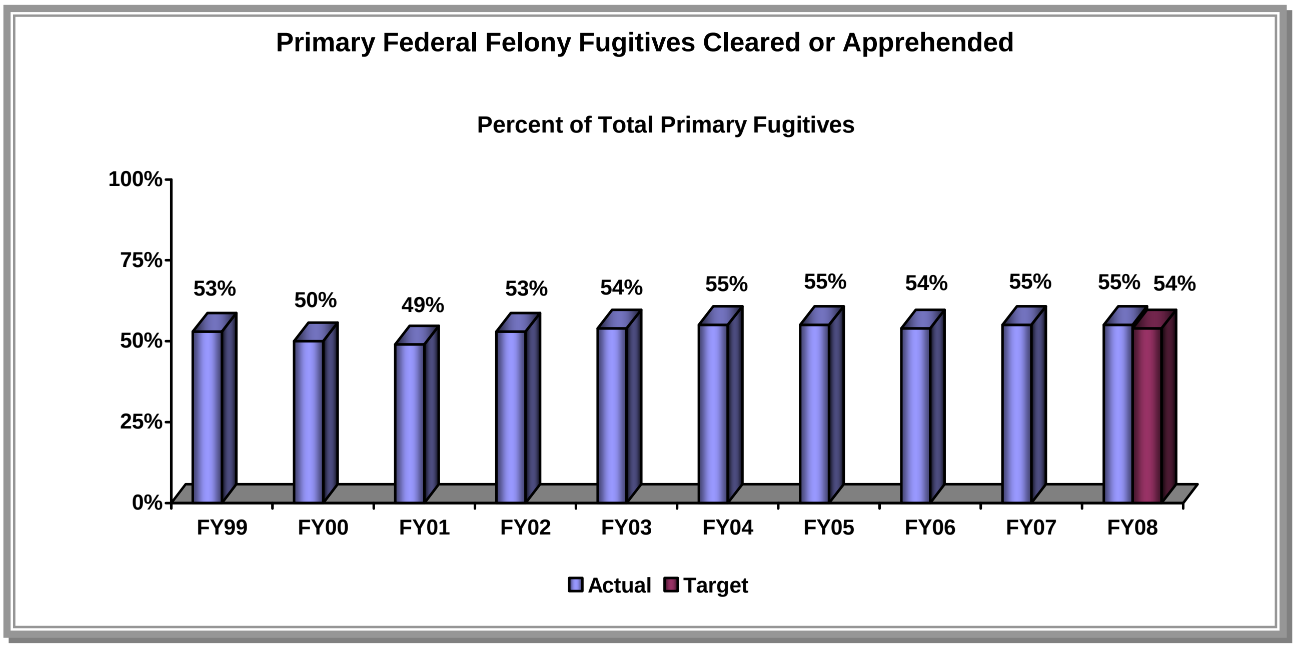
The USMS is able to enhance fugitive investigative efforts through data exchanges with other agencies, such as the Social Security Administration, the DEA, the Department of Agriculture, the Department of Defense, the Department of State, and a variety of state and local task forces around the country.

Performance Measure: Number and Percent of Primary Federal Felony Fugitives Cleared or Apprehended
FY 2008 Target: 32,370 or 54%
FY 2008 Actual: 34,393 or 55%

Discussion of FY 2008 Results: The USMS exceeded its target of 32,370 primary federal felony fugitives apprehended or cleared by apprehending or clearing 34,393 primary federal felony fugitives in FY 2008. This resulted in 55 percent of total primary federal felony fugitives apprehended or cleared, exceeding the FY 2008 target by 1 percentage point.

Several strategies led the USMS to surpass its target. These include Regional Fugitive Task Forces, District Fugitive Task Forces, and coordination of federal, State, and local law enforcement agencies (led by the USMS) through Operation FALCON (Federal and Local Cops Organized Nationally) Operations and Operation Orange Crush in Florida. In FY 2008, Operation FALCON resulted in the arrest of 19,380 fugitives, which was more than any operation to date. Operation Orange Crush was an unprecedented law enforcement effort concentrated on a single state over a 3-month time period. Among the objectives of this operation was the arrest of a significant number of violent fugitives, resulting in safer communities statewide. Non-violent felons were not targeted. Operation Orange Crush resulted in the USMS netting approximately 2,500 arrests.





Data Definition: A primary federal felony fugitive has a warrant(s) in which the USMS has primary apprehension responsibility. The USMS has primary jurisdiction to conduct and investigate fugitive matters involving escaped federal prisoners, probation, parole, bond default violators, warrants generated by the DEA referred for USMS investigation, warrants referred by other federal law enforcement agencies, warrants referred by State and local agencies through USMS led district and regional fugitive task forces, and certain other related felony cases. A fugitive is considered cleared or apprehended if the fugitive is arrested, has a detainer issued, or the warrant is dismissed. The percent cleared is calculated by dividing the number of cleared fugitives by the sum of received fugitives (fugitives who had a warrant issued during the fiscal year) and on-hand fugitives (fugitives who had an active warrant at the beginning of the fiscal year).

Data Collection and Storage: Data are maintained in the WIN. WIN data are entered by DUSMs. Upon receiving a warrant, DUSMs access the National Crime Information Center (NCIC) through WIN to look for previous criminal information. WIN data are stored centrally at USMS headquarters, are accessible to all 94 districts, and are updated as new information is collected.

Data Validation and Verification: Warrant and fugitive data are verified by a random sampling of NCIC records generated by the FBI. The USMS coordinates with district offices to verify that warrants are validated against the signed paper records. The USMS then forwards the validated records back to NCIC.

Data Limitations: These data are accessible to all 94 districts and are updated as new information is collected. There may be a lag in the reporting of data.

Revised FY 2012 Outcome Goal: Hold the average per day jail cost for federal detention at or below inflation.
FY 2008 Progress: Although the Department missed its FY 2008 target due to economies of scale, the Department will strengthen communication between federal partners to maximize the usage of federal beds and hold the average per day jail cost for detention at or below inflation.

Background/Program Objectives: The mandate of the Office of the federal Detention Trustee's (OFDT) is to manage resource allocations, exercise financial supervision of detention operations, and set government-wide detention policy. OFDT has overall management and responsibility for federal detention services relating to the detention of federal prisoners in the custodial jurisdiction of the USMS.

Costs begin at the time a prisoner is brought into USMS custody and extend through termination of the criminal proceeding and/or commitment to BOP. Detention bed space for federal detainees is acquired as effectively and efficiently as possible through: 1) federal detention facilities, where the government pays for construction and operation of the facility through the BOP; 2) Intergovernmental Agreements (IGA) with State and local jurisdictions who have excess prison/jail bed capacity and where a daily rate is paid for the use of the bed; and, 3) private jail facilities where a daily rate is paid.

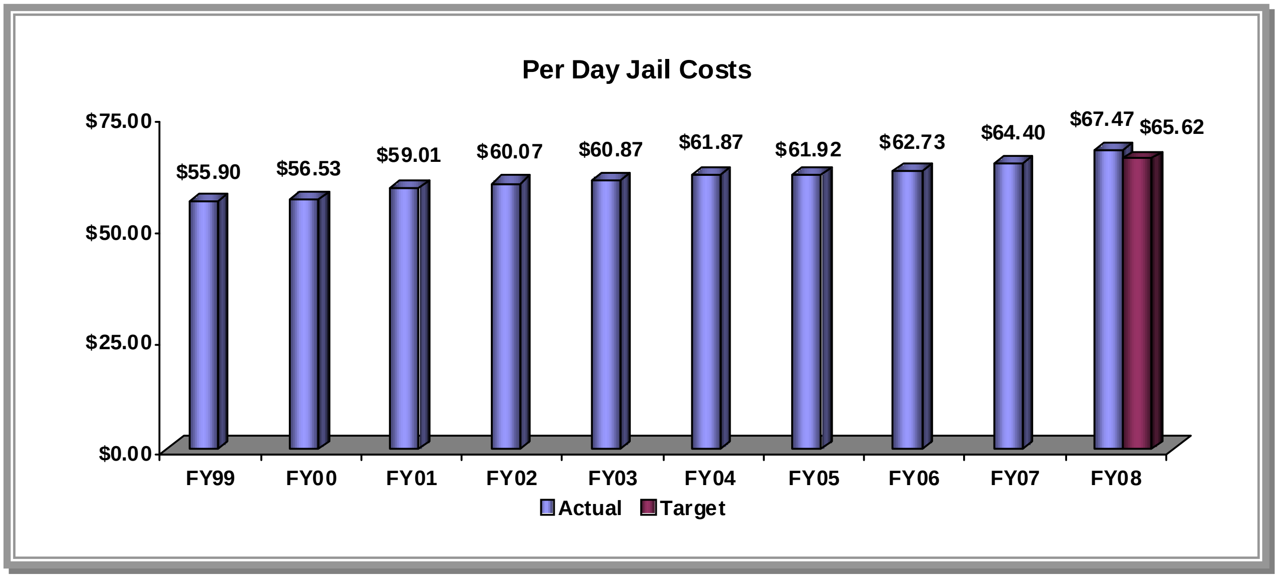
In recent years, DOJ has not been able to rely as much on IGAs and federal facilities to meet the surge in the detention population as State and local governments are increasingly using their facilities for their own detention requirements. With space unavailable in areas where more federal bed-space is needed, DOJ has increasingly turned to the private sector.

Ensuring safe, secure, and humane confinement for federal detainees is critically important. To address the variance between federal; State, and local government; and privately owned and managed facilities, the federal Performance-Based Detention Standards were developed. To ensure compliance, federal contract vehicles are written or modified to reflect federal Performance-Based Detention Standards with private contractor performance compensation based on their ability to demonstrate compliance. The comprehensive Quality Assurance Review Program provides various methodologies for assessing a facility's operations to ensure that the safe, secure, and humane confinement criteria are met, as well as addressing Congress' concerns for public safety as it relates to violent prisoners (e.g., Interstate Transportation of Dangerous Criminals Act, also known as Jenna's Act).

Performance Measure: Per Day Jail Costs
FY 2008 Target: $65.62
FY 2008 Actual: $67.47

Discussion of FY 2008 Results: The target was not met due to several factors. Federal bed-space was not utilized as projected due to BOP reduction in available capacity. This resulted in using IGA bed-space at a higher cost. In addition, Operation Streamline did not generate the increase in average daily population in specific locations and for the durations expected. This prevented OFDT from realizing the economies of scale factored for certain contracts.

During FY 2009, OFDT will continue efforts to strengthen communication with our federal partners as they execute enforcement initiatives to stay abreast of impacts to detention as-well-as capitalize on maximum usage of federal beds to the extent possible.



Data Definition: Per Day Jail Cost is actual price paid (over a 12-month period) by the USMS to house federal prisoners in non-federal detention facilities. Average price paid is weighted by actual day usage at individual detention facilities.

Data Collection and Storage: Data describing the actual price charged by State, local, and private detention facility operators is maintained by the USMS in their Prisoner Tracking System (PTS) and it is updated on an as-needed, case-by-case basis when rate changes are implemented. Rate information for specific facilities is maintained by USMS headquarters staff. For those private facilities where OFDT has a direct contract for bed space, the effective per diem is calculated using information obtained from OFDT's Procurement Division. In conjunction with daily reports to OFDT of prisoners housed, OFDT compiles reports describing the price paid for non-federal detention space on a weekly and monthly basis. Data are reported on both district and national levels.

Data Validation and Verification: Data reported to OFDT are validated and verified against monthly reports describing district-level jail utilization and housing costs prepared by the USMS. For direct contracts, contract terms are verified by OFDT Procurement staff.

Data Limitations: Previous limitations on the access to timely data have been eliminated through the implementation of Justice Detainee Information System. Much more robust data reporting is available now than in the past. The only limitation is ensuring that USMS district level input into PTS occurs in a timely and correct manner.

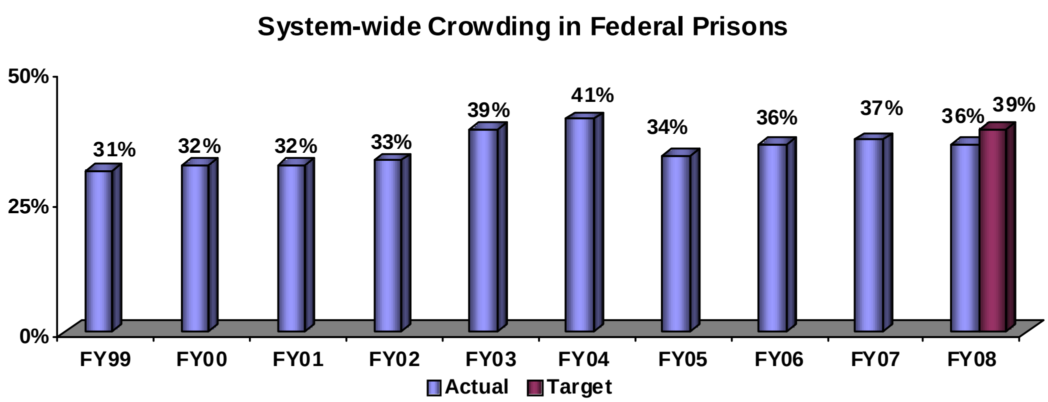
Revised FY 2012 Outcome Goal: Reduce system-wide crowding in federal prisons to 28% by 2012.
FY 2008 Progress: The Department is on target to achieve this long-term goal.

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

Performance Measure: System-wide Crowding in Federal Prisons

> ***FY 2008 Target:*** 39%
> ***FY 2008 Actual:*** 36%

Discussion of FY 2008 Results: During FY 2008, the BOP institution population was reduced through additional use of contract beds and increased inmate releases due to retroactive sentence reductions for crack cocaine offenses. These two factors combined resulted in the BOP's crowding rate being better (lower) than the target for FY 2008.



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

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

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

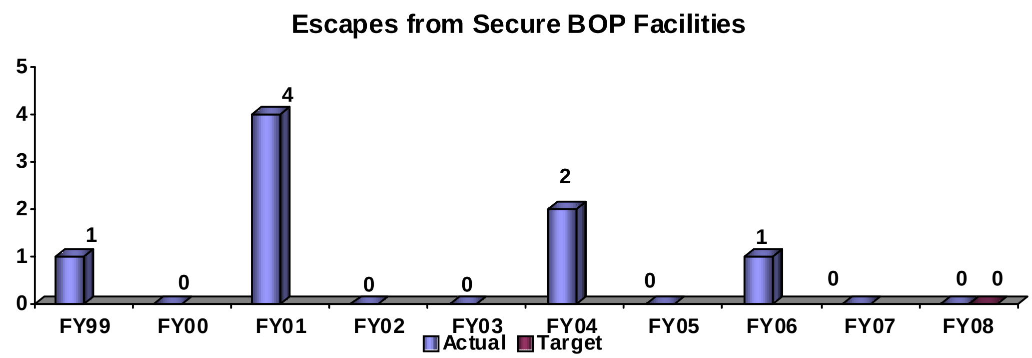
Data Limitations: None known at this time.

Revised FY 2012 Outcome Goal: Ensure that there will be no escapes from secure Bureau of Prison facilities
FY 2008 Progress: The Department is on target to achieve this long-term goal.

***Background/Program Objectives**:* The BOP significantly reduces the possibility of escape with long-term emphasis on security enhancements, physical plant improvements, enhanced training, and increased emphasis on staff supervision of inmates. In the event an escape does occur, the BOP will initiate immediate apprehension activities (escape posts, etc.) within the community, until the outside agency having jurisdiction assumes investigative and apprehension responsibilities.

Performance Measure: Escapes from Secure BOP Facilities
FY 2008 Target: 0
FY 2008 Actual: 0

Discussion of FY 2008 Results: During FY 2008, the BOP had no escapes from secure BOP facilities.



Data Definitions: All BOP institutions are assigned a security classification level based in part on the physical design of each facility. There are four security levels: minimum; low; medium; and high. Additionally, there is an administrative category for institutions that house a variety of specialized populations such as pre-trial, medical, mental health, sex offenders, and U.S. Department of Homeland Security, Immigration and Customs Enforcement (ICE) detainees. Low, medium, and high security levels and administrative institutions are defined as "secure," based on increased security features and type of offenders designated.

Data Collection and Storage: Data for this measure are taken from the Significant Incident Reports (recorded on BOP form 583) submitted by the institution where the incident occurred. The form is submitted to the BOP's Central Office where it is recorded in a log. Copies of the report are also sent to the respective regional office where the information is reviewed. The information from the log is transferred to, and maintained by, the Office of Research and Evaluation, which analyzes the data and makes it available through the Key Indicators Management Information System.

Data Validation and Verification: The most senior managers in the agency conduct annual reviews of institution performance including escapes. Additionally, during Program Reviews (which are conducted at least every three years), annual operational reviews, and Institution Character Profiles (which are conducted every three years), reviews of escapes (including attempts) are conducted, along with other inmate misconduct.

Data Limitations: None known at this time.

Revised FY 2012 Outcome Goal: Comparative recidivism rates for Federal Prison Industry inmates: 15% 3 years following release, and 10% 6 years following release
FY 2008 Progress: The Department is on target to achieve this long-term goal.

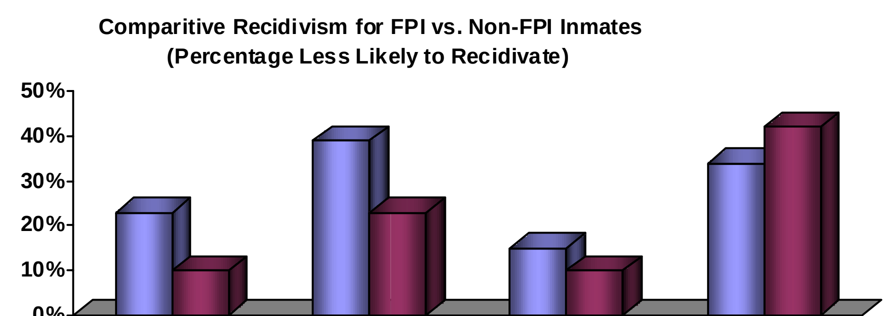
Background/Program Objectives: An objective of FPI is to reduce recidivism by providing job training and helping inmates develop a basic work ethic and marketable skills, thereby allowing them to become productive law-abiding citizens. The finding of the initial performance measurement in FY 2005 was consistent with an earlier well designed evaluation of the effects of the prison industries experience. Both evaluations found that inmates who had participated in FPI were less likely to recidivate after release from prison than similarly situated non-participants. This replication will assess group differences 3 years and 6 years after release for recidivism defined as return to federal prison for a new offense. The targets for inmates released in FY 2002-2005 are: Inmates who participate in FPI will remain 15 percent less likely to recidivate at 3 years, and 10 percent less likely to recidivate at 6 years, after release from a secure facility, compared to similarly situated inmates who did not participate.

Performance Measure: Comparative Recidivism for FPI Inmates vs. Non-FPI Inmates (Percentage less likely to recidivate)

FY 2008 Target: 3 years; 15%
6 years; 10%

FY 2008 Actual: 3 years; 34%
6 years; 42%

Discussion of FY 2008 Results: The FPI exceeded the FY 2008 targets of 15 percent less likely to recidivate at 3 years and 10 percent less likely to recidivate at 6 years with actual of 34 percent and 42 percent respectively.



	FY06	FY07	FY08 Tgt.	FY08 Act.
3 Years Post Release	23%	39%	15%	34%
6 Years Post Release	10%	23%	10%	42%

Data Definition: Recidivism means a tendency to relapse into a previous mode of behavior, such as criminal activity resulting in arrest and incarceration. The definition of recidivism employed for this performance measure is return to BOP custody due to conviction for a new offense.

Data Collection and Storage: Data are gathered from the BOP's operational computer system (SENTRY), and is analyzed by the BOP's Office of Research and Evaluation.

Data Validation and Verification: The data from the BOP SENTRY system is subject to verification and validation on a nearly daily basis; field staff modify offenders' status on an on-going basis and update the files as appropriate. The BOP data undergoes a number of quality control procedures ensuring its accuracy.

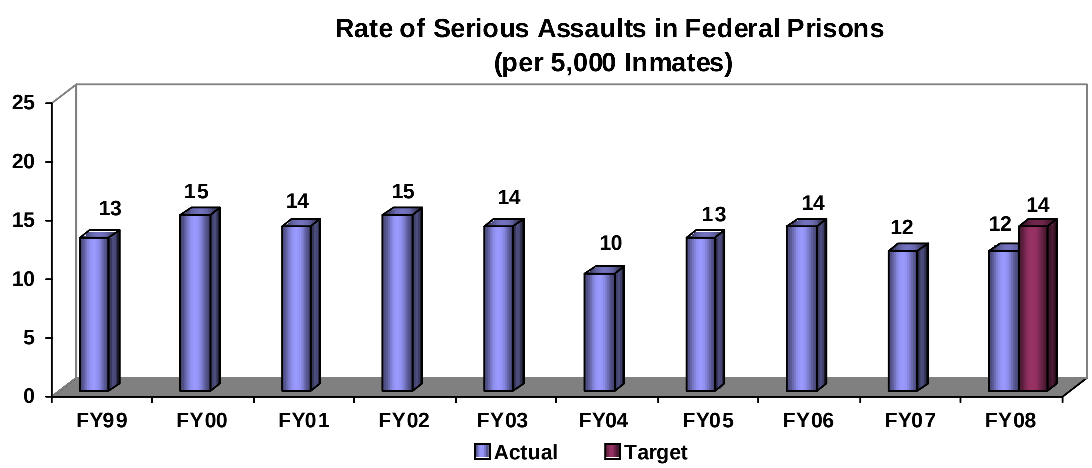
Data Limitations: Although non-citizens make up a large minority of the BOP population, they are excluded from analyses because many of them are deported following release from prison, and it is not known if they recidivate.

Revised FY 2012 Outcome Goal: Limit the rate of serious assaults in federal prisons to 14 assaults per 5,000 inmates
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: Every reasonable precaution is taken to ensure that inmates are provided with a safe and secure environment in facilities according to their needs. While it is the objective of the DOJ and BOP to eliminate all assaults, the target reflects projections based on historical data and observed trends. This data represents the rate of adjudicated, serious assaults on inmates over a twelve-month period, per 5,000 inmates. Due to the time required to adjudicate allegations of assault, there is a lag between the occurrence of the incident and reporting guilty findings. Accordingly, the figure reported represents guilty findings for incidents that occurred during the twelve month period ending the last month of the previous quarter.

Performance Measure: Rate of Serious Assaults in Federal Prisons (per 5,000 Inmates)
FY 2008 Target: 14
FY 2008 Actual: 12

Discussion of FY 2008 Results: The FY 2008 target was met. The rate of serious assaults was 12 per 5,000 inmates, lower than the target rate of 14 per 5,000 inmates for FY 2008.



Data Definition: Reported assault rate is based on guilty findings of serious assaults. Serious assaults involve serious physical injury being attempted or carried out by an inmate. They include sexual assaults as well as armed assaults on the institution's secure perimeter.

Data Collection and Storage: Data are collected from the BOP's operational computer system (SENTRY), specifically the Chronological Disciplinary Record (CDR) module, which records all disciplinary measures taken with respect to individual inmates. These data are maintained and stored in the BOP's management information system (Key Indicators), which permits retrieval of data in an aggregated manner. The data represents guilty findings of serious assaults on inmates.

Data Validation and Verification: The most senior managers in the agency conduct annual reviews of institution performance including assaults and other misconduct. Additionally, during Program Reviews (which are conducted at least every three years), annual operational reviews, and Institution Character Profiles (which are conducted every three years), reviews of assaults and other misconduct patterns are accomplished.

The SENTRY system is the BOP's operational data system, whereas Key Indicators aggregates the Sentry data and provides an historical perspective.

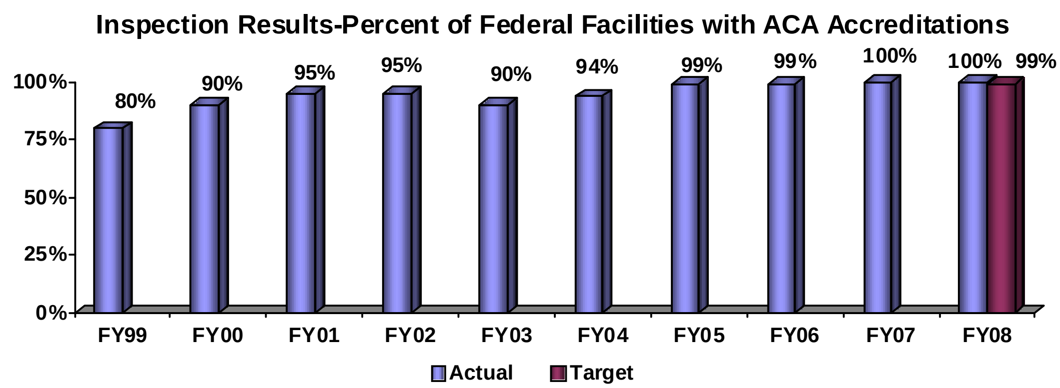
Data Limitations: The data represents the number of guilty findings for assaults over a twelve-month period per 5,000 inmates. Due to the time required to adjudicate allegations of assault, there is a lag between the occurrence of the assault and reporting of guilty findings. Due to accelerated reporting requirements (within 15 days of quarter and fiscal year end) and to provide a more accurate assault rate, the BOP is using 12 months of completed/adjudicated CDR data for each quarter and end of fiscal year reporting, showing 12-month periods ending the last month of the previous quarter.

Revised FY 2012 Outcome Goal: Achieve a 99% positive rate in inspection/accreditation results for federal prison facilities (FY 2007-2012)
FY 2008 Progress: The Department is on target to achieve this long-term goal.

Background/Program Objectives: The BOP has the highest regard for human rights and public safety. Therefore, it strives to maintain facilities that meet the accreditation standards of several professional organizations including the American Correctional Association (ACA). ACA auditors conduct on-site visits to BOP institutions during initial accreditation and re-accreditations. Institutions' ACA accreditation must be renewed tri-annually.

Performance Measure: Inspection Results—Percent of Federal Facilities with ACA Accreditations
FY 2008 Target: 99%
FY 2008 Actual: 100%

Discussion of FY 2008 Results: Once again, BOP has reached 100 percent accreditation by the ACA. This accomplishment was first achieved last year in FY 2007. The ACA recognizes agencies that have reached this milestone with its prestigious Golden Eagle award, the highest honor bestowed by ACA.



Data Definitions: Initial ACA Accreditation is awarded when an institution demonstrates 100% compliance with mandatory ACA standards, and substantial compliance with nonmandatory ACA standards. The BOP's policy requires all institutions to maintain ACA Accreditation.

Data Collection and Storage: Once an audit is completed, an electronic report is received from ACA. These reports are maintained in GroupWise shared folders by institutions, and in WordPerfect files.

Data Validation and Verification: On an annual basis, Program Review personnel develop a schedule for initial accreditation and re-accreditation of all eligible BOP facilities to ensure reviews are conducted on a regular and consistent basis. BOP policy requires institutions to initially be ACA accredited within two years of activation. Therefore, non-accredited institutions that have been activated for less than two years are excluded from calculations regarding this performance measure.

Subject matter experts review report findings to verify accuracy and develop any necessary corrective measures. The ACA accreditation meeting minutes, identifying the institutions receiving accreditation and re-accreditation, are now on file and maintained by the BOP Accreditation Manager.

Data Limitations: None known at this time.

Revised FY 2012 Outcome Goal: Complete 90% of Executive Office for Immigration Review priority cases within established timeframes.
FY 2008 Progress: The Department missed one of its four FY 2008 targets due to high vacancy rates. However, the Department is committed to filling these vacancies, which will allow more complex asylum cases to be completed in a timely manner and meet its long-term goal.

Background/Program Objectives: The Executive Office for Immigration Review (EOIR) is an independent agency with jurisdiction over various immigration matters relating to the Department of Homeland Security (DHS), aliens, and other parties. EOIR comprises three adjudicating components: the Board of Immigration Appeals (BIA), the Immigration Courts, and the Office of the Chief Administrative Hearing Officer. EOIR's mission is to be the best administrative tribunal possible, rendering timely, fair, and well-considered decisions in the cases brought before it. EOIR's ability to achieve its mission is critical to the guarantee of justice and due process in immigration proceedings, and public confidence in the timeliness and quality of EOIR adjudications. Included in this context are the timely grants of relief from removal in meritorious cases, the expeditious removal of criminal and other inadmissible aliens, and the effective utilization of limited detention resources. To assure mission focus, EOIR has identified adjudication priorities and set specific time frames for most of its proceedings. These priorities include court cases involving criminal aliens, other detained aliens, and those seeking asylum as a form of relief from removal; and adjudicative time frames for all appeals filed with the BIA. These targets are related to percentages of cases actually completed.

Performance Measure: Percent of EOIR Priority Cases Completed Within Established Time Frames

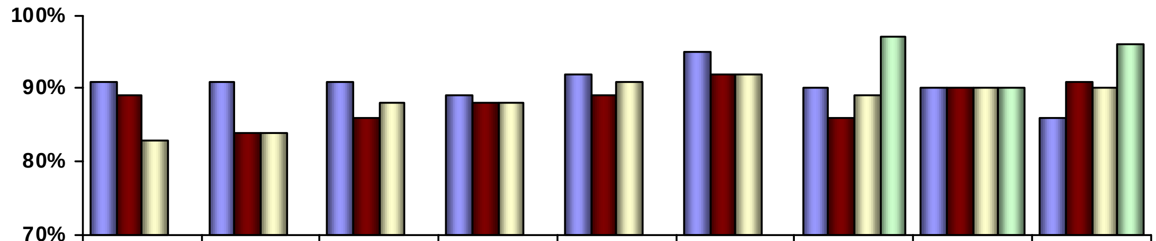
FY 2008 Target: 90% (all categories)

FY 2008 Actual:

Immigration Court Expedited Asylum Cases Completed Within 180 Days: 86%
Immigration Court Institutional Hearing Program Cases Completed Prior to Release from Incarceration: 91%
Immigration Court Detained Cases (Without Applications for Relief) Completed Within 30 Days: 90%
Immigration Court Detained Appeals Completed Within 150 Days: 96%

Discussion of FY 2008 Results: In FY 2008, EOIR exceeded two of its targets, met another target, and missed only one target. The Board was able to exceed its target through two techniques: strict time lines for each step within the adjudicatory process and effective management of human resources. The immigration courts were able to meet two of their targets due to careful docket management at courts that hear the two types of detained cases. The high number of immigration judge vacancies is the primary reason why the courts missed the target of completing 90 percent of expedited asylum cases within 180 days. The secondary reason why the courts missed that goal had to do with the great progress the courts made in the agency's initiative to complete the oldest pending cases. In the coming year, EOIR intends to fill immigration judge vacancies, which will allow for more cases, especially complex asylum cases, to be completed in a timely manner.

Percent of EOIR Priority Cases Completed Within Established Time Frames



	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08 Tgt.	FY08 Act.
Asylum	91%	91%	91%	89%	92%	95%	90%	90%	86%
IHP	89%	84%	86%	88%	89%	92%	86%	90%	91%
Detained Cases	83%	84%	88%	88%	91%	92%	89%	90%	90%
Detained Appeals	N/A	N/A	N/A	N/A	N/A	N/A	97%	90%	96%

Data Definition: The EOIR has defined its priority caseload as three types of immigration court cases (expedited asylum, Institutional Hearing Program, and detained without applications for relief) and one type of Board of Immigration Appeals case (detained appeals). Asylum regulations mandate that asylum applications be processed within 180 days. Consequently, expedited processing of asylum applications occurs when 1) an alien files “affirmatively” at a DHS Asylum Office and the application is referred to EOIR by DHS within 75 days of the filing; or 2) an alien files an application “defensively” with EOIR. The Institutional Hearing Program (IHP) is a collaborative effort between EOIR, DHS and various federal, state, and local corrections agencies. The program permits immigration judges to hold removal hearings inside correctional institutions prior to the alien completing his or her criminal sentence. Detained aliens are those in the custody of DHS or other entities. The priority caseload includes those detained aliens who have not filed an application for relief, as well as those detained aliens who have filed an appeal of an immigration judge’s decision.

Data Collection and Storage: Data are collected from the Case Access System for EOIR (CASE), a nationwide case-tracking system at the trial and appellate levels. CASE replaced the Automated Nationwide System for Immigration Review (ANSIR) in FY 2008.

Data Validation and Verification: All data entered by courts nationwide are instantaneously transmitted and stored at EOIR headquarters, which allows for timely and complete data. Data are verified by on-line edits of data fields. Headquarters and field office staff have manuals that list the routine daily, weekly, and monthly reports that verify data. Data validation is also performed on a routine basis through data comparisons between EOIR and DHS databases.

Data Limitations: None known at this time.

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Section III

Financial Section

Overview

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

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

Consolidated Balance Sheets – Presents resources owned or managed by the Department that are available to provide future economic benefits (assets); amounts owed by the Department that will require payments from those resources or future resources (liabilities); and residual amounts retained by the Department, comprising the difference (net position) as of September 30, 2008 and 2007.

Consolidated Statements of Net Cost – Presents the net cost of Department operations for the fiscal years ended September 30, 2008 and 2007. The Department's net cost of operations includes the gross costs incurred by the Department, less any exchange revenue earned from Department activities.

Consolidated Statements of Changes in Net Position – Presents the change in the Department's net position resulting from the net cost of operations, budgetary financing sources other than exchange revenues and other financing sources for the fiscal years ended September 30, 2008 and 2007.

Combined Statements of Budgetary Resources – Presents the budgetary resources available to the Department, the status of those resources, and the outlay of budgetary resources for the fiscal years ended September 30, 2008 and 2007.

Combined Statements of Custodial Activity – Presents the sources and disposition of non-exchange revenues collected or accrued by the Department on behalf of other recipient entities for the fiscal years ended September 30, 2008 and 2007.

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A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

November 12, 2008

In a year of challenges and increasing resource demands, the Department remains committed to making measurable progress in improving our financial management practices. Our financial managers recognize that their successes in financial stewardship directly support critical mission programs.

In this light, I am pleased to report that the Department of Justice has earned an unqualified audit opinion on its FY 2008 consolidated financial statements. More importantly, for the second straight year, the auditor's report on internal control identified no material weaknesses at the consolidated level. For the third straight year, we had no Department-level material weaknesses in financial reporting. We also reduced component-level material weaknesses from four last year to one this year, another positive accomplishment.

Everyday commitment from managers and employees, coupled with a strong foundation of internal control, has created this success. I also want to recognize each of the Department's nine financial reporting entities, all of which earned unqualified audit opinions this year on their financial statements. Our current and past emphasis on OMB Circular A-123 financial reporting assurance, and on information systems security and controls, continues to provide positive benefits. New financial system enhancements and reporting tools have improved the integrity of our systems, have helped identify cost savings, and have increased accountability.

Achieving a record of sustained success is not something to take for granted. While we continue as a Department to make progress, our work is unfinished. We will aggressively continue to correct the underlying causes of potential deficiencies in financial reporting and information systems controls.

Our next step is clear: to embed in our daily processes the improved practices that supported the successful FY 2008 audit. Our commitment to the Department's Unified Financial Management System will ensure that we reap the benefits of uniform financial management practices across our organization. This year, a successful pilot within the Asset Forfeiture Fund tested 28 standardized financial management processes. This was an important milestone that positions us for a successful conversion by the Drug Enforcement Administration, the first large component implementing the system. Further implementation, in FY 2010 and beyond, will empower staff to manage our finances at new levels of accountability, responsibility, and rigorous stewardship.

We take our financial accountability seriously and, as demonstrated, we take our commitment to sound agency performance results and providing taxpayer value seriously. We look forward in FY 2009 to building on our past achievements as we continue to support the important work of the Department of Justice.

Lee Lofthus
Chief Financial Officer

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U. S. DEPARTMENT OF JUSTICE
ANNUAL FINANCIAL STATEMENT
FISCAL YEAR 2008

OFFICE OF THE INSPECTOR GENERAL
COMMENTARY AND SUMMARY

This audit report contains the Annual Financial Statement of the U.S. Department of Justice (Department) for the fiscal year (FY) ended September 30, 2008. Under the direction of the Office of the Inspector General (OIG), KPMG LLP performed the consolidated Department audit and eight of the nine component audits for FYs 2008 and 2007. Another independent public accounting firm, Cotton & Company LLP, performed the remaining component audit for the same periods, upon which KPMG LLP relied when issuing its report on the consolidated financial statements.

The Department received an unqualified opinion on its FYs 2008 and 2007 financial statements. This year, at the consolidated level the Department had two significant deficiencies, both of which were repeat issues. For FY 2008, weaknesses in the general and application controls over the financial management systems at five of the Department's nine reporting components were reported as a significant deficiency. The Department's other significant deficiency related to several serious but isolated financial reporting issues, including the U.S. Marshals Service's financial accounting and reporting quality-control and assurance, and funds management controls; the Bureau of Alcohol, Tobacco, Firearms and Explosives' accounts payable process; the Federal Bureau of Investigation's financial reporting process; the Office of Justice Programs' grant advance and payable estimation process, and grant de-obligation process; the Offices, Boards and Divisions' preparation, review, and approval of journal entries; and the Assets Forfeiture Fund and Seized Asset Deposit Fund's financial reporting environment, obligations and disbursements controls, and seized and forfeited property controls. The chart at the end of our discussion illustrates the FYs 2008 and 2007 financial statement audit results for the Department and the nine reporting components.

However, as also reflected in the chart, the Department has continued to make progress in its financial management systems and has continued to address the major problems identified in the OIG's previous annual financial statement audits. For example, at the component level the number of material weaknesses decreased from four in FY 2007 to one in FY 2008. The Department and its components deserve significant credit for these improvements.

Yet, it is important to note that the Department still does not have a unified financial management system to readily support ongoing accounting operations and preparation of financial statements. As discussed in past years, we believe the most important challenge facing the Department in its financial management is to successfully implement an integrated financial management system to replace the disparate and, in some cases, antiquated financial systems used by Department components.

In the FY 2008 consolidated Report on Compliance and Other Matters, the auditors identified no instances of significant non-compliance with applicable laws and regulations. Although some instances of non-compliance were reported at some of the components, the consolidated auditors determined that none of the component level non-compliance issues caused the Department as a whole to be in significant non-compliance.

The OIG reviewed KPMG LLP's reports and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with United States generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on the Department's financial statements, conclusions about the effectiveness of internal control, conclusions on whether the Department's financial management systems substantially complied with the Federal Financial Management Improvement Act of 1996, or conclusions on compliance with laws and regulations. KPMG LLP is responsible for the attached auditors' reports dated November 12, 2008, and the conclusions expressed in the reports. However, our review, while still ongoing, disclosed no instances where KPMG LLP did not comply, in all material respects, with generally accepted government auditing standards.

Comparison of FY 2008 and FY 2007 Audit Results

Reporting Entity	Auditors' Opinion On Financial Statements		Number of Material Weaknesses[1]				Number of Significant Deficiencies[2]			
			Financial		Information Systems		Financial		Information Systems	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Consolidated DOJ	U[3]	U	0	0	0	0	1	1	1	1
OBDs	U	U	0	0	0	0	1	2	0	1
AFF/SADF	U	U	0	0	0	0	3	2	1	1
FBI	U	U	0	0	0	1	1	0	0	0
DEA	U	U	0	0	0	0	0	0	0	1
OJP	U	U	0	0	0	0	1	2	1	1
USMS	U	U	1	2	0	0	1	0	1	1
BOP	U	U	0	0	0	0	0	0	1	1
FPI	U	U	0	0	0	0	0	0	1	1
ATF	U	U	0	1	0	0	1	0	0	1
Component Totals			1	3	0	1	8	6	5	8

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

[1] A material weakness is a significant deficiency (see below), or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Department's internal control.

[2] A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's consolidated financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

[3] Unqualified opinion – An auditor's report that states 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.

KPMG

KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report on Financial Statements

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited the accompanying consolidated balance sheets of the U.S. Department of Justice (Department) as of September 30, 2008 and 2007, and the related consolidated statements of net cost and changes in net position, and the combined statements of budgetary resources and custodial activity (hereinafter referred to as "consolidated financial statements") for the years then ended. These consolidated financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of the U.S. Marshals Service, which statements reflect total assets of $878.5 million and $864.8 million, and total net costs of $1.3 billion and $1.2 billion, as of and for the years ended September 30, 2008 and 2007, respectively. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the U.S. Marshals Service, is based solely on the report of the other auditors.

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

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Department of Justice as of September 30, 2008 and 2007, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in conformity with U.S. generally accepted accounting principles.

The information in the *Management's Discussion and Analysis* and *Required Supplementary Stewardship Information* sections is not a required part of the consolidated financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we and the other auditors did not audit this information and, accordingly, we express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The September 30, 2008, consolidating and combining information in the *Consolidating and Combining Financial Statements* section is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net costs, changes in net position, budgetary resources, and custodial activity of the Department's components individually. The September 30, 2008, consolidating and combining information has been subjected to the auditing procedures applied by us and the other auditors in the audits of the consolidated financial statements and, in our opinion, based on our audit and the report of the other auditors, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The information in the *Introduction*, *Performance Section*, *Management Section*, and *Appendices* is presented for purposes of additional analysis and is not required as part of the consolidated financial statements. This information has not been subjected to the auditing procedures applied by us and the other auditors in the audits of the consolidated financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 12, 2008, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.

KPMG LLP

November 12, 2008

KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report on Internal Control over Financial Reporting

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited the consolidated balance sheets of the U.S. Department of Justice (Department) as of September 30, 2008 and 2007, and the related consolidated statements of net cost and changes in net position and the combined statements of budgetary resources and custodial activity (hereinafter referred to as the "consolidated financial statements") for the years then ended, and have issued our report thereon dated November 12, 2008. We did not audit the financial statements of the U.S. Marshals Service as of and for the years ended September 30, 2008 and 2007. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our report, insofar as it related to the amounts included for the U.S. Marshals Service, was based solely on the report of the other auditors.

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

As stated above, we did not audit the fiscal year 2008 financial statements of the U.S. Marshals Service. Those financial statements were audited by other auditors whose report thereon, including the other auditors' *Independent Auditors' Report on Internal Control,* has been furnished to us. Accordingly, our report on the Department's internal control over financial reporting, insofar as it relates to that component, is based solely on the report and findings of the other auditors.

The Department's management is responsible for establishing and maintaining effective internal control. In planning and performing our fiscal year 2008 audit, we considered the Department's internal control over financial reporting by obtaining an understanding of the Department's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements. To achieve this purpose, we did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*. The objective of our audit was not to express an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's consolidated financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Department's internal control.

In our fiscal year 2008 audit, we noted, and the report of the other auditors identified, certain matters described in Exhibits I and II that we and the other auditors consider to be significant deficiencies in internal control over financial reporting. However, we believe that none of the deficiencies described in Exhibits I and II is a material weakness. Exhibit I is an overview of the significant deficiencies identified in the Department's component auditors' *Independent Auditors' Reports on Internal Control Over Financial Reporting*, and includes an explanation of how these component-level significant deficiencies are reported at the Department level. Exhibit II provides the details of the Department-wide significant deficiencies. Exhibit III presents the status of prior years' Department-wide recommendations.

The Department's responses to the findings identified in our audit are presented in Exhibit II. We did not audit the Department's responses, and accordingly, we express no opinion on them.

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

KPMG LLP

November 12, 2008

EXHIBIT I

OVERVIEW OF SIGNIFICANT DEFICIENCIES

The following table summarizes the 14 significant deficiencies identified by the Department's component auditors during fiscal year 2008. The component auditors also considered one of these significant deficiencies to be a material weakness. We analyzed the component-level material weakness and significant deficiencies to determine their effect on the Department's internal control over financial reporting and concluded that they comprise two Department-wide significant deficiencies.

Department Significant Deficiencies Noted During Fiscal Year 2008		DOJ	OBDS	AFF	FBI	DEA	OJP	ATF	USMS (1)	BOP	FPI
Improvements are needed in the Department's component financial systems' general and application controls.		S		S			S		S	S	S
Improvements are needed in the components' internal controls to provide reasonable assurance that transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with generally accepted accounting principles.		S	S	S S S	S		S	S	M S		
Total Material Weaknesses Reported by Components' Auditors	FY 2008	1	0	0	0	0	0	0	1	0	0
	FY 2007	4	0	0	1	0	0	1	2	0	0
Total Significant Deficiencies Reported by Components' Auditors	FY 2008	13	1	4	1	0	2	1	2	1	1
	FY 2007	14	3	3	0	1	3	1	1	1	1

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

<u>Legend:</u>
(1) USMS's financial statements were audited by other auditors.

M – Material weakness
S – Significant deficiency

In Exhibit II we discuss in detail the Department-wide significant deficiencies noted above.

EXHIBIT II

SIGNIFICANT DEFICIENCIES

IMPROVEMENTS ARE NEEDED IN THE DEPARTMENT'S COMPONENT FINANCIAL MANAGEMENT SYSTEMS' GENERAL AND APPLICATION CONTROLS.

While the Department has made significant progress in addressing previously-reported material weaknesses and significant deficiencies, the component entities' auditors continue to identify opportunities for improvement in the general and application controls designed and implemented to protect the integrity of information systems data. Although the corrective actions taken by the Department and its component entities over the past year have resolved prior-year deficiencies at four of the Department's nine component entities, component auditors continue to report significant deficiencies at five of the Department's component entities. Accordingly, additional corrective actions are needed to resolve this Department-wide significant deficiency.

In performing procedures on the components' financial management information systems, we and the other auditors considered the Government Accountability Office's *Federal Information System Controls Audit Manual*; the Department's Order No. 2640.2E, *Information Technology Security*; OMB Circular No. A-130, *Management of Federal Information Resources*; and technical publications issued by the National Institute of Standards and Technology (NIST).

In support of the Department's fiscal year 2008 consolidated financial statement audit, we performed a review of the DOJ information system (IS) general controls environment that provides general control support for several DOJ components' financial applications. The Department's OSS has primary responsibility over the IS general controls environment and the following services: (1) Technology Assessment and Planning Services, (2) Customer Services, (3) Infrastructure Services, and (4) Security and Business Continuity Services. We conducted our general controls environment review for the fiscal year ended September 30, 2008.

The following table depicts the IS general and application control weaknesses identified by the auditors related to five of the Department's nine component entities for fiscal year 2008. Following the table, we present brief summaries of the specific conditions reported by the components' auditors.

General & Application Control Weaknesses[1]	AFF	OJP	USMS	BOP	FPI
Access Controls		X	X	X	X
Application Software Development and Change Controls/System Development Life Cycle (SDLC)		X	X		
Segregation of Duties					X
System Software	X		X	X	X

[1] This table summarizes the IS control weaknesses reported in the component auditors' *Independent Auditors' Reports on Internal Control Over Financial Reporting*. For the AFF, OJP, USMS, BOP, and FPI, the component auditors reported an IS-related significant deficiency.

AFF – Improvements have been made to address the prior-year weaknesses in the area of change controls. However, weaknesses continue to exist in the Consolidated Asset Tracking System's (CATS) system software.

OJP – Improvements have been made to address all of the prior-year weaknesses. However, new weaknesses were identified in the areas of application change controls and access controls for certain financial applications.

USMS – Significant improvements have been made; however, opportunities for further improvements continue to exist within the IS environment. Prior year issues remain open and new issues were identified during fiscal year 2008. Specifically, weaknesses were noted in application change controls, system software, and access controls.

BOP – Access controls and system software weaknesses continue to exist in controlling access to financially-significant systems.

FPI – Improvements have been made to address the prior year weakness in application change controls. However, weaknesses in the IS and SAP general controls environment continue to exist in the areas of access controls, segregation of duties, and system software.

The weaknesses identified by the component auditors in the components' general and application controls increase the risk that programs and data processed on the components' information systems are not adequately protected from unauthorized access or service disruption.

Recommendation

We recommend the Department:

1. Require the components to submit and implement corrective action plans that address the weaknesses identified above. The corrective action plans should focus on correcting deficiencies in access controls, application change controls, segregation of duties, and system software weaknesses discussed in the component auditors' reports on internal control over financial reporting. The corrective action plans should also include a timeline that establishes when major events must be completed. The Department's CIO should monitor the components' efforts to correct deficiencies, hold them accountable for meeting the action plan timelines, and ensure the corrective actions are implemented adequately to address the noted deficiencies. *(Updated)*

Management Response:

DOJ management concurs. The Department's Office of the Chief Information Officer (OCIO), working with the Chief Financial Officer and component program managers as well as their respective CIOs, have made substantial progress in eliminating prior year significant deficiencies in Operation Services Staff (OSS), Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA) and Alcohol, Tobacco and Firearms (ATF). For the remaining components with significant deficiencies, the Department's CIO will ensure that robust corrective action plans are developed to address the weaknesses identified. These plans will be validated and monitored by the Department's OCIO to ensure corrective actions are institutionalized and program improvements are made. In addition, the Department's OCIO will ensure that all weaknesses identified in prior year audits are addressed and that enhancements in policies, processes, and work flow are implemented to provide the best possible support for successful financial audits. The corrective action plans are a subset of the Department's overall capital Plans of Actions and Milestones and are available to the Office of the Inspector General and reported to OMB in the Department's quarterly Federal Information Security Management Act (FISMA) Reports.

IMPROVEMENTS ARE NEEDED IN THE COMPONENTS' INTERNAL CONTROLS TO PROVIDE REASONABLE ASSURANCE THAT TRANSACTIONS ARE PROPERLY RECORDED, PROCESSED, AND SUMMARIZED TO PERMIT THE PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

The Department and its component entities have made significant progress in addressing previously-reported material weaknesses and significant deficiencies in internal control. However, several of the component entities' auditors continue to report significant deficiencies in internal controls that inhibit the preparation of financial statements in accordance with generally accepted accounting principles. Further improvement is needed in the component entities' internal controls designed to provide reasonable assurance that transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with generally accepted accounting principles.

The following component entity-level significant deficiencies comprise this Department-wide significant deficiency.

Funds Management Controls. The USMS does not have adequate financial and compliance controls to ensure that obligation transactions are executed and recorded in accordance with laws and regulations and the related open obligation balances are accurate and complete. While the USMS management implemented a new obligation review and certification process during fiscal year 2008, the process was evolving during the year and was not fully effective. The component auditors identified accounting errors and instances of noncompliance with accounting standards; OMB Circular No. A-11, *Preparation, Submission and Execution of the Budget*, and the United States Standard General Ledger (USSGL), as follows:

Undelivered Orders

- As a result of their year-end test work, component auditors identified accounting errors related to the proper classification between undelivered orders and accounts payable for certain transactions and related balances. Included in the errors identified by the component auditors were (1) an overstatement of undelivered orders, with a corresponding understatement of accounts payable, in connection with projects for which the work completed to date was not properly recognized as an accounts payable, (2) a one-time year-end obligation for performance awards that should have been recorded as an accounts payable, with a corresponding reduction to undelivered orders, and (3) invalid undelivered orders for which an accounts payable should have been recorded (for goods or services received) or for which the balances were only partially de-obligated in error. The USMS's policies require that obligation balances be carefully monitored for accuracy and that quarterly reviews of outstanding obligation balances be performed to determine whether the balances are still valid and supported by adequate documentation. However, as a result of these accounting errors, the USMS's undelivered orders balance was overstated by a likely amount of $48.7 million as of September 30, 2008. The component auditors identified similar accounting errors in their interim test work related to the USMS's quarterly undelivered orders balances.

- Procedures for reviewing and certifying undelivered orders and accounts payable before the monthly Financial Management System (FMS) closing process and as part of the quarterly obligation certification process were ineffective. As a result, the component auditors identified $4.3 million of undelivered orders that should have been classified as accounts payable before FMS was closed. In addition to correcting this error, the USMS corrected an additional $4.7 million error related to district office undelivered orders that originated in the Standard Tracking, Accounting, and Reporting System rather than the FMS.

Delivered Orders – Obligations Unpaid (Budgetary Accounts Payable). In their year-end testing of accounts payable, the component auditors identified accounting errors related to the USMS's accounts payable accrual estimates. As a result of these accounting errors, the USMS's accounts payable balance was overstated by a likely amount of $17.6 million as of September 30, 2008. These errors were not identified during the supervisory review process.

Unauthorized Commitments. The component auditors noted that the USMS made unauthorized commitments during the fiscal year in connection with projects related to the purchase, installation, and preventive maintenance and service of security equipment; a facilities lease; and a database software and licensing and maintenance agreement. The USMS processed 20 ratifications authorizing payments totaling $9.0 million for these and other unauthorized commitments. The Federal Acquisition Regulation prohibits contracts from being entered into unless the contracting officer ensures that all requirements of law, executive orders, regulations, and other applicable procedures have been satisfied. Unauthorized commitments could result in Anti-Deficiency Act violations if there is not sufficient funding to cover such unauthorized commitments.

Accounts Payable. Component auditors noted that ATF demonstrated significant improvement in implementing policies and procedures developed in response to their recommendations made to address a material weakness that was first identified during the fiscal year 2004 audit. While errors were identified by the component auditors in their interim testing of the accounts payable balances, the errors were not as significant as in prior years and did not resurface at year-end.

In its interim internal control testing of accounts payable transactions and related balances, component auditors noted the following:

- As of March 31, 2008, the obligated balances for 2 out of 73 (2.7%) undelivered orders were not recorded accurately.
- As of March 31, 2008, the accounts payable amounts for 4 out of 19 (21.1%) balances reviewed were not calculated accurately, resulting in a likely overstatement of $2.0 million.
- As of June 30, 2008, the obligated balance for 1 out of 75 (1.3%) undelivered orders was not recorded accurately.
- As of June 30, 2008, the accounts payable amount for 1 out of 20 (5.0%) balances reviewed was not calculated accurately, resulting in a likely overstatement of $1.9 million.

Component auditors identified no errors in their testing of undelivered orders and accounts payable balances as of September 30, 2008. As a result of the improvement made, component auditors downgraded the prior-year material weakness to a significant deficiency in fiscal year 2008. ATF management should strive to sustain the effects of the internal control improvements made to provide reasonable assurance that the errors identified in the component auditors' interim test work do not recur and have a material effect on the accuracy of the accounts payable balance.

Grant Advances and Obligations. Component auditors noted that improvements were needed in OJP's grant advance estimation and grant de-obligation processes, as follows:

Grant Advance Estimation Process. During their testing of the OJP's fiscal year 2008 grant accrual methodology, component auditors observed overstatements in the estimated advance amounts. In addition, component auditors noted as a result of their review of OJP's "look-back" analysis that the variance between the estimated advances and actual advances (based on reviews of the subsequently-submitted SF-269s, *Financial Status Reports*) increased significantly from September 30, 2007 to March 31, 2008. For the quarters ended September 30, 2007, December 31, 2007, and March 31, 2008, the variances were 4%, 14%, and 22%, respectively.

OJP's *Policies and Procedure for Validating the Estimated Grant Accrual* provides guidance related to the periodic review, analysis, and validation of the grant accrual amounts posted to the general ledger. This policy states that OJP should determine that estimates are calculated and presented both fairly and reasonably for the financial statements and, when discrepancies occur, OJP should perform a more in-depth analysis. OJP management should validate the approach each quarter based on receipt of additional SF-269 data and revise the methodology, as appropriate. Management's current judgment about the adequacy of the grant accrual is a critical component of the methodology. Accrual results should be reviewed by the Office of the Comptroller and documentation of the review maintained.

The increase in the rate of variance for the three quarters mentioned above can be attributed to a significant change in the composition of OJP's block grant portfolio over the past few years. While OJP made revisions to its grant accrual methodology at the beginning of the fiscal year to address the changes that have occurred in its grant portfolio, the revised grant accrual methodology did not result in reasonably accurate grant advance estimates. As a result, the advance balance was overstated by a likely amount of $40.0 million as of March 31, 2008. While this condition remained unresolved as of June 30, 2008, OJP made revisions to its grant advance estimation methodology that resulted in reasonable estimates of the grant advance balance as of September 30, 2008.

Grant De-obligations. In testing undelivered orders (UDO) balances, component auditors noted that although improvements had been made to OJP's grant closeout process, additional progress is needed in the timely de-obligation and closeout of grants. Specifically, the component auditors identified approximately 1,200 out of 17,800 grants as of March 31, 2008, and 1,000 out of 18,300 grants as of June 30, 2008, had not been fiscally closed out and/or funds de-obligated within 180 days from the grant end date. From September 30, 2007, to September 30, 2008, OJP made progress by reducing the number of open grants pending closeout from approximately 1,600 to approximately 770. However, the issue of grants pending closeout continues to be a concern due to the backlog of open grants with expired end dates.

OJP's grant closeout policy, *Financial Closeout of OJP Grants*, provides for the closing out of grants to finalize the programmatic and financial activities on grants and to comply with Federal government grant administration requirements. Grantees are required to submit all closeout documents and complete all closeout requirements within 90 days after the end date of the grant. The grant closeout policy affords the program office 120 days after a grant's end date or submission of the final SF-269 to send a grant closeout package to the Office of Comptroller. The Office of Comptroller must complete closeouts within 180 days after the end date of the grant. If a grantee fails to provide the program office with the information needed for a standard closeout within 120 days of the end date of the grant, an administrative closeout is required.

In their review of expired grants with unliquidated balances, component auditors noted that the undelivered orders balance was overstated in OJP's financial statements by likely amounts of $73.3 million and $63.3 million for the fiscal quarters ended March 31 and June 30, 2008, respectively. Based on an analysis of historical data, OJP made adjustments of $62.4 million and $40.6 million to the undelivered orders balances as of March 31 and June 30, 2008, respectively. As a result of these adjustments, the amount of the overstatement of OJP's undelivered orders balances was reduced to approximately $10.9 million and $22.7 million as of March 31 and June 30, 2008, respectively. OJP's March 31, 2008 and June 30, 2008 UDO balances were approximately $2.9 billion and $3.1 billion, respectively.

At September 30, 2008, there were approximately $53.4 million of outstanding award balances related to grants that had been expired for six months or more. Of this amount, OJP recorded an accrued expenditure for $11.6 million and de-obligated $29.7 million. The remaining balance of expired grant UDOs was approximately $12.1 million.

Obligations and Disbursements. Component auditors noted that improvements are needed in the AFF's internal controls related to the processing and recording of obligations and related disbursements. In conducting interim and year-end tests of internal controls, undelivered orders, and accounts payable balances; component auditors identified various valuation and classification errors, including: (1) obligated balances that were not liquidated after receipt of the final invoice, (2) transactions recorded as undelivered orders after the related services were received, (3) obligations recorded as delivered prior to receipt of the services, (4) obligations not liquidated due to the duplicate recording of the obligations, (5) an obligation classified as delivered-unpaid after payment for the services was made, and (6) a disbursement recorded as a disbursement refund as opposed to a revenue receipt. These valuation errors had an absolute dollar value of approximately $6.0 million as of the interim or year-end balance sheet dates.

These valuation and classification errors occurred because the Asset Forfeiture Program participating agencies did not ensure the timely reclassification of previously created undelivered orders balances to delivered-unpaid status before initiating the disbursement of funds through the Intra-Governmental Payment and Collection system, which resulted in the undelivered orders balances not being reduced upon receipt of the related services. In addition, participating agencies did not perform adequate periodic reviews of open obligations to ensure their continued validity and the accuracy of the recorded amounts.

Seized and Forfeited Property. Component auditors noted that the AFF's internal controls are in need of improvement with respect to: (1) seized and forfeited property management, and (2) the deletion of property records from the asset tracking system, as described below.

Internal Controls Related to Status and Valuation. In conducting tests of transactions recorded in the Consolidated Asset Tracking System (CATS) as of June 30 and August 31, 2008, component auditors observed various status and valuation errors, including: (1) seized property under-valuations and over-valuations, (2) forfeited property under-valuations and over-valuations, (3) a seized property item recorded as on-hand that should have been classified as disposed of. These status and valuation errors had an absolute dollar value of approximately $4.8 million as of June 30 and August 31, 2008, combined, while the undelivered orders balance was overstated by $200 thousand as of September 30, 2008.

In addition to the errors noted in the recording of valued items, component auditors also noted that 9 out of 345 (2.6%) non-valued items tested were recorded as on-hand but should have been classified as disposed of. These errors, if not detected and corrected, would result in inaccurate reporting of the number of non-valued items on-hand in the notes to the AFF's financial statements.

Internal Controls Related to the Deletion of Records from CATS. In conducting tests related to the deletion of property records from CATS, component auditors noted that 4 out of 45 (8.9%) Drug Enforcement Administration records were not properly authorized prior to their removal from CATS. If not properly authorized, such deletions could result in misstatements in the notes to the AFF's financial statements.

SFFAS No. 3, *Accounting for Inventory and Related Property,* states that seized and forfeited property should be properly classified as of the financial reporting date. Seized property other than monetary instruments shall be disclosed in the footnotes and its value accounted for in the agency's property management records until the property is forfeited, returned, or otherwise liquidated.

Financial Accounting and Reporting Quality-Control and Assurance. The USMS implemented several new quality control procedures during fiscal years 2008 and 2007 that enhanced its ability to prepare interim and final financial statements within prescribed timeframes and with more accuracy. However, improvements are still needed. The USMS's management review of controls over the accuracy and completeness of the underlying accounting data were ineffective in ensuring that all transactions were recorded, processed, summarized, and reported in accordance with the United States Standard General Ledger (USSGL); OMB Circular No. A-136, *Financial Reporting Requirements*; and federal accounting standards. This control deficiency has been reported in the USMS's *Independent Auditors' Report on Internal Control* for the past eight years.

The USMS's Office of Finance employs a core group of personnel and contractors to perform the financial statement preparation and quality-control and assurance functions. Although there has been recent continuity among this core group, the environment is still fragile due to heavy reliance on a few key individuals and the limited time for completing year-end reporting. The component auditors noted that improvements are still needed in the following areas.

Financial Statement Preparation. Based on their review of the USMS's interim and year-end financial statements, the component auditors identified the following misstatements that were not detected during the USMS's quality control review:

- Errors were made in the September 30, 2008, financial statement footnotes, including: (1) the improper classification of a $4.5 million General Services Administration lease as non-federal capitalized property, (2) a $3.7 million understatement of Resources that Finance the Acquisition of Assets that resulted from the improper write-off of a capital lease that expired during the year, and (3) a $5.1 million unexplained difference in the reconciliation of net costs to the budget.

- Errors were made in the June 30, 2008, financial statements, including: (1) a $6.3 million overstatement of Intragovernmental Gross Costs and a corresponding understatement of Gross Costs with the Public, (2) a $24.5 million understatement of "All Other Funds" revenue and costs in the Net Cost of Operations by Sub-organization footnote, and (3) federal and non-federal capitalized property were overstated by $1.1 million and understated by $1.1 million, respectively, in the General Property, Plant and Equipment footnote.

General Ledger Account Balances Review and Validation. Component auditors noted that the USMS's September 30, 2008, and June 30, 2008, trial balances included several improper or abnormal balances and account relationship anomalies that resulted from transaction-level posting errors. The following errors identified by the component auditors were not detected by the USMS during its financial reporting process:

- The September 30, 2008, trial balance contained a $3.1 million abnormal debit balance in the Disbursements in Transit account because the USMS did not properly record a September 2008 construction-related payment.

- A journal entry resulting in the reclassification of obligations between undelivered orders and accounts payable was intended to have the effect of increasing accounts receivable in connection with certain of the USMS's reimbursable activity. This misclassification resulted in a $4.7 understatement of accounts receivable and a corresponding overstatement of unfilled customer orders without advance.

- The June 30, 2008, trial balance contained a $5.0 million abnormal debit balance in the Accrued Payroll Benefits account because National Finance Center payroll entries to record payment of tax liabilities were posted to the Accrued Payroll Benefits account, while the liability was accrued in the Other Liabilities account.

- The USMS made errors in posting elimination entries for its intra-fund activity as of June 30, 2008, including a $6.1 million reposting (as opposed to the intended reversal) of a June 30, 2008 elimination entry amount resulting from the reversal of an intra-fund accounts receivable having been posted using the wrong standard accounting event code.

- The USMS understated accounts payable and operating expenses by $7.8 million for a particular trading partner on the June 30, 2008 "Intragovernmental Activity and Balances Form" as a result of an error made when manually calculating the amount of these balances attributable to this trading partner.

Verification of Audit Deliverables. A data download of undelivered orders as of September 30, 2008, submitted for audit testing included a balance that differed from the corresponding trial balance amount by approximately $6.4 million. The data download did not include any data comprising the amount recorded in the trial balance for X-year funds for budget fiscal years prior to 2003. This exclusion was not identified as part of the reconciliation process because a pivot table used in the reconciliation also excluded the relevant data.

Ineffective financial reporting controls, including review and validation of general ledger account balances and the verification of data downloads provided to the auditors for use in their test procedures can have an adverse effect on the reliability of data included in the USMS's and the Department's financial statements and result in audit opinion modifications and the identification of significant internal control deficiencies.

The Financial Reporting Environment. Component auditors noted deficiencies in the AFF's internal controls related to data uploads made into the Financial Management Information System 2 (FMIS2) and the related reconciliation of amounts recorded in the general ledger. Specifically, the component auditors identified differences between the subsidiary ledger detail files uploaded from the USMS and the balances recorded in the AFF's general ledger (FMIS2) used for financial reporting, as follows:

- The Non-exchange Revenue subsidiary balance for the year ended September 30, 2008, exceeded the balance recorded in FMIS2 by approximately $4.4 million. This variance was approximately $1.6 million and $7.7 million as of June 30, 2008, and March 31, 2008, respectively.

- The Undelivered Orders subsidiary balance for the year ended September 30, 2008, exceeded the balance recorded in FMIS2 by approximately $300 thousand. This variance was approximately $1.0 million and $2.0 million as of June 30, 2008, and March 31, 2008, respectively.

- The Delivered-Unpaid subsidiary balance for the year ended September 30, 2008, exceeded the balance recorded in FMIS2 by approximately $700 thousand. This variance was approximately $300 thousand and $200 thousand as of June 30, 2008, and March 31, 2008, respectively.

- The Delivered-Paid subsidiary balance for the year ended September 30, 2008, was approximately $200 thousand less than the balance recorded in FMIS2. This same subsidiary balance exceeded the balance recorded in FMIS2 by approximately $800 thousand and $600 thousand as of June 30, 2008, and March 31, 2008, respectively.

These differences occurred because of inadequate controls over the timely upload and subsequent reconciliation of financial data from the USMS's financial systems into FMIS2. The failure to identify and correct such reconciliation differences can result in the misstatement of related financial statement account balances. OMB Circular No. A-123, *Management's Responsibility for Internal Control*, calls for the periodic review and reconciliation of data as part of management's continuous monitoring of internal control.

The Financial Reporting Process. Component auditors noted several areas in which the FBI lacks sufficient controls over its financial reporting process. Specifically, component auditors noted insufficient quality assurance controls over financial statements and footnotes at year-end. During their review of the draft fiscal year 2008 financial statements, they noted discrepancies between the principal statements and footnotes, instances in which the financial statements did not conform to DOJ financial statement requirements and preparation instructions, errors within the presented footnotes, and oversights in version control of the financial statement template.

Component auditors also noted that formal policies and procedures (including desk manuals) are either outdated or incomplete for many of the roles, responsibilities, processes, and functions performed within the FBI's Finance Division. For example, they noted that improvements are needed in the formal documentation of the preparation and review of the quarterly financial statements and footnotes, as well as the reconciliation and review of Fund Balance with Treasury amounts.

According to OMB Circular No. A-123, *Management's Responsibility for Internal Control*, meeting the accelerated financial statement reporting due date provides incentive for agencies to have added discipline and effective internal control to routinely produce reliable financial information. Deficiencies in internal control need to be mitigated to ensure timely and accurate financial information.

The FBI's current legacy accounting system, the Financial Management System (FMS), is over 25 years old. It was not designed for today's demands for real-time financial information, nor was it designed for Federal budgeting and accounting purposes. Many of the financial reporting issues identified resulted from system limitations in the legacy accounting system. The FBI has developed extensive manual accounting processes and methods to compensate for the limited capabilities of its financial management system in order to maintain the integrity of the FBI's financial records and statements.

The FBI is scheduled to implement a Department financial management system, the Unified Financial Management System (UFMS), which is anticipated to deliver substantially improved reporting and accounting capability for all components within DOJ.

Preparation, Review, and Approval of Journal Entries. Component auditors noted deficiencies in both the design and operation of controls related to the preparation, review, and approval of journal entries recorded in the OBDs' financial management system and as "on-top" adjustments within its financial statement preparation database. These journal entries are used to process a high volume and material dollar amount of routine and non-routine entries each fiscal quarter.

Component auditors also noted that an additional compensating corrective action, which would have helped detect journal entry errors, and which was agreed to in response to a fiscal year 2007 audit finding, was not consistently performed during fiscal year 2008. Many of the journal entry-related errors identified in fiscal years 2007 and 2008 would have been detected by a fund-level quarterly budgetary-to-proprietary account relationship analysis and an analysis of abnormal account balances. Component auditors did not receive documentary evidence that such a review was consistently performed in fiscal year 2008.

Specifically, component auditors noted the following errors:

- The OBDs included two cancelled Treasury Account Symbols in the Fund Balance with Treasury (FBWT) line item reported on the September 30, 2008, balance sheet. The OBDs did not make the appropriate proprietary entry to cancel the appropriations, which resulted in an $18.5 million misstatement in FBWT (overstated) and unexpended appropriations (overstated). This entry was subsequently corrected by JMD.

- Within the Journal Module used to post both routine and non-routine journal entries, the incorrect posting of a non-routine journal entry resulted in a $1.6 million overstatement of delivered orders, unexpended appropriations, expended appropriations, and an understatement of allotments – realized resources. Component auditors also identified Journal Module entries that did not include evidence of appropriate review or adequate supporting documentation.

Although component auditors noted improvement in the segregation of duties related to the processing of journal entries, they noted deficiencies in the recording of journal entries in the general ledger and the lack of abnormal account balance review. Specifically, they identified errors in the recording of four journal entries at year-end that were not detected and corrected as a result of the review-and-approval control designed for this purpose. Among the errors identified were journal entries affecting contingent liabilities, expired appropriations, unexpended appropriations, undelivered orders, and delivered orders. The erroneous journal entries of significant amounts were subsequently corrected by management.

It is the policy of OBDs' management that control should be exercised over journal entries through high-level management review of the closing trial balance and the budgetary and proprietary financial statements, as opposed to through the review and approval of every journal entry individually. These management review controls failed to detect and correct the deficiencies and errors noted above. Moreover, it was not evident to the component auditors that such deficiencies and errors would have been detected and corrected prior to the financial statements having been issued had they not been detected as part of the external audit process.

In summary, certain components' internal controls do not provide reasonable assurance that financial transactions are properly recorded, processed, summarized, and documented to permit the preparation of financial statements in accordance with generally accepted accounting principles. Improvements are still needed in the components' day-to-day adherence to standardized accounting policies, as set forth in the Department's *Financial Statement Requirements and Preparation Guide*, to provide for accuracy and consistency in the component entities' and the Department's financial statements.

Recommendations:

We recommend the Department:

2. Monitor the corrective actions taken by the USMS to improve the condition of its funds management controls, in response to the specific recommendations made in the component auditor's *Independent Auditors' Report on Internal Control* issued in connection with the audit of the USMS's financial statements as of and for the year ended September 30, 2008. *(Updated)*

Management Response:

DOJ management concurs. The Justice Management Division (JMD) will continue to work with the USMS to document and improve processes related to external reporting to include financial statement preparation and re-evaluate their business processes and financial activities associated with accounts payable and undelivered orders. In FY 2009, the USMS's Office of Finance will continue to coordinate with relevant offices, internal and external, to ensure that advance reconciliations and analyses are performed at least quarterly and discrepancies resolved timely. Further, designated individuals will ensure corrective actions are in place to reduce or eliminate audit concerns as well as identify and incorporate sustaining best practices. The Management and Budget Divisions will work with the Office of Compliance Review to provide training and other information or data necessary so independent reviews of open obligations can routinely be conducted to identify risks and recommend corrective actions to ensure compliance with accounting standards and regulations. In addition, the JMD Finance Staff will assist in the reviews, by pulling samples and reviewing internal processes and reviews for obligations, procurements and JPATS activities.

3. Assess the adequacy and completeness of the Department's accounting and financial reporting policies in the areas of: (a) accounts payable; (b) grant advances and obligations; (c) obligations and disbursements; (d) seized and forfeited property; (e) financial accounting and reporting and related quality assurance processes; and (f) preparation, review, and approval of journal entries. Based on the results of this assessment, determine the need to issue new guidance and/or reiterate to components the existing policies for those areas in which the components' auditors identified significant deficiencies related to the recording of transactions and the preparation of financial statements in accordance with generally accepted accounting principles. Monitor the components' adherence to the Department's accounting and financial reporting policies and procedures throughout the year. *(Updated)*

Management Response:

DOJ management concurs. The OJP will continue its efforts to reduce the number of grants that are 180 days or more past their end dates and are pending close out. Procedures were implemented in FY 2008 to include formalizing inter-office coordination and tracking, availability of reports within the OJP, increased customer involvement, and integrating the closeout process into OJP's daily business environment which resulted in closing over 7,000 grants. As of September 30, 2008, the OJP devised new procedures for estimating the grant accrual for grants with expired end dates. These estimation techniques will be further refined in FY 2009.

The OJP also began using the FMIS2+ as their official accounting system in FY 2008. Posting logic was reviewed, updated, or added to comply with the USSGL. FMIS2+ posting logic will continue to be reviewed and updated in FY 2009 to include transaction-driven entries for standard activity like upwards and downwards adjustments. This should reduce the number of journal entries required. Corrective actions will be taken to address any deficiencies to include descriptions of the activity, documentation, tightened controls on entries requiring supervisory or secondary approval, and independent reviews each quarter. JMD will also incorporate into their quarterly financial reporting controls the performance of fund code level account relationship analyses. This will include a reconciliation of expended and unexpended appropriations to the relevant proprietary and budgetary accounts for all material funds.

JMD will continue to work with various financial and property management offices, to ensure all property is accounted for accurately, to include real, accountable, seized and forfeited.

Management believes that the adequacy and completeness of existing practices and procedures are sufficient and that errors are primarily related to individuals needing to be more diligent in their period end review of transactions. Management also believes that there are adequate compensating controls to prevent material misstatements from occurring.

4. Continue efforts to implement a Department-wide integrated financial management system that is in compliance with the United States Government Standard General Ledger, conforms to the financial management systems requirements established by the Financial Systems Integration Office (formerly the Joint Financial Management Improvement Program), and can accommodate the requirements of applicable Federal accounting standards. *(Repeat)*

Management Response:

DOJ management concurs. The Unified Financial Management System (UFMS) initiative is a keystone to the Department's financial systems improvement planning for the future. UFMS is replacing the Department's multiple core financial management and procurement system with an integrated Commercial Off-The-Shelf (COTS) solution, Momentum, provided by CGI Federal Inc. Implementation of the UFMS will improve financial management and procurement operations through streamlining and standardizing business processes and procedures across all components. Progress in FY 2008 regarding the Department's implementation of its Unified Financial Management System included: Asset Forfeiture Program pilot project went live in November 2007; DEA completed requirements, design, and configuration phases and plan to go live December 2008; FBI continued work on preparation for UFMS and assessing the UFMS Contract writing tool; and ATF has begun to plan for its UFMS implementation.

EXHIBIT III

STATUS OF PRIOR YEARS' RECOMMENDATIONS

As required by *Government Auditing Standards* issued by the Comptroller General of the United States, and by OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, we have reviewed the status of prior years' findings and recommendations. The following table provides our assessment of the progress DOJ has made in correcting the significant deficiencies identified during this audit. We also provide the Office of the Inspector General report number where the deficiency remains open, the fiscal year it was identified, our recommendation for improvement, and the status of the deficiency as of the end of fiscal year 2008:

Report	Significant Deficiency	Recommendation	Status
Annual Financial Statement Fiscal Year 2007 Report No. 08-01	Improvements are needed in the Department's component financial management systems' general and application controls	**Recommendation No. 1:** Require the components' and the OSS's Chief Information Officers (CIO) to submit and implement corrective action plans that address the weaknesses identified. The corrective action plans should focus on correcting deficiencies in entity-wide security, access controls, application software development and change controls/SDLC, and system software weaknesses discussed in the component auditors' reports on internal control and the general controls environment limited-distribution reports. The corrective action plans should also include a timeline that establishes when major events must be completed, and the Department's CIO should monitor components' efforts to correct deficiencies, hold them accountable for meeting the action plan timelines, and ensure the corrective actions are implemented adequately to address the noted deficiencies.	In Process (Updated by FY 2008 Recommendation No. 1)
	Improvements are needed in the components' internal controls to provide reasonable assurance that transactions are properly recorded, processed, and summarized to permit the	**Recommendation No. 2:** Monitor the corrective actions taken by the USMS to improve the condition of its financial statement quality control and quality assurance processes and funds management controls, in response to the specific recommendations made in the component auditor's *Independent Auditors' Report on Internal Control* issued in connection with the audit of the USMS's financial statements as of and for the year ended September 30, 2007.	In Process (Updated by FY 2008 Recommendation No. 2)

Report	Significant Deficiency	Recommendation	Status
	preparation of financial statements in accordance with generally accepted accounting principles	**Recommendation No. 3:** Monitor the corrective actions taken by ATF to improve the condition of its accounts payable process, in response to the specific recommendations made in the component auditor's *Independent Auditors' Report on Internal Control* issued in connection with the audit of the ATF's financial statements as of and for the year ended September 30, 2007.	In Process (Updated by FY 2008 Recommendation No. 3)
		Recommendation No. 4: Assess the adequacy and completeness of the Department's accounting and financial reporting policies and procedures in the areas of: (a) grant advances and the grant-related accounts payable estimation methodology, (b) budgetary accounting for grant obligations, (c) budgetary and proprietary accounting related to the status of obligations and disbursements, (d) status, valuation, and completeness of seized and forfeited property, and (e) preparation, review, and approval of journal entries. Based on the results of this assessment, determine the need to issue new guidance and/or reiterate to components the existing policies for those areas in which the components' auditors identified internal control weaknesses related to the recording of transactions and the reporting of financial results. Monitor the components' adherence to the Department's accounting and financial reporting policies and procedures throughout the year.	In Process (Updated by FY 2008 Recommendation No. 3)
		Recommendation No. 5: Continue efforts to implement a Department-wide integrated financial management system that is in compliance with the United States Government Standard General Ledger, conforms to the financial management systems requirements established by the Financial Systems Integration Office (formerly the Joint Financial Management Improvement Program), and can accommodate the requirements of applicable Federal accounting standards.	In Process (FY 2008 Recommendation No. 4)

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KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report on Compliance and Other Matters

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited the consolidated balance sheets of the U.S. Department of Justice (Department) as of September 30, 2008 and 2007, and the related consolidated statements of net cost and changes in net position and the combined statements of budgetary resources and custodial activity (hereinafter referred to as the "consolidated financial statements") for the years then ended, and have issued our report thereon dated November 12, 2008. We did not audit the financial statements of the U.S. Marshals Service as of and for the years ended September 30, 2008 and 2007. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our report, insofar as it related to the amounts included for the U.S. Marshals Service, was based solely on the report of the other auditors.

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

As stated above, we did not audit the fiscal year 2008 financial statements of the U.S. Marshals Service. Those financial statements were audited by other auditors whose report thereon, including the other auditors' *Independent Auditors' Report on Compliance and Other Matters*, has been furnished to us. Accordingly, our report on the Department's compliance and other matters, insofar as it relates to that component, is based solely on the report and findings of the other auditors.

The management of the Department is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the Department. As part of obtaining reasonable assurance about whether the Department's fiscal year 2008 consolidated financial statements are free of material misstatement, we and the other auditors performed tests of the Department's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the consolidated financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 07-04, including the provisions referred to in Section 803(a) of the *Federal Financial Management Improvement Act of 1996* (FFMIA). We and the other auditors limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to the Department. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

KPMG LLP

November 12, 2008

Principal Financial Statements and Related Notes

See Independent Auditors' Report on Financial Statements

U. S. Department of Justice
Consolidated Balance Sheets
As of September 30, 2008 and 2007

Dollars in Thousands		2008		2007
ASSETS (Note 2)				
Intragovernmental				
Fund Balance with U.S. Treasury (Note 3)	$	15,595,443	$	16,515,163
Investments, Net (Note 5)		3,311,304		3,192,475
Accounts Receivable, Net (Note 6)		358,577		335,423
Other Assets (Note 10)		118,762		146,101
Total Intragovernmental		19,384,086		20,189,162
Cash and Monetary Assets (Note 4)		182,209		130,312
Accounts Receivable, Net (Note 6)		123,800		86,443
Inventory and Related Property, Net (Note 7)		284,217		210,766
Forfeited Property, Net (Note 8)		139,897		124,379
General Property, Plant and Equipment, Net (Note 9)		8,758,540		8,234,077
Advances and Prepayments		466,560		476,465
Other Assets (Note 10)		4,738		5,652
Total Assets	**$**	**29,344,047**	**$**	**29,457,256**
LIABILITIES (Note 11)				
Intragovernmental				
Accounts Payable	$	243,522	$	299,886
Accrued Federal Employees' Compensation Act Liabilities		226,553		215,344
Debt (Note 12)		-		20,000
Custodial Liabilities (Note 23)		186,206		832,140
Other Liabilities (Note 16)		742,080		607,094
Total Intragovernmental		1,398,361		1,974,464
Accounts Payable		2,140,129		2,285,323
Accrued Grant Liabilities		409,071		490,941
Actuarial Federal Employees' Compensation Act Liabilities		1,136,569		1,046,479
Accrued Payroll and Benefits		452,237		353,431
Accrued Annual and Compensatory Leave Liabilities		727,459		675,481
Environmental and Disposal Liabilities (Note 13)		22,112		22,112
Deferred Revenue		356,881		311,577
Seized Cash and Monetary Instruments (Note 15)		1,266,611		1,299,213
Contingent Liabilities (Note 17)		164,312		190,090
Capital Lease Liabilities (Note 14)		45,632		53,183
Radiation Exposure Compensation Act Liabilities		321,671		188,458
Other Liabilities (Note 16)		174,513		258,905
Total Liabilities	**$**	**8,615,558**	**$**	**9,149,657**
NET POSITION				
Unexpended Appropriations - Earmarked Funds (Note 18)	$	44,902	$	21,938
Unexpended Appropriations - All Other Funds		9,169,075		9,714,869
Cumulative Results of Operations - Earmarked Funds (Note 18)		4,052,221		3,619,453
Cumulative Results of Operations - All Other Funds		7,462,291		6,951,339
Total Net Position	**$**	**20,728,489**	**$**	**20,307,599**
Total Liabilities and Net Position	**$**	**29,344,047**	**$**	**29,457,256**

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

U. S. Department of Justice
Consolidated Statements of Net Cost
For the Fiscal Years Ended September 30, 2008 and 2007

Dollars in Thousands

		Gross Costs			Less: Earned Revenues			Net Cost of Operations (Note 19)
	FY	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	
Goal 1	**2008**	$ 1,083,843	$ 3,045,378	$ 4,129,221	$ 244,861	$ 27,128	$ 271,989	$ 3,857,232
	2007	$ 967,483	$ 2,875,701	$ 3,843,184	$ 222,795	$ 31,344	$ 254,139	$ 3,589,045
Goal 2	**2008**	3,121,561	10,818,593	13,940,154	591,045	648,787	1,239,832	12,700,322
	2007	3,091,738	10,752,699	13,844,437	645,797	608,074	1,253,871	12,590,566
Goal 3	**2008**	1,977,972	9,521,501	11,499,473	1,052,718	455,691	1,508,409	9,991,064
	2007	1,901,488	9,220,700	11,122,188	969,679	390,438	1,360,117	9,762,071
Total	**2008**	**$ 6,183,376**	**$ 23,385,472**	**$ 29,568,848**	**$ 1,888,624**	**$ 1,131,606**	**$ 3,020,230**	**$ 26,548,618**
	2007	**$ 5,960,709**	**$ 22,849,100**	**$ 28,809,809**	**$ 1,838,271**	**$ 1,029,856**	**$ 2,868,127**	**$ 25,941,682**

Goal 1: Prevent Terrorism and Promote the Nation's Security
Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People
Goal 3: Ensure the Fair and Efficient Administration of Justice

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

U. S. Department of Justice
Consolidated Statements of Changes in Net Position
For the Fiscal Year Ended September 30, 2008

Dollars in Thousands

	2008			
	Earmarked Funds	**All Other Funds**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ 21,938**	**$ 9,714,869**	**$ -**	**$ 9,736,807**
Budgetary Financing Sources				
Appropriations Received	44,902	24,035,805	-	24,080,707
Appropriations Transferred-In/Out	4,061	244,308	-	248,369
Other Adjustments	(10,260)	(395,026)	-	(405,286)
Appropriations Used	(15,739)	(24,430,881)	-	(24,446,620)
Total Budgetary Financing Sources	**22,964**	**(545,794)**	**-**	**(522,830)**
Unexpended Appropriations	**$ 44,902**	**$ 9,169,075**	**$ -**	**$ 9,213,977**
Cumulative Results of Operations				
Beginning Balances	**$ 3,619,453**	**$ 6,951,339**	**$ -**	**$ 10,570,792**
Budgetary Financing Sources				
Appropriations Used	15,739	24,430,881	-	24,446,620
Nonexchange Revenues	980,604	1,199	-	981,803
Donations and Forfeitures of Cash and Cash Equivalents	1,222,643	-	-	1,222,643
Transfers-In/Out Without Reimbursement	-	180,900	-	180,900
Other Budgetary Financing Sources	-	(41,000)	-	(41,000)
Other Financing Sources				
Donations and Forfeitures of Property	63,430	2,424	-	65,854
Transfers-In/Out Without Reimbursement	(65,492)	64,566	-	(926)
Imputed Financing from Costs Absorbed by Others (Note 20)	20,563	643,443	(27,562)	636,444
Total Financing Sources	**2,237,487**	**25,282,413**	**(27,562)**	**27,492,338**
Net Cost of Operations	**(1,804,719)**	**(24,771,461)**	**27,562**	**(26,548,618)**
Net Change	432,768	510,952	-	943,720
Cumulative Results of Operations	**$ 4,052,221**	**$ 7,462,291**	**$ -**	**$ 11,514,512**
Net Position	**$ 4,097,123**	**$ 16,631,366**	**$ -**	**$ 20,728,489**

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

U. S. Department of Justice
Consolidated Statements of Changes in Net Position
For the Fiscal Year Ended September 30, 2007

Dollars in Thousands

	2007			
	Earmarked Funds	**All Other Funds**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ 60,071**	**$ 9,079,538**	**$ -**	**$ 9,139,609**
Budgetary Financing Sources				
Appropriations Received	18,819	23,260,005	-	23,278,824
Appropriations Transferred-In/Out	-	575,671	-	575,671
Other Adjustments	(49,335)	(197,865)	-	(247,200)
Appropriations Used	(7,617)	(23,002,480)	-	(23,010,097)
Total Budgetary Financing Sources	**(38,133)**	**635,331**	**-**	**597,198**
Unexpended Appropriations	**$ 21,938**	**$ 9,714,869**	**$ -**	**$ 9,736,807**
Cumulative Results of Operations				
Beginning Balances	**$ 3,157,735**	**$ 6,862,933**	**$ -**	**$ 10,020,668**
Budgetary Financing Sources				
Other Adjustments	-	(2,500)	-	(2,500)
Appropriations Used	7,617	23,002,480	-	23,010,097
Nonexchange Revenues	1,129,466	2,846	-	1,132,312
Donations and Forfeitures of Cash and Cash Equivalents	1,409,015	-	-	1,409,015
Transfers-In/Out Without Reimbursement	-	59,021	-	59,021
Other Budgetary Financing Sources	34,001	-	-	34,001
Other Financing Sources				
Donations and Forfeitures of Property	106,746	303	-	107,049
Transfers-In/Out Without Reimbursement	(13,735)	(2)	-	(13,737)
Imputed Financing from Costs Absorbed by Others (Note 20)	21,266	760,239	(24,957)	756,548
Total Financing Sources	**2,694,376**	**23,822,387**	**(24,957)**	**26,491,806**
Net Cost of Operations	**(2,232,658)**	**(23,733,981)**	**24,957**	**(25,941,682)**
Net Change	461,718	88,406	-	550,124
Cumulative Results of Operations	**$ 3,619,453**	**$ 6,951,339**	**$ -**	**$ 10,570,792**
Net Position	**$ 3,641,391**	**$ 16,666,208**	**$ -**	**$ 20,307,599**

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

U. S. Department of Justice
Combined Statements of Budgetary Resources
For the Fiscal Years Ended September 30, 2008 and 2007

Dollars in Thousands	2008	2007
Budgetary Resources		
Unobligated Balance, Net, Brought Forward, October 1	$ 3,935,392	$ 3,277,846
Adjustment to Unobligated Balance, Brought Forward, October 1	(20,000)	-
Unobligated Balance, Brought Forward, as Adjusted	3,915,392	3,277,846
Recoveries of Prior Year Unpaid Obligations	844,461	744,956
Budget Authority		
Appropriations Received	26,963,178	27,822,275
Spending Authority from Offsetting Collections		
Earned		
Collected	6,478,763	6,271,945
Change in Receivables from Federal Sources	76,157	(48,172)
Change in Unfilled Customer Orders		
Advance Received	(222,934)	347
Without Advance from Federal Sources	78,724	182,232
Subtotal Budget Authority	33,373,888	34,228,627
Nonexpenditure Transfers, Net, Anticipated and Actual	429,269	634,692
Temporarily not Available Pursuant to Public Law	(362,414)	(1,899,545)
Permanently not Available	(441,364)	(220,603)
Total Budgetary Resources (Note 21)	**$ 37,759,232**	**$ 36,765,973**
Status of Budgetary Resources		
Obligations Incurred		
Direct	$ 27,919,589	$ 26,649,851
Reimbursable	6,289,781	6,180,730
Total Obligations Incurred (Note 21)	34,209,370	32,830,581
Unobligated Balance - Available		
Apportioned	2,303,952	2,991,152
Exempt from Apportionment	147,934	205,577
Total Unobligated Balance - Available	2,451,886	3,196,729
Unobligated Balance not Available	1,097,976	738,663
Total Status of Budgetary Resources	**$ 37,759,232**	**$ 36,765,973**

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

U. S. Department of Justice
Combined Statements of Budgetary Resources - Continued
For the Fiscal Years Ended September 30, 2008 and 2007

Dollars in Thousands		2008		2007
Change in Obligated Balance				
Obligated Balance, Net - Brought Forward, October 1				
Unpaid Obligations	$	12,924,950	$	12,022,870
Less: Uncollected Customer Payments from Federal Sources		1,674,463		1,540,402
Total Unpaid Obligated Balance, Net - Brought Forward, October 1		11,250,487		10,482,468
Obligations Incurred		34,209,370		32,830,581
Less: Gross Outlays		33,020,941		31,183,546
Less: Recoveries of Prior Year Unpaid Obligations, Actual		844,461		744,956
Change in Uncollected Customer Payments from Federal Sources		(154,881)		(134,060)
Obligated Balance, Net - End of Period				
Unpaid Obligations		13,268,917		12,924,950
Less: Uncollected Customer Payments from Federal Sources		1,829,346		1,674,463
Total Unpaid Obligated Balance, Net - End of Period	$	11,439,571	$	11,250,487
Net Outlays				
Gross Outlays	$	33,020,941	$	31,183,546
Less: Offsetting Collections		6,255,828		6,272,290
Less: Distributed Offsetting Receipts (Note 21)		(121,927)		1,269,818
Total Net Outlays (Note 21)	**$**	**26,887,040**	**$**	**23,641,438**

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

U. S. Department of Justice
Combined Statements of Custodial Activity
For the Fiscal Years Ended September 30, 2008 and 2007

Dollars in Thousands	2008	2007
Revenue Activity		
Sources of Cash Collections		
Delinquent Federal Civil Debts as Required by the Federal Debt Recovery Act of 1986	$ 2,758,710	$ 3,053,827
Fees and Licenses	27,262	25,551
Fines, Penalties and Restitution Payments - Civil	21,956	7,980
Fines, Penalties and Restitution Payments - Criminal	26,895	17,409
Miscellaneous	2,469	5,119
Total Cash Collections	2,837,292	3,109,886
Accrual Adjustments	(222)	(412)
Total Custodial Revenue	2,837,070	3,109,474
Disposition of Collections		
Transferred to Federal Agencies		
U.S. Department of Agriculture	(140,289)	(99,035)
U.S. Department of Commerce	(1,884)	(5,447)
U.S. Department of the Interior	(23,239)	(121,901)
U.S. Department of Justice	(294,666)	(202,300)
U.S. Department of Labor	(3,268)	(6,779)
Pension Benefit Guaranty Corporation	-	(816)
U.S. Postal Service	(10,817)	(17,185)
U.S. Department of State	-	(500)
U.S. Department of the Treasury	(249,287)	(318,032)
Office of Personnel Management	(7,432)	(110,594)
National Credit Union Administration	(7)	(977)
Federal Communications Commission	(4,114)	(491)
Social Security Administration	(650)	(544)
Smithsonian Institution	(9)	(34)
U.S. Department of Veterans Affairs	(13,548)	(10,931)
General Services Administration	(1,516)	(83,435)
National Science Foundation	-	(860)
Federal Deposit Insurance Corporation	(14)	(435)
Railroad Retirement Board	(373)	(294)
Tennessee Valley Authority	(7,933)	-
Environmental Protection Agency	(440,033)	(310,136)
U.S. Department of Transportation	(36,213)	(14,365)
U.S. Department of Homeland Security	(46,329)	(29,879)
Agency for International Development	-	(396)
Small Business Administration	(10,740)	(12,456)
U.S. Department of Health and Human Services	(1,614,871)	(718,437)
National Aeronautics and Space Administration	(413)	(268)
Export-Import Bank of the United States	-	(1,142)
U.S. Department of Housing and Urban Development	(8,467)	(5,513)
U.S. Department of Energy	(7,463)	(2,023)
U.S. Department of Education	(14,517)	(17,184)
Independent Agencies	(86,419)	(22,662)
U.S. Department of Defense	(115,735)	(53,495)
Transferred to the Public	(339,229)	(202,688)
(Increase)/Decrease in Amounts Yet to be Transferred	723,404	(679,220)
Refunds and Other Payments	(898)	(1,793)
Retained by the Reporting Entity	(80,101)	(57,227)
Net Custodial Activity (Note 23)	$ -	$ -

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

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

B. Basis of Presentation

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

C. Basis of Consolidation

The consolidated/combined financial statements of the Department include the accounts of the AFF/SADF, OBDs, USMS, OJP, DEA, FBI, ATF, BOP, and FPI. All significant proprietary intra-departmental transactions and balances have been eliminated in consolidation. The Statements of Budgetary Resources and Statements of Custodial Activity are combined statements for FYs 2008 and 2007, and as such, intra-departmental transactions have not been eliminated.

D. Basis of Accounting

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

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

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

D. Basis of Accounting (continued)

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

E. Non-Entity Assets

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

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

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

G. Investments

Investments are market-based Treasury securities issued by the Bureau of Public Debt. When securities are purchased, the investment is recorded at face value (the value at maturity). The Department's intent is to hold investments to maturity, unless 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. The market value of the investments is the current market value at the end of the reporting period. It is calculated by using the "End of Day" price listed in The FedInvest Price File which can be found on the Bureau of Public Debt website (http://www.fedinvest.gov/). Investments are reported on the Consolidated Balance Sheet at their net value, the face value plus or minus any unamortized premium or discount. Premiums and discounts are amortized over the life of the Treasury security. Amortization is based on the straight-line method over the term of the securities.

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

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

G. Investments (continued)

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

H. Accounts Receivable

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

I. Inventory and Related Property

Inventory is maintained primarily for the manufacture of goods for sale to customers. This inventory is composed of three categories: Raw Materials, Work in Process, and Finished Goods. Raw material inventory value is based upon moving average costs, and the values of sub-assembly and finished goods inventories are based upon standard costs that are periodically adjusted to approximate actual costs that include material, labor and manufacturing overhead.

An allowance for inventory valuation and obsolescence is recorded for anticipated inventory losses of contracts where the current estimated cost to manufacture the item exceeds the total sales price, as well as estimated losses for inventories that may not be utilized in the future.

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

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

J. General Property, Plant and Equipment

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

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

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

K. Advances and Prepayments

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

L. Forfeited and Seized Property

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

Property is seized in consequence of a violation of public law. Seized property can include monetary instruments, real property, and tangible personal property of others in the actual or constructive possession of the custodial agency. Most non-cash property is held by the USMS from the point of seizure until its disposition. This property is recorded at the estimated fair market value at the time of seizure.

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

M. Liabilities

Liabilities represent the monies or other resources that are likely to be paid by the Department as the result of a transaction or event that has already occurred. However, no liability can be paid by the Department absent proper budget authority. Liabilities that are not funded by the current year appropriation are classified as liabilities not covered by budgetary resources in Note 11.

On October 15, 1990, Congress passed the Radiation Exposure Compensation Act (RECA), 42 U.S.C. § 2210 note (1990), providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. The September 30, 2008 and 2007 estimated liabilities are based on historical data collected since the Program commenced operations in 1992, and management's assumptions concerning receipt and approval of claims in the future.

Key factors in determining liability are the number of claims filed, the number of claims approved, and estimates for these factors through FY 2022. These estimates are then discounted in accordance with the discount rates set by OMB.

Congress granted the FPI borrowing authority pursuant to Public Law 100-690. Under this authority, the FPI borrowed $20,000 from the Treasury with a lump-sum maturity date of September 30, 2008. FPI repaid this note to the Treasury on September 30, 2008.

N. Accrued Grant Liabilities

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

O. Contingencies and Commitments

The Department is involved in various legal actions, including administrative proceedings, lawsuits, and claims. A liability is generally recognized as an unfunded liability for those legal actions where unfavorable decisions are considered "probable" and an estimate for the liability can be made. Contingent liabilities that are considered "probable" or "reasonably possible" are disclosed in Note 17. Liabilities that are considered "remote" are not recognized in the financial statements or disclosed in the notes to the financial statements.

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

P. Annual, Sick, and Other Leave

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

Q. Interest on Late Payments

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

R. Retirement Plan

With few exceptions, employees hired before January 1, 1984 are covered by the Civil Service Retirement System (CSRS) and employees hired on or after that date are covered by the Federal Employees Retirement System (FERS). For employees covered by CSRS, the Department contributes 7% of the employees' gross pay for regular and 7.5% for law enforcement officers' retirement. For employees covered by FERS, the Department contributes 11.2% of employees' gross pay for regular and 24.9% for law enforcement officers' retirement. All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For those employees covered by the FERS, a TSP account is automatically established to which the Department is required to contribute an additional 1% of gross pay and match employee contributions up to 4%. No contributions are made to the TSP accounts established by the CSRS employees. The Department does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to its employees. Such reporting is the responsibility of the Office of Personnel Management (OPM). Statement of Federal Financial Accounting Standards (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service. Refer to Note 20, *Imputed Financing from Costs Absorbed by Others*, for additional details.

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

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

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

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

T. Intragovernmental Activity

These transactions and/or balances result from business activities conducted between two different federal government entities.

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

U. Revenues and Other Financing Sources

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

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

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

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

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

V. Earmarked Funds

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

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

V. Earmarked Funds (continued)

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

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

W. Tax Exempt Status

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

X. Use of Estimates

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

Y. Reclassifications

The FY 2007 financial statements were reclassified to conform to the FY 2008 Departmental financial statement presentation requirements. The reclassifications had no material effect on total assets, liabilities, net position, change in net position or budgetary resources as previously reported.

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

Note 2. Non-Entity Assets

As of September 30, 2008 and 2007

	2008	2007
Intragovernmental		
Fund Balance with U.S. Treasury	$ 532,327	$ 1,186,479
Investments, Net	1,208,217	1,285,339
Total Intragovernmental	1,740,544	2,471,818
With the Public		
Cash and Monetary Assets	148,410	99,995
Accounts Receivable, Net	15,003	14,359
Total With the Public	163,413	114,354
Total Non-Entity Assets	1,903,957	2,586,172
Total Entity Assets	27,440,090	26,871,084
Total Assets	$ 29,344,047	$ 29,457,256

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

Note 3. Fund Balance with U.S. Treasury

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

As of September 30, 2008 and 2007

	2008	2007
Fund Balances		
Trust Funds	$ 82,885	$ 143,233
Special Funds	3,247,682	3,161,651
Revolving Funds	612,318	510,492
General Funds	11,595,325	12,634,571
Other Fund Types	57,233	65,216
Total Fund Balances with U.S. Treasury	$ 15,595,443	$ 16,515,163
Status of Fund Balances		
Unobligated Balance - Available	$ 2,451,886	$ 3,196,729
Unobligated Balance - Unavailable	1,097,976	738,663
Obligated Balance not yet Disbursed	11,439,571	11,250,487
Other Funds (With)/Without Budgetary Resources	606,010	1,329,284
Total Status of Fund Balances	$ 15,595,443	$ 16,515,163

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

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

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

Note 4. Cash and Monetary Assets

As of September 30, 2008 and 2007

	2008	2007
Cash		
Undeposited Collections	$ 14,881	$ 17,154
Imprest Funds	15,332	9,647
Seized Cash Deposited	91,144	42,791
Other Cash	7,625	6,000
Total Cash	128,982	75,592
Monetary Assets		
Seized Monetary Instruments	53,227	54,720
Total Cash and Monetary Assets	$ 182,209	$ 130,312

Note 5. Investments, Net

	Face Value	Unamortized Premium (Discount)	Interest Receivable	Investments, Net	Market Value
As of September 30, 2008					
Intragovernmental					
Non-Marketable Securities					
Market Based	$ 3,317,153	$ (5,849)	$ -	$ 3,311,304	$ 3,313,091

	Face Value	Unamortized Premium (Discount)	Interest Receivable	Investments, Net	Market Value
As of September 30, 2007					
Intragovernmental					
Non-Marketable Securities					
Market Based	$ 3,205,153	$ (14,326)	$ 1,648	$ 3,192,475	$ 3,192,355

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

Note 6. Accounts Receivable, Net

As of September 30, 2008 and 2007

	2008	2007
Intragovernmental		
Accounts Receivable	$ 359,468	$ 336,587
Allowance for Uncollectible Accounts	(891)	(1,164)
Total Intragovernmental	358,577	335,423
With the Public		
Accounts Receivable	146,123	110,393
Allowance for Uncollectible Accounts	(22,323)	(23,950)
Total With the Public	123,800	86,443
Total Accounts Receivable, Net	$ 482,377	$ 421,866

The accounts receivable with the public primarily consists of OBDs U.S. Trustee Chapter 11 quarterly fees, FBI Integrated Automated Fingerprint Identification System fees, court mandated restitution, and refunds due from the public.

Note 7. Inventory and Related Property, Net

As of September 30, 2008 and 2007

	2008	2007
Inventory		
Raw Materials	$ 134,422	$ 71,363
Work in Process	53,648	51,397
Finished Goods	56,259	47,191
Inventory Purchased for Resale	20,599	16,680
Excess, Obsolete, and Unserviceable	20,288	23,214
Inventory Allowance	(14,501)	(11,942)
Operating Materials and Supplies		
Held for Current Use	13,502	12,863
Total Inventory and Related Property, Net	$ 284,217	$ 210,766

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

Note 8. Forfeited and Seized Property

Equitable Sharing Payments:

The statute governing the use of the AFF (28 U.S.C. §524(c)) permits the payment of equitable shares of forfeiture proceeds to participating foreign governments and state and local law enforcement agencies. The statute does not require such sharing and permits the Attorney General wide discretion in determining those transfers. Actual sharing is difficult to predict because many factors influence both the amount and timing of disbursement of equitable sharing payments, such as the length of time required to move an asset through the forfeiture process to disposition, the amount of net proceeds available for sharing, the elapse of time for Departmental approval of equitable sharing requests for cases with asset values exceeding $1 million, and appeal of forfeiture judgments. Because of uncertainties surrounding the timing and amount of any equitable sharing payment, an obligation and expense are recorded only when the actual disbursement of the equitable sharing payment is imminent. The anticipated equitable sharing allocation level for FY 2009 is $332 million.

Analysis of Change in Forfeited Property:

The number of items represents quantities calculated using many different units of measure. The adjustments for FYs 2008 and 2007 include property status and valuation changes received after, but properly credited to FYs 2007 and 2006, respectively. In addition, the adjustments include FY 2008 non-valued forfeited property ending balances that will be used to determine the FY 2009 beginning balances for non-valued forfeited property. FY 2009 (and subsequent reporting periods) will include any adjustments, seizures and forfeitures, and disposals to forfeited non-valued property. The valuation changes include updates and corrections to an asset's value recorded in a prior year.

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

Note 8. Forfeited and Seized Property (continued)

For the Fiscal Year Ended September 30, 2008

Forfeited Property Category		Beginning Balance	Adjust-ments	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	61	3	254	238	80	-	80
	Value	$ 2,123	$ (660)	$ 39,869	$ 39,485	$ 1,847	$ -	$ 1,847
Real Property	Number	411	1	391	325	478	-	478
	Value	$ 90,709	$ 2,500	$ 73,585	$ 63,631	$103,163	$ 4,640	$ 98,523
Personal Property	Number	2,970	378	4,436	4,885	2,899	-	2,899
	Value	$ 35,601	$ 488	$ 94,075	$ 88,632	$ 41,532	$ 2,005	$ 39,527
Non-Valued Firearms	Number	19,650	-	8,939	5,982	22,607	-	22,607
Total	Number	23,092	382	14,020	11,430	26,064	-	26,064
	Value	$128,433	$ 2,328	$207,529	$ 191,748	$146,542	$ 6,645	$ 139,897

For the Fiscal Year Ended September 30, 2007

Forfeited Property Category		Beginning Balance	Adjust-ments	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	509	24	285	757	61	-	61
	Value	$ 11,346	$ (241)	$360,436	$ 369,418	2,123	$ 14	$ 2,109
Real Property	Number	340	2	405	336	411	-	411
	Value	$ 86,527	$ (212)	$ 85,988	$ 81,594	90,709	$ 3,327	$ 87,382
Personal Property	Number	3,013	27	5,027	5,097	2,970	-	2,970
	Value	$ 37,960	$ 312	$ 58,235	$ 60,906	35,601	$ 713	$ 34,888
Non-Valued Firearms	Number	19,875	-	13,191	13,416	19,650	-	19,650
Total	Number	23,737	53	18,908	19,606	23,092	-	23,092
	Value	$135,833	$ (141)	$504,659	$ 511,918	$128,433	$ 4,054	$ 124,379

These notes are an integral part of the financial statements.

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

Note 8. Forfeited and Seized Property (continued)

Method of Disposition of Forfeited Property:

During FYs 2008 and 2007, $93,916 and $482,158 of forfeited property were sold, $32,652 and $22 were destroyed or donated, $11,188 and $13,666 were returned to owners, and $53,992 and $16,072 were disposed of by other means, respectively. Other means of distribution include property transferred to other federal agencies for official use or equitable sharing, property distributed to a state or local agency, or property that is destroyed.

Analysis of Change in Seized Property:

Property seized for any purpose other than forfeiture and held by the seizing agency or a custodial agency should be disclosed by the seizing agency. All property seized for forfeiture, including property with evidentiary value, will be reported by the AFF/SADF. The Department has established a reporting threshold of $1,000 or more for Personal Property seized for evidentiary purposes.

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

During FY 2008, management determined that reporting Department-wide seized firearms is a preferred practice, although the seizure of firearms is considered inconsequential to FBI and DEA's primary mission. The sensitive nature of these items led management to adopt this practice in fiscal year 2008 by recognizing a one-time adjustment for FBI and DEA to ensure department-wide reporting. Beginning in FY 2009, the seizures and disposals of firearms will be reported for all components. The gross value of seized property, less estimated liens, equals the net seized property value.

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

Note 8. Forfeited and Seized Property (continued)

The adjustments for FYs 2008 and 2007 include property status and valuation changes received after, but properly credited to FYs 2007 and 2006, respectively. The valuation changes include updates and corrections to an asset's value recorded in a prior year. In addition, adjustments include FY 2008 non-valued seized property ending balances that will be used to determine the FY 2009 beginning balances for non-valued seized property.

For the Fiscal Year Ended September 30, 2008

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash Deposited and Seized Monetary Instruments	Value	$1,265,908	$ 3,284	$1,032,772	$ 1,073,524	$ 1,228,440	$ 73,740	$ 1,154,700
Financial Instruments	Number	304	36	190	146	384	-	384
	Value	$ 115,246	$ (239)	$ 24,528	$ 37,326	$ 102,209	$ 6,455	$ 95,754
Real Property	Number	203	-	254	258	199	-	199
	Value	$ 77,042	$ 600	$ 47,031	$ 59,010	$ 65,663	$ 10,582	$ 55,081
Personal Property	Number	6,574	5	7,188	6,402	7,365	-	7,365
	Value	$ 163,624	$ 118	$ 108,469	$ 127,907	$ 144,304	$ 16,596	$ 127,708
Non-Valued Firearms	Number	35,120	-	16,903	9,315	42,708	-	42,708
Seized for Evidence								
Seized Monetary Instruments	Value	$ 33,305	$ (3,927)	$ 33,655	$ 24,862	$ 38,171	$ -	$ 38,171
Personal Property	Number	58,193	(9,757)	16,750	13,493	51,693	-	51,693
	Value	$ 26,034	$ 1,786	$ 12,129	$ 10,490	$ 29,459	$ -	$ 29,459
Non-Valued Firearms	Number	15,814	28,994	6,012	5,561	45,259	-	45,259

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

Note 8. Forfeited and Seized Property (continued)

For the Fiscal Year Ended September 30, 2007

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash Deposited and Seized Monetary Instruments	Value	$ 797,201	$ 1,305	$1,474,190	$ 1,006,788	$ 1,265,908	$ 73,882	$ 1,192,026
Financial Instruments	Number	258	-	150	104	304	-	304
	Value	$ 40,881	$ -	$ 430,791	$ 356,426	$ 115,246	$ 3	$ 115,243
Real Property	Number	302	3	145	247	203	-	203
	Value	$ 90,329	$ (7,218)	$ 59,602	$ 65,671	$ 77,042	$ 17,387	$ 59,655
Personal Property	Number	5,875	(91)	7,445	6,655	6,574	-	6,574
	Value	$ 105,277	$ 100	$ 149,790	$ 91,543	$ 163,624	$ 16,285	$ 147,339
Non-Valued Firearms	Number	28,123	380	16,919	10,302	35,120	-	35,120
Seized for Evidence								
Seized Monetary Instruments	Value	$ 33,634	$ (4,339)	$ 27,608	$ 23,598	$ 33,305	$ -	$ 33,305
Personal Property	Number	55,486	41	19,544	16,878	58,193	-	58,193
	Value	$ 33,835	$(20,691)	$ 23,545	$ 10,655	$ 26,034	$ -	$ 26,034
Non-Valued Firearms	Number	13,561	-	5,868	3,615	15,814	-	15,814

Method of Disposition of Seized Property:

During FYs 2008 and 2007, $1,197,402 and $1,424,097 of seized property were forfeited, $92,606 and $108,312 were returned to parties with a bonafide interest, and $43,111 and $22,272 were disposed of by other means, respectively. Other means of disposition include seized property that is sold, converted to cash, or destroyed.

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

Note 8. Forfeited and Seized Property (continued)

Analysis of Drug Evidence:

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

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

For the Fiscal Year Ended September 30, 2008

Analyzed Drug Evidence	Beginning Balance	Adjustments	Analyzed	Disposed	Ending Balance
(Amounts in KG)					
Cocaine	470,579	97	38,138	115,793	393,021
Heroin	3,345	(19)	738	575	3,489
Marijuana	22,450	539	4,320	6,292	21,017
Methamphetamine	6,999	(262)	1,353	1,878	6,212
Other	50,882	44	8,910	7,238	52,598
Total	554,255	399	53,459	131,776	476,337

For the Fiscal Year Ended September 30, 2007

Analyzed Drug Evidence	Beginning Balance	Adjustments	Analyzed	Disposed	Ending Balance
(Amounts in KG)					
Cocaine	469,236	(2,327)	110,465	106,795	470,579
Heroin	3,232	40	678	605	3,345
Marijuana	21,390	757	6,200	5,897	22,450
Methamphetamine	8,500	(1,479)	1,711	1,733	6,999
Other	52,273	189	8,783	10,363	50,882
Total	554,631	(2,820)	127,837	125,393	554,255

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

Note 8. Forfeited and Seized Property (continued)

Bulk drug evidence is comprised of controlled substances housed by the DEA in secured storage facilities of which only a sample is taken for laboratory analysis. The actual bulk drug weight may vary from seizure weight due to changes in moisture content over time. The following table presents the bulk drug evidence activity.

For the Fiscal Years Ended September 30, 2008 and 2007
(Amounts in KG)

Fiscal Year	Beginning Balance	Adjustments**	Seized	Destroyed	Ending Balance
2008	196,341	5,891	824,464	810,007	216,689
2007	141,284	(252)	962,065	906,756	196,341

**Adjustments include status and valuation changes received after, but properly credited to, prior fiscal years. Valuation changes include updates and corrections to the weight recorded in a prior year.

Unanalyzed drug evidence is qualitatively different from analyzed and bulk drug evidence because unanalyzed drug evidence includes the weight of packaging and drug categories are based on the determination of Special Agents instead of laboratory chemists. For these reasons, unanalyzed drug evidence is not reported by the Department.

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

Note 9. General Property, Plant and Equipment, Net

As of September 30, 2008

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Service Life
Land and Land Rights	$ 191,090	$ -	$ 191,090	N/A
Construction in Progress	882,838	-	882,838	N/A
Buildings, Improvements and Renovations	8,521,747	(3,087,493)	5,434,254	2-50 yrs
Other Structures and Facilities	728,679	(323,457)	405,222	10-50 yrs
Aircraft	268,484	(88,848)	179,636	7-25 yrs
Boats	2,727	(1,116)	1,611	18 yrs
Vehicles	481,279	(286,543)	194,736	2-25 yrs
Equipment	1,435,683	(921,869)	513,814	2-25 yrs
Assets Under Capital Lease	102,118	(49,083)	53,035	5-30 yrs
Leasehold Improvements	778,083	(431,048)	347,035	2-20 yrs
Internal Use Software	278,920	(115,281)	163,639	3-7 yrs
Internal Use Software in Development	391,630	-	391,630	N/A
Total	$ 14,063,278	$ (5,304,738)	$ 8,758,540	

	Federal	Public	Total
Sources of Capitalized Property, Plant and Equipment Purchases for FY 2008	$ 181,226	$ 1,020,773	$ 1,201,999

These notes are an integral part of the financial statements.

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

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

As of September 30, 2007

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Service Life
Land and Land Rights	$ 190,146	$ -	$ 190,146	N/A
Construction in Progress	512,249	-	512,249	N/A
Buildings, Improvements and Renovations	8,446,178	(2,805,711)	5,640,467	2-50 yrs
Other Structures and Facilities	697,372	(289,667)	407,705	10-50 yrs
Aircraft	237,119	(78,994)	158,125	7-25 yrs
Boats	3,037	(1,839)	1,198	18 yrs
Vehicles	422,155	(258,955)	163,200	2-25 yrs
Equipment	1,293,909	(821,214)	472,695	2-25 yrs
Assets Under Capital Lease	107,580	(50,609)	56,971	5-30 yrs
Leasehold Improvements	683,943	(367,332)	316,611	2-20 yrs
Internal Use Software	200,875	(84,556)	116,319	3-7 yrs
Internal Use Software in Development	198,391	-	198,391	N/A
Total	$ 12,992,954	$ (4,758,877)	$ 8,234,077	

	Federal	Public	Total
Sources of Capitalized Property, Plant and Equipment Purchases for FY 2007	$ 101,051	$ 622,153	$ 723,204

These notes are an integral part of the financial statements.

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

Note 10. Other Assets

As of September 30, 2008 and 2007

	2008	2007
Intragovernmental		
Advances and Prepayments	$ 118,675	$ 146,014
Other Intragovernmental Assets	87	87
Total Intragovernmental	118,762	146,101
Other Assets With the Public	4,738	5,652
Total Other Assets	$ 123,500	$ 151,753

Other Assets With the Public primarily consist of farm livestock held by the BOP.

Note 11. Liabilities not Covered by Budgetary Resources

As of September 30, 2008 and 2007

	2008	2007
Intragovernmental		
Accrued FECA Liabilities	$ 224,679	$ 213,892
Other Unfunded Employment Related Liabilities	3,406	1,591
Total Intragovernmental	228,085	215,483
With the Public		
Actuarial FECA Liabilities	1,136,569	1,046,479
Accrued Annual and Compensatory Leave Liabilities	717,168	665,677
Environmental and Disposal Liabilities (Note 13)	22,112	22,112
Deferred Revenue	215,330	185,599
Contingent Liabilities (Note 17)	164,312	190,090
Capital Lease Liabilities (Note 14)	42,735	48,079
RECA Liabilities	321,671	188,458
Other	8,375	4,561
Total With the Public	2,628,272	2,351,055
Total Liabilities not Covered by Budgetary Resources	2,856,357	2,566,538
Total Liabilities Covered by Budgetary Resources	5,759,201	6,583,119
Total Liabilities	$ 8,615,558	$ 9,149,657

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

These notes are an integral part of the financial statements.

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

Note 12. Debt

In FY 1998, Congress granted FPI borrowing authority pursuant to Public Law 100-690. Under this authority, FPI borrowed $20,000 from the Treasury with an extended lump-sum maturity date of September 30, 2008. FPI repaid this note to the Treasury on September 30, 2008. The funds received under this loan were internally restricted for use in the construction of plant facilities and the purchase of equipment. The loan accrued interest, payable March 31 and September 30 of each year, at 5.5% (the rate equivalent to the yield of Treasury obligations of comparable maturities which existed on the date of the loan extension). Accrued interest payable under the loan were either fully or partially offset to the extent FPI maintained non-interest bearing cash deposits with the Treasury. In this regard, there was no accrual of interest unless the cash balance, on deposit with the Treasury, was less than the unpaid principal balance of all note advances received, as determined by a monthly calculation performed by the Treasury. When this occurred, interest was calculated on the difference between these two amounts.

The loan agreement provided for certain restrictive covenants and a prepayment penalty for debt retirements prior to FY 2008. Additionally, the agreement limited authorized borrowings in an aggregate amount not to exceed 25% of FPI's net worth. There were no net interest expenses for the fiscal years ended September 30, 2008 and 2007, respectively.

Note 13. Environmental and Disposal Liabilities

The BOP operates firing ranges on 64 of the sites where its institutions are located. Use of these firing ranges generates waste consisting primarily of lead shot and spent rounds from rifles, shotguns, pistols, and automatic weapons. At operational firing ranges, lead-containing bullets are fired and eventually fall to the ground at or near the range. In FYs 2008 and 2007, BOP management determined that an estimated cleanup liability of $22,112 should be recorded in both years.

Note 14. Leases

Capital leases include a Federal Detention Center (25 year lease term) in Oklahoma City, Oklahoma; an airplane hangar (20 year lease term) in Oklahoma City, Oklahoma; and certain machinery, vehicles and office equipment under noncancelable capital and operating lease agreements that expire over future periods.

As of September 30, 2008 and 2007

Capital Leases	2008	2007
Summary of Assets Under Capital Lease		
Land and Buildings	$ 100,352	$ 104,070
Machinery and Equipment	1,766	3,510
Accumulated Amortization	(49,083)	(50,609)
Total Assets Under Capital Lease (Note 9)	$ 53,035	$ 56,971

These notes are an integral part of the financial statements.

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

Note 14. Leases (continued)

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

Future Capital Lease Payments Due

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2009	$ 10,086	$ 105	$ 10,191
2010	10,086	69	10,155
2011	10,086	45	10,131
2012	9,073	40	9,113
2013	9,073	12	9,085
After 2013	9,233	-	9,233
Total Future Capital Lease Payments	$ 57,637	$ 271	$ 57,908
Less: Imputed Interest	(12,245)	(31)	(12,276)
FY 2008 Net Capital Lease Liabilities	$ 45,392	$ 240	$ 45,632
FY 2007 Net Capital Lease Liabilities	$ 51,866	$ 1,317	$ 53,183

	2008	2007
Net Capital Lease Liabilities Covered by Budgetary Resources	$ 2,897	$ 5,104
Net Capital Lease Liabilities not Covered by Budgetary Resources	$ 42,735	$ 48,079

Operating leases have been established for multiple years. Many of the 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.

Operating Lease Expenses

Lease Type	2008	2007
Noncancelable Operating Leases	$ 98,874	$ 84,284
Cancelable Operating Leases	1,524,156	1,322,247
Total Operating Lease Expenses	$ 1,623,030	$ 1,406,531

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

Note 14. Leases (continued)

Future Noncancelable Operating Lease Payments Due

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2009	$ 95,197	$ 10,890	$ 106,087
2010	119,114	3,842	122,956
2011	258,212	1,695	259,907
2012	298,602	116	298,718
2013	334,682	18	334,700
After 2013	3,200,174	4	3,200,178
Total Future Noncancelable Operating Lease Payments	$ 4,305,981	$ 16,565	$ 4,322,546

Note 15. Seized Cash and Monetary Instruments

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

As of September 30, 2008 and 2007

	2008	2007
Investments, Net	$ 1,122,240	$ 1,201,702
Seized Cash Deposited	91,144	42,791
Seized Monetary Instruments	53,227	54,720
Total Seized Cash and Monetary Instruments	$ 1,266,611	$ 1,299,213

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

Note 16. Other Liabilities

As of September 30, 2008 and 2007

	2008	2007
Intragovernmental		
Employer Contributions and Payroll Taxes Payable	$ 127,944	$ 99,029
Other Unfunded Employment Related Liabilities	3,558	1,682
Advances from Others	309,144	261,250
Liability for Deposit Funds, Clearing Accounts and Undeposited Collections	15,153	34,486
Other Liabilities	286,281	210,647
Total Intragovernmental	742,080	607,094
With the Public		
Other Accrued Liabilities	8,467	13,054
Advances from Others	7,406	7,174
Liability for Deposit Funds, Clearing Accounts and Undeposited Collections	46,236	49,065
Accounts Payable from Canceled Appropriations	-	137
Custodial Liabilities	108,965	186,435
Other Liabilities	3,439	3,040
Total With the Public	174,513	258,905
Total Other Liabilities	$ 916,593	$ 865,999

The majority of "Other Liabilities" are current with the exception of a portion that consists of a capital lease for a USMS hangar and USMS future employee related expenses.

Intragovernmental other liabilities primarily represent civil debt collections where the Treasury General Fund is designated as the recipient of either a portion of a collection or the entire amount of a collection.

Other Accrued Liabilities with the Public consists of future funded utilities and judgment fund settlements.

These notes are an integral part of the financial statements.

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

Note 17. Contingencies and Commitments

The Department is party to various administrative proceedings, legal actions, and claims. The balance sheet includes an estimated liability for those legal actions where the management and Chief Counsel consider adverse decisions "probable" and the amounts are reasonably estimable. For those legal actions where the management and Chief Counsel consider adverse decisions "reasonably possible" and amounts are reasonably estimable information is disclosed below. However, there are cases where amounts have not been accrued or disclosed below because the amounts of the potential loss cannot be estimated or the likelihood of an unfavorable outcome is less than reasonably possible.

	Accrued Liabilities	Estimated Range of Loss	
		Lower	Upper
As of September 30, 2008			
Probable	$ 164,312	$ 164,312	$ 184,595
Reasonably Possible		193,229	225,777
As of September 30, 2007			
Probable	$ 190,090	$ 190,090	$ 230,468
Reasonably Possible		192,821	227,757

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

Note 18. Earmarked Funds

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

As of September 30, 2008

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Earmarked Funds
Balance Sheet							
Assets							
Fund Balance with U. S. Treasury	$ 111,756	$ 6,304	$ 17,007	$ 3,015,259	$ 113,076	$ 72,291	$ 3,335,693
Investments, Net	1,635,344	115,043	-	-	-	-	1,750,387
Other Assets	145,121	15,300	22,536	6,073	51,922	33,845	274,797
Total Assets	$ 1,892,221	$ 136,647	$ 39,543	$ 3,021,332	$ 164,998	$ 106,136	$ 5,360,877
Liabilities							
Accounts Payable	$ 744,515	$ 11,023	$ 9,026	$ 3,351	$ 586	$ 16,713	$ 785,214
Other Liabilities	139,897	18,319	13,187	62,608	233,586	10,943	478,540
Total Liabilities	$ 884,412	$ 29,342	$ 22,213	$ 65,959	$ 234,172	$ 27,656	$ 1,263,754
Net Position							
Cumulative Results of Operations	$ 1,007,809	$ 107,305	$ (27,572)	$ 2,955,373	$ (69,174)	$ 78,480	$ 4,052,221
Unexpended Appropriations	-	-	44,902	-	-	-	44,902
Total Net Position	$ 1,007,809	$ 107,305	$ 17,330	$ 2,955,373	$ (69,174)	$ 78,480	$ 4,097,123
Total Liabilities and Net Position	$ 1,892,221	$ 136,647	$ 39,543	$ 3,021,332	$ 164,998	$ 106,136	$ 5,360,877

For the Fiscal Year Ended September 30, 2008

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Earmarked Funds
Statement of Net Cost							
Gross Cost of Operations	$ 1,033,894	$ 225,145	$ 161,841	$ 642,195	$ 216,644	$ 313,322	$ 2,593,041
Less: Exchange Revenues	3,178	171,783	102,939	-	191,356	319,066	788,322
Net Cost of Operations	$ 1,030,716	$ 53,362	$ 58,902	$ 642,195	$ 25,288	$ (5,744)	$ 1,804,719
Statement of Changes in Net Position							
Net Position Beginning of Period	$ 734,213	$ 153,216	$ 32,812	$ 2,700,816	$ (49,352)	$ 69,686	$ 3,641,391
Budgetary Financing Sources	1,306,333	162	38,703	896,752	-	-	2,241,950
Other Financing Sources	(2,021)	7,289	4,717	-	5,466	3,050	18,501
Total Financing Sources	1,304,312	7,451	43,420	896,752	5,466	3,050	2,260,451
Net Cost of Operations	(1,030,716)	(53,362)	(58,902)	(642,195)	(25,288)	5,744	(1,804,719)
Net Change	273,596	(45,911)	(15,482)	254,557	(19,822)	8,794	455,732
Net Position End of Period	$ 1,007,809	$ 107,305	$ 17,330	$ 2,955,373	$ (69,174)	$ 78,480	$ 4,097,123

These notes are an integral part of the financial statements.

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

Note 18. Earmarked Funds (continued)

As of September 30, 2007

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Earmarked Funds
Balance Sheet							
Assets							
Fund Balance with U. S. Treasury	$ 300,135	$ 9,224	$ 59,739	$ 2,747,673	$ 103,490	$ 64,847	$ 3,285,108
Investments, Net	1,346,865	165,584	-	-	-	-	1,512,449
Other Assets	143,595	13,042	357	5,113	46,555	28,801	237,463
Total Assets	$ 1,790,595	$ 187,850	$ 60,096	$ 2,752,786	$ 150,045	$ 93,648	$ 5,035,020
Liabilities							
Accounts Payable	$ 897,003	$ 18,105	$ 15,606	$ 51,745	$ 148	$ 13,865	$ 996,472
Other Liabilities	159,379	16,529	11,678	225	199,249	10,097	397,157
Total Liabilities	$ 1,056,382	$ 34,634	$ 27,284	$ 51,970	$ 199,397	$ 23,962	$ 1,393,629
Net Position							
Cumulative Results of Operations	$ 734,213	$ 152,966	$ 11,124	$ 2,700,816	$ (49,352)	$ 69,686	$ 3,619,453
Unexpended Appropriations	-	250	21,688	-	-	-	21,938
Total Net Position	$ 734,213	$ 153,216	$ 32,812	$ 2,700,816	$ (49,352)	$ 69,686	$ 3,641,391
Total Liabilities and Net Position	$ 1,790,595	$ 187,850	$ 60,096	$ 2,752,786	$ 150,045	$ 93,648	$ 5,035,020

For the Fiscal Year Ended September 30, 2007

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Earmarked Funds
Statement of Net Cost							
Gross Cost of Operations	$ 1,534,041	$ 232,766	$ 157,427	$ 592,068	$ 160,864	$ 302,501	$ 2,979,667
Less: Exchange Revenues	3,722	128,497	144,794	-	163,954	306,042	747,009
Net Cost of Operations	$ 1,530,319	$ 104,269	$ 12,633	$ 592,068	$ (3,090)	$ (3,541)	$ 2,232,658
Statement of Changes in Net Position							
Net Position Beginning of Period	$ 651,122	$ 249,797	$ 37,068	$ 2,274,904	$ (57,996)	$ 62,911	$ 3,217,806
Budgetary Financing Sources	1,520,441	60	3,484	1,017,980	1	-	2,541,966
Other Financing Sources	92,969	7,628	4,893	-	5,553	3,234	114,277
Total Financing Sources	1,613,410	7,688	8,377	1,017,980	5,554	3,234	2,656,243
Net Cost of Operations	(1,530,319)	(104,269)	(12,633)	(592,068)	3,090	3,541	(2,232,658)
Net Change	83,091	(96,581)	(4,256)	425,912	8,644	6,775	423,585
Net Position End of Period	$ 734,213	$ 153,216	$ 32,812	$ 2,700,816	$ (49,352)	$ 69,686	$ 3,641,391

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

Note 18. Earmarked Funds (continued)

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

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

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

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

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

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

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

Note 19. Net Cost of Operations by Suborganization

For the Fiscal Year Ended September 30, 2008

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security											
Gross Cost	$ -	$ 373,938	$ 5,361	$ -	$ 78,422	$ 3,811,909	$ 7,388	$ -	$ -	$ (147,797)	$ 4,129,221
Less: Earned Revenue	-	113,635	-	-	216	305,935	-	-	-	(147,797)	271,989
Net Cost (Revenue) of Operations	-	260,303	5,361	-	78,206	3,505,974	7,388	-	-	-	3,857,232
Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People											
Gross Cost	1,033,894	5,130,556	4,718	1,960,019	2,435,187	3,247,183	1,123,903	4,722	-	(1,000,028)	13,940,154
Less: Earned Revenue	3,178	814,369	-	126,467	574,956	675,521	45,369	-	-	(1,000,028)	1,239,832
Net Cost (Revenue) of Operations	1,030,716	4,316,187	4,718	1,833,552	1,860,231	2,571,662	1,078,534	4,722	-	-	12,700,322
Goal 3: Ensure the Fair and Efficient Administration of Justice											
Gross Cost	-	2,067,363	2,677,142	1,084,454	-	-	-	6,254,441	1,015,026	(1,598,953)	11,499,473
Less: Earned Revenue	-	204,917	1,404,981	131,855	-	-	-	356,367	981,680	(1,571,391)	1,508,409
Net Cost (Revenue) of Operations	-	1,862,446	1,272,161	952,599	-	-	-	5,898,074	33,346	(27,562)	9,991,064
Net Cost (Revenue) of Operations	$ 1,030,716	$ 6,438,936	$ 1,282,240	$ 2,786,151	$ 1,938,437	$ 6,077,636	$ 1,085,922	$ 5,902,796	$ 33,346	$ (27,562)	$ 26,548,618

For the Fiscal Year Ended September 30, 2007

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security											
Gross Cost	$ -	$ 492,989	$ 5,219	$ -	$ 48,810	$ 3,461,168	$ 6,499	$ -	$ -	$ (171,501)	$ 3,843,184
Less: Earned Revenue	-	204,922	-	-	1,452	219,266	-	-	-	(171,501)	254,139
Net Cost (Revenue) of Operations	-	288,067	5,219	-	47,358	3,241,902	6,499	-	-	-	3,589,045
Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People											
Gross Cost	1,534,041	5,088,063	981	1,512,413	2,301,304	3,348,680	1,088,821	1,160	-	(1,031,026)	13,844,437
Less: Earned Revenue	3,722	964,111	-	220,278	538,200	517,915	40,671	-	-	(1,031,026)	1,253,871
Net Cost (Revenue) of Operations	1,530,319	4,123,952	981	1,292,135	1,763,104	2,830,765	1,048,150	1,160	-	-	12,590,566
Goal 3: Ensure the Fair and Efficient Administration of Justice											
Gross Cost	-	1,610,331	2,487,386	1,478,033	-	-	-	5,929,647	966,633	(1,349,842)	11,122,188
Less: Earned Revenue	-	19,123	1,293,650	58,292	-	-	-	336,042	977,895	(1,324,885)	1,360,117
Net Cost (Revenue) of Operations	-	1,591,208	1,193,736	1,419,741	-	-	-	5,593,605	(11,262)	(24,957)	9,762,071
Net Cost (Revenue) of Operations	$ 1,530,319	$ 6,003,227	$ 1,199,936	$ 2,711,876	$ 1,810,462	$ 6,072,667	$ 1,054,649	$ 5,594,765	$ (11,262)	$ (24,957)	$ 25,941,682

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

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

Note 20. Imputed Financing from Costs Absorbed by Others

Imputed Inter-Departmental Financing Sources are the unreimbursed (i.e., non-reimbursed and under-reimbursed) portion of the full costs of goods and services received by the Department from a providing entity that is not part of the Department of Justice. Imputed Inter-Departmental financing sources currently recognized by the Department include the actual cost of future benefits for the Federal Employees Health Benefits Program (FEHB), the Federal Employees' Group Life Insurance Program (FEGLI), and the Federal Pension plans that are paid by other federal entities. 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. FASAB Accounting Standard Interpretation No. 2, *Accounting for Treasury Judgment Fund Transactions*, requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable and the amount can be estimated and will be paid by the Treasury Judgment Fund. Un-reimbursed payments made from the Treasury Judgment Fund on behalf of the Department are recorded as imputed financing sources.

SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, requires that employing agencies recognize the cost of pensions and other retirement benefits during their employees' active years of service. SFFAS No. 5 requires OPM to provide cost factors necessary to calculate cost. OPM actuaries calculate the value of pension benefits expected to be paid in the future, and then determine the total funds to be contributed by and for covered employees, such that the amount calculated would be sufficient to fund the projected pension benefits. For employees covered by Civil Service Retirement System (CSRS), the cost factors are 25.2% of basic pay for regular, 42.5% law enforcement officers, 19.5% regular offset, and 38% law enforcement officers offset. For employees covered by Federal Employees Retirement System (FERS), the cost factors are 12% of basic pay for regular and 26.2% for law enforcement officers.

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

For the Fiscal Years Ended September 30, 2008 and 2007

	2008	2007
Imputed Inter-Departmental Financing		
U.S. Treasury Judgment Fund	$ 29,759	$ 126,856
Health Insurance	478,215	492,236
Life Insurance	1,708	1,632
Pension	126,762	135,824
Total Imputed Inter-Departmental	$ 636,444	$ 756,548

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

Note 20. Imputed Financing from Costs Absorbed by Others (continued)

Imputed Intra-Departmental Financing Sources as defined in SFFAS No. 4, *Managerial Cost Accounting Standards and Concepts*, are the unreimbursed portion of the full costs of goods and services received by a Department component from a providing entity that is part of the Department. Recognition is required for those transactions determined to be material to the receiving entity. The determination of whether the cost is material requires considerable judgment based on the specific facts and circumstances of each type of good or service provided. SFFAS No. 4 also states that costs for broad and general support need not be recognized by the receiving entity, unless such services form a vital and integral part of the operations or output of the receiving entity. Cost are considered broad and general if they are provided to many, if not all, reporting components and not specifically related to the receiving entity's output. The FPI imputed $27,562 and $24,957 for FYs 2008 and 2007, respectively of unreimbursed costs for BOP warehouse space used in the production of goods by the FPI and for managerial and operational services BOP provided to FPI. These imputed costs have been eliminated from the consolidated financial statements.

Note 21. Information Related to the Statement of Budgetary Resources

Apportionment Categories of Obligations Incurred:

	Direct Obligations	Reimbursable Obligations	Total Obligations Incurred
For the Fiscal Year Ended September 30, 2008			
Obligations Apportioned Under			
Category A	$ 26,182,998	$ 5,190,764	$ 31,373,762
Category B	1,736,591	69,475	1,806,066
Exempt from Apportionment	-	1,029,542	1,029,542
Total	$ 27,919,589	$ 6,289,781	$ 34,209,370
For the Fiscal Year Ended September 30, 2007			
Obligations Apportioned Under			
Category A	$ 24,454,306	$ 5,186,032	$ 29,640,338
Category B	2,195,545	55,506	2,251,051
Exempt from Apportionment	-	939,192	939,192
Total	$ 26,649,851	$ 6,180,730	$ 32,830,581

Per OMB Circular A-11, Category A obligations represent resources apportioned for calendar quarters. Category B obligations represent resources apportioned for other time periods; for activities, projects, and objectives or for a combination thereof.

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

Note 21. Information Related to the Statement of Budgetary Resources (continued)

Status of Undelivered Orders:

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

As of September 30, 2008 and 2007

	2008	2007
UDO Obligations Unpaid	$ 9,109,542	$ 8,683,395
UDO Obligations Prepaid/Advanced	1,073,615	1,359,815
Total UDO	$ 10,183,157	$ 10,043,210

Permanent Indefinite Appropriations:

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

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

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

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

Note 21. Information Related to the Statement of Budgetary Resources (continued)

Permanent Indefinite Appropriations (continued):

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

Legal Arrangements Affecting Use of Unobligated Balances:

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

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

Note 21. Information Related to the Statement of Budgetary Resources (continued)

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

The reconciliation as of September 30, 2007 is presented below. The reconciliation as of September 30, 2008 is not presented, because the submission of the Budget of the United States (Budget) for FY 2010, which presents the execution of the FY 2008 Budget, occurs after publication of these financial statements. The Department of Justice Budget Appendix can be found on the OMB website (http://www.whitehouse.gov/omb/budget) and will be available in early February 2009.

For the Fiscal Year Ended September 30, 2007 (Dollars in millions)	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources (SBR)	$ 36,766	$ 32,831	$ 1,270	$ 23,641
Funds not Reported in the Budget				
Expired Funds: OBDs, USMS, DEA, OJP, FBI, ATF & BOP	(725)	(198)	-	-
AFF/SADF Forfeiture Activity	(24)	-	-	-
USMS Court Security Funds	(329)	(322)	-	(293)
Distributed Offsetting Receipts	-	-	(748)	746
OBDs Special and Trust Fund Receipts	-	-	-	205
Other	(27)	-	(2)	10
Budget of the United States	$ 35,661	$ 32,311	$ 520	$ 24,309

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

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

Note 22. Allocation Transfers of Appropriation

During FY 2008 the Department transferred $17,000 from the Crime Victims Fund to the Department of Health and Human Services (HHS). For FY 2007, the OJP, as the parent, transferred the same amount to HHS. This funding is required by 42 U.S.C. §10603a {Sec. 14-4A} for *Child Abuse Prevention and Treatment Grants*. Amounts made available by section §10601(d)(2) of this title, for the purpose of this section, shall be obligated and expended by the Secretary of HHS for grants under section §5106c of this title. The activity related to these transfers is included as part of these financial statements.

The Department also allocated funds from BOP to the Public Health Service (PHS). PHS provides a portion of medical treatment for federal inmates. The money is designated and expended for current year obligation of PHS staff salaries, benefits, and applicable relocation expenses. The amounts BOP, as the parent, transferred to PHS totaled $72,000 and $68,000 for the fiscal years ended September 30, 2008 and 2007, respectively, and the related activity is included as part of the these financial statements.

The Department receives allocation transfers of appropriation from the Administrative Office of U.S. Courts (AOUSC). However, the AOUSC is not an Executive Branch entity and is not required to report annual financial statements. Although the USMS is the child in the allocation transfer, per OMB guidance, all activity relative to these allocation transfers is reported in these financial statements. The allocation transfers are used for costs associated with protective guard services - Court Security Officers (CSOs) at United States courthouses and other facilities housing federal court operations. These costs include their salaries (paid through contracts), equipment, and supplies. This transfer is performed on an annual basis.

Note 23. Net Custodial Revenue Activity

Custodial revenue activity represents those collections of non-exchange revenue on behalf of other recipient entities. These collections are not recorded as revenue by the Department but as activity on the Statement of Custodial Activity. The custodial liabilities presented on the Consolidated Balance Sheet and Note 16 represent funds held by the Department that have yet to be disbursed to the appropriate Federal agency or individual.

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

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

Note 23. Net Custodial Revenue Activity (continued)

The OBDs collect civil fines, penalties, and restitution payments that are incidental to its mission. By court order, the OBDs were given the investment authority and the settlement funds collected must be invested. The OBDs invest these funds with the Treasury, Bureau of the Public Debt. As of September 30, 2008 and 2007, the custodial assets and liabilities recorded by the OBDs on the balance sheet are $294,021 and $1,017,222, respectively. The OBDs custodial collections totaled $2,787,920 and $3,075,294 for the fiscal years ended September 30, 2008 and 2007.

For the fiscal years ended September 30, 2008 and 2007, DEA collected $36,936 and $22,958 respectively. DEA's collections include $15 million of the total fees collected for the Diversion Control Program and civil monetary penalties related to violations of the Controlled Substances Act that were incidental to DEA's mission. Since DEA has no statutory authority to use these excess funds, DEA transmits them to the Treasury General Fund. The DEA has a custodial liability for funds that have not yet been transmitted to the Treasury General Fund. The September 30, 2008 and 2007 balances for custodial liabilities were $1,150 and $1,353 respectively.

As an agent of the federal government and as authorized by 26 U.S.C. § 6301, ATF collects fees from firearms and explosives industries, as well as import, permit and license fees. In addition, Special Occupational Taxes are collected from certain firearms businesses. As ATF is unable to use these collections in its operations, ATF also has the authority to transfer these collections to the Treasury General Fund. The ATF custodial collections totaled $12,436 and $11,634 for the fiscal years ended September 30, 2008 and 2007, respectively.

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

Note 24. OMB Circular A-136 Consolidated Balance Sheet Presentation

U.S. Department of Justice
Consolidated Balance Sheets
As of September 30, 2008 and 2007

Dollars in Thousands	2008	2007
ASSETS		
Intragovernmental		
Fund Balance with U.S. Treasury	$ 15,595,443	$ 16,515,163
Investments, Net	3,311,304	3,192,475
Accounts Receivable, Net	358,577	335,423
Other Assets	118,762	146,101
Total Intragovernmental	19,384,086	20,189,162
Cash and Other Monetary Assets	182,209	130,312
Accounts Receivable, Net	123,800	86,443
Inventory and Related Property, Net	284,217	210,766
General Property, Plant and Equipment, Net	8,758,540	8,234,077
Other Assets	611,195	606,496
Total Assets	**$ 29,344,047**	**$ 29,457,256**
LIABILITIES		
Intragovernmental		
Accounts Payable	$ 243,522	$ 299,886
Debt	-	20,000
Other Liabilities	1,154,839	1,654,578
Total Intragovernmental	1,398,361	1,974,464
Accounts Payable	2,140,129	2,285,323
Federal Employee and Veteran Benefits	1,136,569	1,046,479
Environmental and Disposal Liabilities	22,112	22,112
Other Liabilities	3,918,387	3,821,279
Total Liabilities	**$ 8,615,558**	**$ 9,149,657**
NET POSITION		
Unexpended Appropriations - Earmarked Funds	$ 44,902	$ 21,938
Unexpended Appropriations - All Other Funds	9,169,075	9,714,869
Cumulative Results of Operations - Earmarked Funds	4,052,221	3,619,453
Cumulative Results of Operations - All Other Funds	7,462,291	6,951,339
Total Net Position	**$ 20,728,489**	**$ 20,307,599**
Total Liabilities and Net Position	**$ 29,344,047**	**$ 29,457,256**

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

Note 25. Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing)

For the Fiscal Years Ended September 30, 2008 and 2007

	2008	2007
Resources Used to Finance Activities		
Budgetary Resources Obligated		
Obligations Incurred	$ 34,209,370	$ 32,830,581
Less: Spending Authority from Offsetting Collections and Recoveries	7,255,171	7,151,308
Obligations Net of Offsetting Collections and Recoveries	26,954,199	25,679,273
Less: Offsetting Receipts	(121,927)	1,269,818
Net Obligations	27,076,126	24,409,455
Other Resources		
Donations and Forfeitures of Property	65,854	107,049
Transfers-In/Out Without Reimbursement	(3,860)	(13,737)
Imputed Financing from Costs Absorbed by Others (Note 20)	636,444	756,548
Net Other Resources Used to Finance Activities	698,438	849,860
Total Resources Used to Finance Activities	27,774,564	25,259,315
Resources Used to Finance Items not Part of the Net Cost of Operations		
Change in Budgetary Resources Obligated for Goods, Services and Benefits Ordered but not Yet Provided	(306,294)	(197,279)
Resources That Fund Expenses Recognized in Prior Periods (Note 26)	(44,738)	(116,091)
Budgetary Offsetting Collections and Receipts That do not Affect Net Cost of Operations	(627,115)	760,155
Resources That Finance the Acquisition of Assets	(1,282,348)	(712,153)
Other Resources or Adjustments to Net Obligated Resources That do not Affect Net Cost of Operations	(6,701)	9,652
Total Resources Used to Finance Items not Part of the Net Cost of Operations	(2,267,196)	(255,716)
Total Resources Used to Finance the Net Cost of Operations	$ 25,507,368	$ 25,003,599

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

Note 25. Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing) (continued)

For the Fiscal Years Ended September 30, 2008 and 2007	2008	2007
Components of Net Cost of Operations That Will not Require or Generate Resources in the Current Period		
Components Requiring or Generating Resources in Future Periods		
Increase in Annual and Compensatory Leave Liabilities	$ 51,491	$ 30,712
Increase in Environmental and Disposal Liabilities	-	22,112
(Increase)/Decrease in Exchange Revenue Receivable from the Public	(1,147)	1,866
Other	283,261	203,297
Total Components of Net Cost of Operations That will Require or Generate Resources in Future Periods (Note 26)	333,605	257,987
Components not Requiring or Generating Resources		
Depreciation and Amortization	672,980	607,190
Revaluation of Assets or Liabilities	11,506	16,965
Other	23,159	55,941
Total Components of Net Cost of Operations That will not Require or Generate Resources	707,645	680,096
Total Components of Net Cost of Operations That Will not Require or Generate Resources in the Current Period	1,041,250	938,083
Net Cost of Operations	$ 26,548,618	$ 25,941,682

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

Note 26. Explanation of Differences Between Liabilities not Covered by Budgetary Resources and Components of Net Cost of Operations Requiring or Generating Resources in Future Periods

Liabilities that are not covered by realized budgetary resources and for which there is not certainty that budgetary authority will be realized, such as the enactment of an appropriation, are considered liabilities not covered by budgetary resources. These liabilities totaling $2,856,357 and $2,566,538 on September 30, 2008 and 2007, respectively, are discussed in Note 11, "Liabilities not Covered by Budgetary Resources." Decreases in these liabilities result from current year budgetary resources that were used to fund expenses recognized in prior periods. Increases in these liabilities represent unfunded expenses that were recognized in the current period. These increases along with the change in the portion of exchange revenue receivables from the public, which are not considered budgetary resources until collected, represent components of current period net cost of operations that will require or generate budgetary resources in future periods. The changes in liabilities not covered by budgetary resources and receivables generating resources in future periods are comprised of the following:

For the Fiscal Years Ended September 30, 2008 and 2007

	2008	2007
Resources that Fund Expenses Recognized in Prior Periods		
Other		
Decrease in Actuarial FECA Liabilities	$ -	$ (959)
Decrease in Accrued FECA Liabilities	(1,875)	(363)
Decrease in Contingent Liabilities	(37,382)	(108,726)
Decrease in Capital Lease Liabilities	(5,344)	(6,001)
Decrease in Other Unfunded Employment Related Liabilities	-	(42)
Decrease in Other Liabilities	(137)	-
Total Other	(44,738)	(116,091)
Total Resources that Fund Expenses Recognized in Prior Periods	$ (44,738)	$ (116,091)
Components of Net Cost of Operations Requiring or Generating Resources in Future Periods		
Increase in Accrued Annual and Compensatory Leave Liabilities	$ 51,491	$ 30,712
Increase in Environmental and Disposal Liabilities	-	22,112
(Increase)/Decrease in Exchange Revenue Receivable from the Public	(1,147)	1,866
Other		
Increase in Actuarial FECA Liabilities	90,090	55,877
Increase in Accrued FECA Liabilities	12,662	16,393
Increase in Deferred Revenue	29,731	40,671
Increase in Contingent Liabilities	11,604	89,196
Increase in RECA Liabilities	133,213	842
Increase in Other Unfunded Employee Related Liabilities	1,815	220
Increase in Other Liabilities	3,951	172
(Increase)/Decrease in Nonexchange Receivables from the Public	195	(74)
Total Other	283,261	203,297
Total Components of Net Cost of Operations Requiring or Generating Resources in Future Periods	$ 333,605	$ 257,987

Consolidating and Combining Financial Statements

See Independent Auditors' Report on Financial Statements

U. S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2008

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
ASSETS											
Intragovernmental											
Fund Balance with U.S. Treasury	$ 111,756	$ 3,793,821	$ 455,838	$ 6,203,049	$ 717,382	$ 2,546,941	$ 235,179	$ 1,511,486	$ 19,991	$ -	$ 15,595,443
Investments, Net	2,757,584	201,020	-	-	-	-	-	-	352,700	-	3,311,304
Accounts Receivable, Net	1,646	286,977	164,364	9,773	32,905	223,486	24,113	5,018	36,497	(426,202)	358,577
Other Assets	848	414,301	1,667	29,761	17,670	75,872	27,136	1,172	-	(449,665)	118,762
Total Intragovernmental	2,871,834	4,696,119	621,869	6,242,583	767,957	2,846,299	286,428	1,517,676	409,188	(875,867)	19,384,086
Cash and Monetary Assets	106,200	-	-	5	8,414	59,658	7,189	743	-	-	182,209
Accounts Receivable, Net	6	29,350	357	10,667	2,573	43,699	212	28,564	8,372	-	123,800
Inventory and Related Property, Net	-	157	1,874	-	5,371	6,257	-	20,442	250,116	-	284,217
Forfeited Property, Net	139,897	-	-	-	-	-	-	-	-	-	139,897
General Property, Plant and Equipment, Net	2,724	156,353	254,164	12,995	368,795	1,453,524	182,945	6,195,389	131,651	-	8,758,540
Advances and Prepayments	-	6,376	88	393,959	7,629	46,698	185	3,639	7,986	-	466,560
Other Assets	-	-	184	-	-	-	-	3,953	601	-	4,738
Total Assets	**$ 3,120,661**	**$ 4,888,355**	**$ 878,536**	**$ 6,660,209**	**$ 1,160,739**	**$ 4,456,135**	**$ 476,959**	**$ 7,770,406**	**$ 807,914**	**$ (875,867)**	**$ 29,344,047**
LIABILITIES											
Intragovernmental											
Accounts Payable	$ 95,235	$ 297,906	$ 34,756	$ 23,648	$ 39,170	$ 126,049	$ 18,665	$ 27,919	$ 6,376	$ (426,202)	$ 243,522
Accrued FECA Liabilities	-	9,439	15,007	67	25,503	32,866	19,536	122,646	1,489	-	226,553
Custodial Liabilities	-	185,056	-	-	1,150	-	-	-	-	-	186,206
Other Liabilities	-	330,471	14,734	447,447	17,996	105,340	7,060	57,042	211,655	(449,665)	742,080
Total Intragovernmental	95,235	822,872	64,497	471,162	83,819	264,255	45,261	207,607	219,520	(875,867)	1,398,361
Accounts Payable	649,280	278,695	327,171	21,879	101,909	287,462	49,359	351,913	72,461	-	2,140,129
Accrued Grant Liabilities	-	104,070	-	305,001	-	-	-	-	-	-	409,071
Actuarial FECA Liabilities	-	48,076	74,673	189	137,373	170,902	102,822	590,524	12,010	-	1,136,569
Accrued Payroll and Benefits	-	97,699	21,531	6,795	47,181	135,840	24,552	109,254	9,385	-	452,237
Accrued Annual and Compensatory Leave Liabilities	-	165,144	36,334	4,918	88,089	223,956	44,896	153,831	10,291	-	727,459
Environmental and Disposal Liabilities	-	-	-	-	-	-	-	22,112	-	-	22,112
Deferred Revenue	139,897	-	-	-	215,330	-	-	1,654	-	-	356,881
Seized Cash and Monetary Instruments	1,228,440	-	-	-	489	33,898	3,784	-	-	-	1,266,611
Contingent Liabilities	-	8,000	17,000	-	11,120	120,770	3,500	3,922	-	-	164,312
Capital Lease Liabilities	-	-	2,657	24	-	-	-	42,735	216	-	45,632
Radiation Exposure Compensation Act Liabilities	-	321,671	-	-	-	-	-	-	-	-	321,671
Other Liabilities	-	108,965	-	-	13	6,296	87	59,152	-	-	174,513
Total Liabilities	**$ 2,112,852**	**$ 1,955,192**	**$ 543,863**	**$ 809,968**	**$ 685,323**	**$ 1,243,379**	**$ 274,261**	**$ 1,542,704**	**$ 323,883**	**$ (875,867)**	**$ 8,615,558**
NET POSITION											
Unexpended Appropriations - Earmarked Funds	$ -	$ 44,902	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,902
Unexpended Appropriations - All Other Funds	-	2,669,214	191,625	2,881,349	475,267	1,884,207	167,668	899,745	-	-	9,169,075
Cumulative Results of Operations - Earmarked Funds	1,007,809	79,733	-	2,955,373	(69,174)	-	-	78,480	-	-	4,052,221
Cumulative Results of Operations - All Other Funds	-	139,314	143,048	13,519	69,323	1,328,549	35,030	5,249,477	484,031	-	7,462,291
Total Net Position	**$ 1,007,809**	**$ 2,933,163**	**$ 334,673**	**$ 5,850,241**	**$ 475,416**	**$ 3,212,756**	**$ 202,698**	**$ 6,227,702**	**$ 484,031**	**$ -**	**$ 20,728,489**
Total Liabilities and Net Position	**$ 3,120,661**	**$ 4,888,355**	**$ 878,536**	**$ 6,660,209**	**$ 1,160,739**	**$ 4,456,135**	**$ 476,959**	**$ 7,770,406**	**$ 807,914**	**$ (875,867)**	**$ 29,344,047**

U. S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2007

	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
ASSETS											
Intragovernmental											
Fund Balance with U.S. Treasury	$ 300,136	$ 4,684,262	$ 474,141	$ 6,406,981	$ 620,262	$ 2,245,025	$ 267,278	$ 1,494,588	$ 22,490	$ -	$ 16,515,163
Investments, Net	2,548,567	249,221	-	-	-	-	-	-	394,687	-	3,192,475
Accounts Receivable, Net	13,608	304,821	137,775	6,206	41,980	78,288	22,792	4,488	54,943	(329,478)	335,423
Other Assets	2,228	681,894	5,493	23,319	24,210	90,227	34,712	4,400	-	(720,382)	146,101
Total Intragovernmental	2,864,539	5,920,198	617,409	6,436,506	686,452	2,413,540	324,782	1,503,476	472,120	(1,049,860)	20,189,162
Cash and Monetary Assets	64,206	1	-	5	7,150	53,318	4,929	703	-	-	130,312
Accounts Receivable, Net	1	11,079	242	3,395	3,643	29,857	407	24,588	13,231	-	86,443
Inventory and Related Property, Net	-	157	1,998	-	5,698	5,167	-	16,523	181,223	-	210,766
Forfeited Property, Net	124,379	-	-	-	-	-	-	-	-	-	124,379
General Property, Plant and Equipment, Net	3,378	114,557	244,888	28,968	331,942	1,078,009	187,900	6,114,705	129,730	-	8,234,077
Advances and Prepayments	-	7,893	56	417,883	8,360	37,744	1	4,528	-	-	476,465
Other Assets	-	-	184	-	-	-	-	3,452	2,016	-	5,652
Total Assets	**$ 3,056,503**	**$ 6,053,885**	**$ 864,777**	**$ 6,886,757**	**$ 1,043,245**	**$ 3,617,635**	**$ 518,019**	**$ 7,667,975**	**$ 798,320**	**$ (1,049,860)**	**$ 29,457,256**
LIABILITIES											
Intragovernmental											
Accounts Payable	$ 67,016	$ 255,030	$ 9,244	$ 47,884	$ 30,336	$ 152,616	$ 27,430	$ 34,369	$ 5,439	$ (329,478)	$ 299,886
Accrued FECA Liabilities	-	9,994	14,540	11	26,365	32,264	19,994	110,955	1,221	-	215,344
Debt	-	-	-	-	-	-	-	-	20,000	-	20,000
Custodial Liabilities	-	830,787	-	-	1,353	-	-	-	-	-	832,140
Other Liabilities	-	255,390	32,235	703,527	14,142	79,621	5,359	48,240	188,962	(720,382)	607,094
Total Intragovernmental	67,016	1,351,201	56,019	751,422	72,196	264,501	52,783	193,564	215,622	(1,049,860)	1,974,464
Accounts Payable	829,987	308,110	307,187	20,834	85,381	280,192	69,778	312,413	71,441	-	2,285,323
Accrued Grant Liabilities	-	156,162	-	334,779	-	-	-	-	-	-	490,941
Actuarial FECA Liabilities	-	44,719	71,161	35	137,089	165,448	100,113	517,449	10,465	-	1,046,479
Accrued Payroll and Benefits	-	75,905	16,599	2,537	36,217	105,999	19,130	88,285	8,759	-	353,431
Accrued Annual and Compensatory Leave Liabilities	-	153,349	33,156	4,440	82,151	205,844	41,030	145,707	9,804	-	675,481
Environmental and Disposal Liabilities	-	-	-	-	-	-	-	22,112	-	-	22,112
Deferred Revenue	124,379	-	-	-	185,599	-	-	1,599	-	-	311,577
Seized Cash and Monetary Instruments	1,265,908	-	-	-	467	30,729	2,109	-	-	-	1,299,213
Contingent Liabilities	35,000	1,357	18,100	-	8,720	119,363	2,346	5,204	-	-	190,090
Capital Lease Liabilities	-	-	3,787	-	-	-	-	48,079	1,317	-	53,183
Radiation Exposure Compensation Act Liabilities	-	188,458	-	-	-	-	-	-	-	-	188,458
Other Liabilities	-	186,435	-	-	5	13,390	6,864	52,211	-	-	258,905
Total Liabilities	**$ 2,322,290**	**$ 2,465,696**	**$ 506,009**	**$ 1,114,047**	**$ 607,825**	**$ 1,185,466**	**$ 294,153**	**$ 1,386,623**	**$ 317,408**	**$ (1,049,860)**	**$ 9,149,657**
NET POSITION											
Unexpended Appropriations - Earmarked Funds	$ -	$ 21,938	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,938
Unexpended Appropriations - All Other Funds	-	3,241,246	215,147	3,049,478	437,415	1,647,372	170,656	953,555	-	- $	9,714,869
Cumulative Results of Operations - Earmarked Funds	734,213	164,090	-	2,700,816	(49,352)	-	-	69,686	-	-	3,619,453
Cumulative Results of Operations - All Other Funds	-	160,915	143,621	22,416	47,357	784,797	53,210	5,258,111	480,912	-	6,951,339
Total Net Position	**$ 734,213**	**$ 3,588,189**	**$ 358,768**	**$ 5,772,710**	**$ 435,420**	**$ 2,432,169**	**$ 223,866**	**$ 6,281,352**	**$ 480,912**	**$ -**	**$ 20,307,599**
Total Liabilities and Net Position	**$ 3,056,503**	**$ 6,053,885**	**$ 864,777**	**$ 6,886,757**	**$ 1,043,245**	**$ 3,617,635**	**$ 518,019**	**$ 7,667,975**	**$ 798,320**	**$ (1,049,860)**	**$ 29,457,256**

U. S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2008

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security											
Gross Cost - Intragovernmental	$ -	$ 99,676	$ 5,361	$ -	$ 17,134	$ 1,109,469	$ -	$ -	$ -	$ (147,797)	$ 1,083,843
Gross Cost - With the Public	-	274,262	-	-	61,288	2,702,440	7,388	-	-	-	3,045,378
Subtotal Gross Costs	-	373,938	5,361	-	78,422	3,811,909	7,388	-	-	(147,797)	4,129,221
Earned Revenues - Intragovernmental	-	98,897	-	-	216	293,545	-	-	-	(147,797)	244,861
Earned Revenues - With the Public	-	14,738	-	-	-	12,390	-	-	-	-	27,128
Subtotal Earned Revenues	-	113,635	-	-	216	305,935	-	-	-	(147,797)	271,989
Subtotal Net Cost (Revenues) of Operations	$ -	$ 260,303	$ 5,361	$ -	$ 78,206	$ 3,505,974	$ 7,388	$ -	$ -	$ -	$ 3,857,232
Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People											
Gross Cost - Intragovernmental	$ 225,965	$ 1,852,393	$ 4,718	$ 28,982	$ 749,679	$ 945,104	$ 314,748	$ -	$ -	$ (1,000,028)	$ 3,121,561
Gross Cost - With the Public	807,929	3,278,163	-	1,931,037	1,685,508	2,302,079	809,155	4,722	-	-	10,818,593
Subtotal Gross Costs	1,033,894	5,130,556	4,718	1,960,019	2,435,187	3,247,183	1,123,903	4,722	-	(1,000,028)	13,940,154
Earned Revenues - Intragovernmental	3,178	509,217	-	126,467	378,732	528,249	45,230	-	-	(1,000,028)	591,045
Earned Revenues - With the Public	-	305,152	-	-	196,224	147,272	139	-	-	-	648,787
Subtotal Earned Revenues	3,178	814,369	-	126,467	574,956	675,521	45,369	-	-	(1,000,028)	1,239,832
Subtotal Net Cost (Revenues) of Operations	$ 1,030,716	$ 4,316,187	$ 4,718	$ 1,833,552	$ 1,860,231	$ 2,571,662	$ 1,078,534	$ 4,722	$ -	$ -	$ 12,700,322
Goal 3: Ensure the Fair and Efficient Administration of Justice											
Gross Cost - Intragovernmental	$ -	$ 1,387,261	$ 481,886	$ 119,429	$ -	$ -	$ -	$ 1,320,647	$ 267,702	$ (1,598,953)	$ 1,977,972
Gross Cost - With the Public	-	680,102	2,195,256	965,025	-	-	-	4,933,794	747,324	-	9,521,501
Subtotal Gross Costs	-	2,067,363	2,677,142	1,084,454	-	-	-	6,254,441	1,015,026	(1,598,953)	11,499,473
Earned Revenues - Intragovernmental	-	173,918	1,401,586	131,855	-	-	-	15,724	901,026	(1,571,391)	1,052,718
Earned Revenues - With the Public	-	30,999	3,395	-	-	-	-	340,643	80,654	-	455,691
Subtotal Earned Revenues	-	204,917	1,404,981	131,855	-	-	-	356,367	981,680	(1,571,391)	1,508,409
Subtotal Net Cost (Revenues) of Operations	$ -	$ 1,862,446	$ 1,272,161	$ 952,599	$ -	$ -	$ -	$ 5,898,074	$ 33,346	$ (27,562)	$ 9,991,064
Total Net Cost (Revenue) of Operations	**$ 1,030,716**	**$ 6,438,936**	**$ 1,282,240**	**$ 2,786,151**	**$ 1,938,437**	**$ 6,077,636**	**$ 1,085,922**	**$ 5,902,796**	**$ 33,346**	**$ (27,562)**	**$ 26,548,618**

U. S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2007

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security											
Gross Cost - Intragovernmental	$ -	$ 118,830	$ 5,219	$ -	$ 4,719	$ 1,010,216	$ -	$ -	$ -	$ (171,501)	$ 967,483
Gross Cost - With the Public	-	374,159	-	-	44,091	2,450,952	6,499	-	-	-	2,875,701
Subtotal Gross Costs	-	492,989	5,219	-	48,810	3,461,168	6,499	-	-	(171,501)	3,843,184
Earned Revenues - Intragovernmental	-	185,465	-	-	1,138	207,693	-	-	-	(171,501)	222,795
Earned Revenues - With the Public	-	19,457	-	-	314	11,573	-	-	-	-	31,344
Subtotal Earned Revenues	-	204,922	-	-	1,452	219,266	-	-	-	(171,501)	254,139
Subtotal Net Cost (Revenues) of Operations	$ -	$ 288,067	$ 5,219	$ -	$ 47,358	$ 3,241,902	$ 6,499	$ -	$ -	$ -	$ 3,589,045
Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People											
Gross Cost - Intragovernmental	$ 195,990	$ 1,817,827	$ 981	$ 65,855	$ 738,213	$ 977,384	$ 326,514	$ -	$ -	$ (1,031,026)	$ 3,091,738
Gross Cost - With the Public	1,338,051	3,270,236	-	1,446,558	1,563,091	2,371,296	762,307	1,160	-	-	10,752,699
Subtotal Gross Costs	1,534,041	5,088,063	981	1,512,413	2,301,304	3,348,680	1,088,821	1,160	-	(1,031,026)	13,844,437
Earned Revenues - Intragovernmental	3,722	664,334	-	220,242	367,804	380,083	40,638	-	-	(1,031,026)	645,797
Earned Revenues - With the Public	-	299,777	-	36	170,396	137,832	33	-	-	-	608,074
Subtotal Earned Revenues	3,722	964,111	-	220,278	538,200	517,915	40,671	-	-	(1,031,026)	1,253,871
Subtotal Net Cost (Revenues) of Operations	$ 1,530,319	$ 4,123,952	$ 981	$ 1,292,135	$ 1,763,104	$ 2,830,765	$ 1,048,150	$ 1,160	$ -	$ -	$ 12,590,566
Goal 3: Ensure the Fair and Efficient Administration of Justice											
Gross Cost - Intragovernmental	$ -	$ 1,246,983	$ 433,803	$ 123,682	$ -	$ -	$ -	$ 1,267,155	$ 179,707	$ (1,349,842)	$ 1,901,488
Gross Cost - With the Public	-	363,348	2,053,583	1,354,351	-	-	-	4,662,492	786,926	-	9,220,700
Subtotal Gross Costs	-	1,610,331	2,487,386	1,478,033	-	-	-	5,929,647	966,633	(1,349,842)	11,122,188
Earned Revenues - Intragovernmental	-	17,406	1,290,122	58,283	-	-	-	17,593	911,160	(1,324,885)	969,679
Earned Revenues - With the Public	-	1,717	3,528	9	-	-	-	318,449	66,735	-	390,438
Subtotal Earned Revenues	-	19,123	1,293,650	58,292	-	-	-	336,042	977,895	(1,324,885)	1,360,117
Subtotal Net Cost (Revenues) of Operations	$ -	$ 1,591,208	$ 1,193,736	$ 1,419,741	$ -	$ -	$ -	$ 5,593,605	$ (11,262)	$ (24,957)	$ 9,762,071
Total Net Cost (Revenue) of Operations	**$ 1,530,319**	**$ 6,003,227**	**$ 1,199,936**	**$ 2,711,876**	**$ 1,810,462**	**$ 6,072,667**	**$ 1,054,649**	**$ 5,594,765**	**$ (11,262)**	**$ (24,957)**	**$ 25,941,682**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2008

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
Earmarked Funds	**$ -**	**$ 21,938**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 21,938**
All Other Funds	**-**	**3,241,246**	**215,147**	**3,049,478**	**437,415**	**1,647,372**	**170,656**	**953,555**	**-**	**-**	**9,714,869**
Budgetary Financing Sources											
Appropriations Received											
Earmarked Funds	-	44,902	-	-	-	-	-	-	-	-	44,902
All Other Funds	-	6,097,796	895,144	1,769,767	1,887,430	6,763,811	1,011,597	5,610,260	-	-	24,035,805
Appropriations Transferred-In/Out											
Earmarked Funds	-	4,061	-	-	-	-	-	-	-	-	4,061
All Other Funds	-	(226,909)	332,914	241,204	15,302	(169,298)	16,825	34,270	-	-	244,308
Other Adjustments											
Earmarked Funds	-	(10,260)	-	-	-	-	-	-	-	-	(10,260)
All Other Funds	-	(283,128)	-	(110,598)	-	(1,300)	-	-	-	-	(395,026)
Appropriations Used											
Earmarked Funds	-	(15,739)	-	-	-	-	-	-	-	-	(15,739)
All Other Funds	-	(6,159,791)	(1,251,580)	(2,068,502)	(1,864,880)	(6,356,378)	(1,031,410)	(5,698,340)	-	-	(24,430,881)
Total Financing Sources											
Earmarked Funds	**-**	**22,964**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22,964**
All Other Funds	**-**	**(572,032)**	**(23,522)**	**(168,129)**	**37,852**	**236,835**	**(2,988)**	**(53,810)**	**-**	**-**	**(545,794)**
Ending Balances											
Earmarked Funds	**-**	**44,902**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**44,902**
All Other Funds	**-**	**2,669,214**	**191,625**	**2,881,349**	**475,267**	**1,884,207**	**167,668**	**899,745**	**-**	**-**	**9,169,075**
Total All Funds	**$ -**	**$ 2,714,116**	**$ 191,625**	**$ 2,881,349**	**$ 475,267**	**$ 1,884,207**	**$ 167,668**	**$ 899,745**	**$ -**	**$ -**	**$ 9,213,977**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position - Continued
For the Fiscal Year Ended September 30, 2008

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Earmarked Funds	**$ 734,213**	**$ 164,090**	**$ -**	**$ 2,700,816**	**$ (49,352)**	**$ -**	**$ -**	**$ 69,686**	**$ -**	**$ -**	**$ 3,619,453**
All Other Funds	**-**	**160,915**	**143,621**	**22,416**	**47,357**	**784,797**	**53,210**	**5,258,111**	**480,912**	**-**	**6,951,339**
Budgetary Financing Sources											
Appropriations Used											
Earmarked Funds	-	15,739	-	-	-	-	-	-	-	-	15,739
All Other Funds	-	6,159,791	1,251,580	2,068,502	1,864,880	6,356,378	1,031,410	5,698,340	-	-	24,430,881
Nonexchange Revenues											
Earmarked Funds	83,690	162	-	896,752	-	-	-	-	-	-	980,604
All Other Funds	-	-	-	1,199	-	-	-	-	-	-	1,199
Donations and Forfeitures of Cash and Cash Equivalents											
Earmarked Funds	1,222,643	-	-	-	-	-	-	-	-	-	1,222,643
Transfers-In/Out Without Reimbursement											
All Other Funds	-	180,900	-	-	-	-	-	-	-	-	180,900
Other Budgetary Financing Sources											
All Other Funds	-	(41,000)	-	-	-	-	-	-	-	-	(41,000)
Other Financing Sources											
Donations and Forfeitures of Property											
Earmarked Funds	63,430	-	-	-	-	-	-	-	-	-	63,430
All Other Funds	-	-	-	-	-	-	-	2,424	-	-	2,424
Transfers-In/Out Without Reimbursement											
Earmarked Funds	(65,451)	-	-	-	(41)	-	-	-	-	-	(65,492)
All Other Funds	-	(119,226)	674	61,855	5,795	77,901	4,885	32,682	-	-	64,566
Imputed Financing from Costs Absorbed by Others											
Earmarked Funds	-	12,006	-	-	5,507	-	-	3,050	-	-	20,563
All Other Funds	-	124,606	29,413	3,503	64,440	187,109	31,447	166,460	36,465	(27,562)	615,881
Total Financing Sources											
Earmarked Funds	**1,304,312**	**27,907**	**-**	**896,752**	**5,466**	**-**	**-**	**3,050**	**-**	**-**	**2,237,487**
All Other Funds	**-**	**6,305,071**	**1,281,667**	**2,135,059**	**1,935,115**	**6,621,388**	**1,067,742**	**5,899,906**	**36,465**	**(27,562)**	**25,254,851**
Net Cost of Operations											
Earmarked Funds	(1,030,716)	(112,264)	-	(642,195)	(25,288)	-	-	5,744	-	-	(1,804,719)
All Other Funds	-	(6,326,672)	(1,282,240)	(2,143,956)	(1,913,149)	(6,077,636)	(1,085,922)	(5,908,540)	(33,346)	27,562	(24,743,899)
Net Change											
Earmarked Funds	273,596	(84,357)	-	254,557	(19,822)	-	-	8,794	-	-	432,768
All Other Funds	-	(21,601)	(573)	(8,897)	21,966	543,752	(18,180)	(8,634)	3,119	-	510,952
Ending Balances											
Earmarked Funds	**1,007,809**	**79,733**	**-**	**2,955,373**	**(69,174)**	**-**	**-**	**78,480**	**-**	**-**	**4,052,221**
All Other Funds	**-**	**139,314**	**143,048**	**13,519**	**69,323**	**1,328,549**	**35,030**	**5,249,477**	**484,031**	**-**	**7,462,291**
Total All Funds	**$ 1,007,809**	**$ 219,047**	**$ 143,048**	**$ 2,968,892**	**$ 149**	**$ 1,328,549**	**$ 35,030**	**$ 5,327,957**	**$ 484,031**	**$ -**	**$ 11,514,512**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2007

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
Earmarked Funds	**$ -**	**$ 60,071**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 60,071**
All Other Funds	**-**	**3,266,255**	**224,311**	**3,209,863**	**273,300**	**1,210,645**	**120,123**	**775,041**	**-**	**-**	**9,079,538**
Budgetary Financing Sources											
Appropriations Received											
Earmarked Funds	-	18,819	-	-	-	-	-	-	-	-	18,819
All Other Funds	-	5,940,629	825,366	2,005,427	1,757,055	6,298,573	988,097	5,444,858	-	-	23,260,005
Appropriations Transferred-In/Out											
All Other Funds	-	17,759	316,716	18,491	83,945	102,570	41,146	(4,956)	-	-	575,671
Other Adjustments											
Earmarked Funds	-	(49,335)	-	-	-	-	-	-	-	-	(49,335)
All Other Funds	-	(39,030)	-	(119,835)	-	(39,000)	-	-	-	-	(197,865)
Appropriations Used											
Earmarked Funds	-	(7,617)	-	-	-	-	-	-	-	-	(7,617)
All Other Funds	-	(5,944,367)	(1,151,246)	(2,064,468)	(1,676,885)	(5,925,416)	(978,710)	(5,261,388)	-	-	(23,002,480)
Total Financing Sources											
Earmarked Funds	**-**	**(38,133)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(38,133)**
All Other Funds	**-**	**(25,009)**	**(9,164)**	**(160,385)**	**164,115**	**436,727**	**50,533**	**178,514**	**-**	**-**	**635,331**
Net Change											
Earmarked Funds	-	(38,133)	-	-	-	-	-	-	-	-	(38,133)
All Other Funds	-	(25,009)	(9,164)	(160,385)	164,115	436,727	50,533	178,514	-	-	635,331
Ending Balances											
Earmarked Funds	**-**	**21,938**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21,938**
All Other Funds	**-**	**3,241,246**	**215,147**	**3,049,478**	**437,415**	**1,647,372**	**170,656**	**953,555**	**-**	**-**	**9,714,869**
Total All Funds	**$ -**	**$ 3,263,184**	**$ 215,147**	**$ 3,049,478**	**$ 437,415**	**$ 1,647,372**	**$ 170,656**	**$ 953,555**	**$ -**	**$ -**	**$ 9,736,807**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position - Continued
For the Fiscal Year Ended September 30, 2007

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Earmarked Funds	**$ 651,122**	**$ 226,794**	**$ -**	**$ 2,274,904**	**$ (57,996)**	**$ -**	**$ -**	**$ 62,911**	**$ -**	**$ -**	**$ 3,157,735**
All Other Funds	**-**	**30,708**	**160,286**	**14,050**	**42,784**	**713,120**	**48,902**	**5,417,960**	**435,123**	**-**	**6,862,933**
Budgetary Financing Sources											
Other Ajustments											
All Other Funds	-	(2,500)	-	-	-	-	-	-	-	-	(2,500)
Appropriations Used											
Earmarked Funds	-	7,617	-	-	-	-	-	-	-	-	7,617
All Other Funds	-	5,944,367	1,151,246	2,064,468	1,676,885	5,925,416	978,710	5,261,388	-	-	23,002,480
Nonexchange Revenues											
Earmarked Funds	111,426	60	-	1,017,980	-	-	-	-	-	-	1,129,466
All Other Funds	-	-	-	2,846	-	-	-	-	-	-	2,846
Donations and Forfeitures of Cash and Cash Equivalents											
Earmarked Funds	1,409,015	-	-	-	-	-	-	-	-	-	1,409,015
Transfers-In/Out Without Reimbursement											
All Other Funds	-	59,021	-	-	-	-	-	-	-	-	59,021
Other Budgetary Financing Sources											
Earmarked Funds	-	34,000	-	-	1	-	-	-	-	-	34,001
Other Financing Sources											
Donations and Forfeitures of Property											
Earmarked Funds	106,746	-	-	-	-	-	-	-	-	-	106,746
All Other Funds	-	-	-	-	-	-	302	1	-	-	303
Transfers-In/Out Without Reimbursement											
Earmarked Funds	(13,777)	-	-	-	42	-	-	-	-	-	(13,735)
All Other Funds	-	(111,103)	856	57,141	8,935	29,858	13,182	1,129	-	-	(2)
Imputed Financing from Costs Absorbed by Others											
Earmarked Funds	-	12,521	-	-	5,511	-	-	3,234	-	-	21,266
All Other Funds	-	126,747	31,169	3,719	132,305	189,070	66,763	175,939	34,527	(24,957)	735,282
Total Financing Sources											
Earmarked Funds	**1,613,410**	**54,198**	**-**	**1,017,980**	**5,554**	**-**	**-**	**3,234**	**-**	**-**	**2,694,376**
All Other Funds	**-**	**6,016,532**	**1,183,271**	**2,128,174**	**1,818,125**	**6,144,344**	**1,058,957**	**5,438,457**	**34,527**	**(24,957)**	**23,797,430**
Net Cost of Operations											
Earmarked Funds	(1,530,319)	(116,902)	-	(592,068)	3,090	-	-	3,541	-	-	(2,232,658)
All Other Funds	-	(5,886,325)	(1,199,936)	(2,119,808)	(1,813,552)	(6,072,667)	(1,054,649)	(5,598,306)	11,262	24,957	(23,709,024)
Net Change											
Earmarked Funds	83,091	(62,704)	-	425,912	8,644	-	-	6,775	-	-	461,718
All Other Funds	-	130,207	(16,665)	8,366	4,573	71,677	4,308	(159,849)	45,789	-	88,406
Ending Balances											
Earmarked Funds	**734,213**	**164,090**	**-**	**2,700,816**	**(49,352)**	**-**	**-**	**69,686**	**-**	**-**	**3,619,453**
All Other Funds	**-**	**160,915**	**143,621**	**22,416**	**47,357**	**784,797**	**53,210**	**5,258,111**	**480,912**	**-**	**6,951,339**
Total All Funds	**$ 734,213**	**$ 325,005**	**$ 143,621**	**$ 2,723,232**	**$ (1,995)**	**$ 784,797**	**$ 53,210**	**$ 5,327,797**	**$ 480,912**	**$ -**	**$ 10,570,792**

U. S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2008

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Budgetary Resources										
Unobligated Balance, Net, Brought Forward, October 1	$ 428,878	$ 899,325	$ 101,440	$ 650,068	$ 216,385	$ 1,127,650	$ 73,107	$ 273,362	$ 165,177	$ 3,935,392
Adjustment to Unobligated Balance, Brought Forward, October 1	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Unobligated Blance, Brought Forward, October 1, as Adjusted	428,878	899,325	101,440	650,068	216,385	1,127,650	73,107	273,362	145,177	3,915,392
Recoveries of Prior Year Unpaid Obligations	40,051	248,702	62,869	145,759	72,085	210,019	58,819	6,157	-	844,461
Budget Authority:										
Appropriations Received	1,530,423	6,377,090	895,144	2,666,519	2,108,334	6,763,811	1,011,597	5,610,260	-	26,963,178
Spending Authority from Offsetting Collections:										
Earned										
Collected	3,219	1,982,366	1,413,426	370,815	398,626	899,710	46,518	385,999	978,084	6,478,763
Change in Receivables from Federal Sources	(11,963)	(47,329)	26,161	3,566	(10,026)	130,657	1,321	2,304	(18,534)	76,157
Change in Unfilled Customer Orders										
Advance Received	-	10,510	(13,816)	(256,220)	(318)	16,716	-	(1,936)	22,130	(222,934)
Without Advance from Federal Sources	(535)	(44,278)	(14,880)	13,126	18,184	106,643	464	-	-	78,724
Subtotal Budget Authority	1,521,144	8,278,359	2,306,035	2,797,806	2,514,800	7,917,537	1,059,900	5,996,627	981,680	33,373,888
Nonexpenditure Transfers, Net, Anticipated and Actual	-	(41,948)	332,914	241,204	15,302	(169,298)	16,825	34,270	-	429,269
Temporarily not Available Pursuant to Public Law	(240,000)	-	-	(122,414)	-	-	-	-	-	(362,414)
Permanently not Available	-	(329,466)	-	(110,598)	-	(1,300)	-	-	-	(441,364)
Total Budgetary Resources	**$ 1,750,073**	**$ 9,054,972**	**$ 2,803,258**	**$ 3,601,825**	**$ 2,818,572**	**$ 9,084,608**	**$ 1,208,651**	**$ 6,310,416**	**$ 1,126,857**	**$ 37,759,232**
Status of Budgetary Resources										
Obligations Incurred										
Direct	$ 1,151,682	$ 6,269,675	$ 1,260,224	$ 3,014,321	$ 2,249,663	$ 6,991,925	$ 1,101,579	$ 5,880,520	$ -	$ 27,919,589
Reimbursable	3,178	2,134,198	1,449,714	127,450	407,164	1,016,197	53,101	69,237	1,029,542	6,289,781
Total Obligations Incurred	1,154,860	8,403,873	2,709,938	3,141,771	2,656,827	8,008,122	1,154,680	5,949,757	1,029,542	34,209,370
Unobligated Balance - Available:										
Apportioned	400,865	442,090	71,872	220,624	152,562	727,352	25,372	263,215	-	2,303,952
Exempt from Apportionment	-	-	-	-	-	-	-	50,619	97,315	147,934
Total Unobligated Balance - Available	400,865	442,090	71,872	220,624	152,562	727,352	25,372	313,834	97,315	2,451,886
Unobligated Balance not Available	194,348	209,009	21,448	239,430	9,183	349,134	28,599	46,825	-	1,097,976
Total Status of Budgetary Resources	**$ 1,750,073**	**$ 9,054,972**	**$ 2,803,258**	**$ 3,601,825**	**$ 2,818,572**	**$ 9,084,608**	**$ 1,208,651**	**$ 6,310,416**	**$ 1,126,857**	**$ 37,759,232**

U. S. Department of Justice
Combining Statement of Budgetary Resources - Continued
For the Fiscal Year Ended September 30, 2008

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Change in Obligated Balance										
Obligated Balance, Net - Brought Forward, October 1										
Unpaid Obligations	$ 1,051,329	$ 3,357,243	$ 540,136	$ 4,046,993	$ 541,717	$ 1,669,766	$ 219,716	$ 1,191,107	$ 306,943	$ 12,924,950
Less: Uncollected Customer Payments from Federal Sources	14,824	679,019	180,181	19,625	131,358	554,862	29,503	10,061	55,030	1,674,463
Total Unpaid Obligated Balance, Net - Brought Forward, October 1	1,036,505	2,678,224	359,955	4,027,368	410,359	1,114,904	190,213	1,181,046	251,913	11,250,487
Obligations Incurred	1,154,860	8,403,873	2,709,938	3,141,771	2,656,827	8,008,122	1,154,680	5,949,757	1,029,542	34,209,370
Less: Gross Outlays	1,257,030	8,240,549	2,640,344	3,115,655	2,423,953	7,204,918	1,099,675	6,014,205	1,024,612	33,020,941
Less: Recoveries of Prior Year Unpaid Obligations, Actual	40,051	248,702	62,869	145,759	72,085	210,019	58,819	6,157	-	844,461
Change in Uncollected Customer Payments from Federal Sources	12,498	91,607	(11,281)	(16,692)	(8,158)	(237,300)	(1,785)	(2,304)	18,534	(154,881)
Obligated Balance, Net - End of Period:										
Unpaid Obligations	909,109	3,271,864	546,861	3,927,350	702,505	2,262,951	215,902	1,120,502	311,873	13,268,917
Less: Uncollected Customer Payments from Federal Sources	2,327	587,412	191,462	36,317	139,516	792,162	31,288	12,365	36,497	1,829,346
Total Unpaid Obligated Balance, Net - End of Period	$ 906,782	$ 2,684,452	$ 355,399	$ 3,891,033	$ 562,989	$ 1,470,789	$ 184,614	$ 1,108,137	$ 275,376	$ 11,439,571
Outlays										
Gross Outlays	$ 1,257,030	$ 8,240,549	$ 2,640,344	$ 3,115,655	$ 2,423,953	$ 7,204,918	$ 1,099,675	$ 6,014,205	$ 1,024,612	$ 33,020,941
Less: Offsetting Collections	3,219	1,992,875	1,399,610	114,596	398,308	916,426	46,518	384,063	1,000,213	6,255,828
Less: Distributed Offsetting Receipts	83,690	(418,768)	(3,805)	-	221,908	1,171	(6,670)	547	-	(121,927)
Total Net Outlays	**$ 1,170,121**	**$ 6,666,442**	**$ 1,244,539**	**$ 3,001,059**	**$ 1,803,737**	**$ 6,287,321**	**$ 1,059,827**	**$ 5,629,595**	**$ 24,399**	**$ 26,887,040**

U. S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2007

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Budgetary Resources										
Unobligated Balance, Net, Brought Forward, October 1	$ 425,253	$ 889,186	$ 86,260	$ 576,626	$ 81,045	$ 598,130	$ 29,936	$ 474,852	$ 116,558	$ 3,277,846
Recoveries of Prior Year Unpaid Obligations	25,543	234,005	61,589	149,514	57,325	137,091	52,475	17,498	9,916	744,956
Budget Authority:										
Appropriations Received	1,691,056	6,256,223	825,366	4,356,866	1,961,236	6,298,573	988,097	5,444,858	-	27,822,275
Spending Authority from Offsetting Collections:										
Earned										
Collected	5,072	2,018,709	1,332,317	347,530	396,871	823,972	58,837	337,951	950,686	6,271,945
Change in Receivables from Federal Sources	5,538	3,498	(5,873)	(7,207)	(16,768)	(42,368)	(6,086)	(98)	21,192	(48,172)
Change in Unfilled Customer Orders										
Advance Received	-	(6,590)	(8,440)	9,300	282	601	-	(823)	6,017	347
Without Advance from Federal Sources	286	12,172	690	(1,058)	7,261	177,587	(14,706)	-	-	182,232
Subtotal Budget Authority	1,701,952	8,284,012	2,144,060	4,705,431	2,348,882	7,258,365	1,026,142	5,781,888	977,895	34,228,627
Nonexpenditure Transfers, Net, Anticipated and Actual	-	76,780	316,716	18,491	83,945	102,570	41,146	(4,956)	-	634,692
Temporarily not Available Pursuant to Public Law	(170,000)	7	-	(1,729,552)	-	-	-	-	-	(1,899,545)
Permanently not Available	-	(62,287)	-	(119,316)	-	(39,000)	-	-	-	(220,603)
Total Budgetary Resources	**$ 1,982,748**	**$ 9,421,703**	**$ 2,608,625**	**$ 3,601,194**	**$ 2,571,197**	**$ 8,057,156**	**$ 1,149,699**	**$ 6,269,282**	**$ 1,104,369**	**$ 36,765,973**
Status of Budgetary Resources										
Obligations Incurred										
Direct	$ 1,550,148	$ 6,364,381	$ 1,176,128	$ 2,571,955	$ 1,971,332	$ 6,016,024	$ 1,035,774	$ 5,964,109	$ -	$ 26,649,851
Reimbursable	3,722	2,157,997	1,331,057	379,171	383,480	913,482	40,818	31,811	939,192	6,180,730
Total Obligations Incurred	1,553,870	8,522,378	2,507,185	2,951,126	2,354,812	6,929,506	1,076,592	5,995,920	939,192	32,830,581
Unobligated Balance - Available:										
Apportioned	396,962	668,885	70,189	597,286	186,108	850,918	53,657	167,147	-	2,991,152
Exempt from Apportionment	-	-	-	-	-	-	-	40,400	165,177	205,577
Total Unobligated Balance - Available	396,962	668,885	70,189	597,286	186,108	850,918	53,657	207,547	165,177	3,196,729
Unobligated Balance not Available	31,916	230,440	31,251	52,782	30,277	276,732	19,450	65,815	-	738,663
Total Status of Budgetary Resources	**$ 1,982,748**	**$ 9,421,703**	**$ 2,608,625**	**$ 3,601,194**	**$ 2,571,197**	**$ 8,057,156**	**$ 1,149,699**	**$ 6,269,282**	**$ 1,104,369**	**$ 36,765,973**

U. S. Department of Justice
Combining Statement of Budgetary Resources - Continued
For the Fiscal Year Ended September 30, 2007

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Change in Obligated Balance										
Obligated Balance, Net - Brought Forward, October 1										
Unpaid Obligations	$ 580,029	$ 3,513,694	$ 500,397	$ 4,279,018	$ 467,273	$ 1,426,936	$ 198,836	$ 761,034	$ 295,653	$ 12,022,870
Less: Uncollected Customer Payments from Federal Sources	9,001	663,348	185,364	27,890	140,864	419,643	50,295	10,159	33,838	1,540,402
Total Unpaid Obligated Balance, Net - Brought Forward, October 1	571,028	2,850,346	315,033	4,251,128	326,409	1,007,293	148,541	750,875	261,815	10,482,468
Obligations Incurred	1,553,870	8,522,378	2,507,185	2,951,126	2,354,812	6,929,506	1,076,592	5,995,920	939,192	32,830,581
Less: Gross Outlays	1,057,026	8,444,825	2,405,857	3,033,637	2,223,044	6,549,585	1,003,237	5,548,349	917,986	31,183,546
Less: Recoveries of Prior Year Unpaid Obligations, Actual	25,543	234,005	61,589	149,514	57,325	137,091	52,475	17,498	9,916	744,956
Change in Uncollected Customer Payments from Federal Sources	(5,824)	(15,670)	5,183	8,265	9,507	(135,219)	20,792	98	(21,192)	(134,060)
Obligated Balance, Net - End of Period:										
Unpaid Obligations	1,051,329	3,357,243	540,136	4,046,993	541,717	1,669,766	219,716	1,191,107	306,943	12,924,950
Less: Uncollected Customer Payments from Federal Sources	14,824	679,019	180,181	19,625	131,358	554,862	29,503	10,061	55,030	1,674,463
Total Unpaid Obligated Balance, Net - End of Period	$ 1,036,505	$ 2,678,224	$ 359,955	$ 4,027,368	$ 410,359	$ 1,114,904	$ 190,213	$ 1,181,046	$ 251,913	$ 11,250,487
Outlays										
Gross Outlays	$ 1,057,026	$ 8,444,825	$ 2,405,857	$ 3,033,637	$ 2,223,044	$ 6,549,585	$ 1,003,237	$ 5,548,349	$ 917,986	$ 31,183,546
Less: Offsetting Collections	5,072	2,012,119	1,323,877	356,829	397,152	824,573	58,837	337,128	956,703	6,272,290
Less: Distributed Offsetting Receipts	111,426	936,968	1,851	17	205,474	17,221	(616)	(2,523)	-	1,269,818
Total Net Outlays	**$ 940,528**	**$ 5,495,738**	**$ 1,080,129**	**$ 2,676,791**	**$ 1,620,418**	**$ 5,707,791**	**$ 945,016**	**$ 5,213,744**	**$ (38,717)**	**$ 23,641,438**

U. S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2008

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Revenue Activity										
Sources of Cash Collections										
Delinquent Federal Civil Debts as Required by the Federal Debt Recovery Act of 1986	$ -	$ 2,758,710	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,758,710
Fees and Licenses	-	-	-	-	15,000	-	12,262	-	-	27,262
Fines, Penalties and Restitution Payments - Civil	-	-	-	-	21,936	-	20	-	-	21,956
Fines, Penalties and Restitution Payments - Criminal	-	26,851	-	-	-	-	44	-	-	26,895
Miscellaneous	-	2,359	-	-	-	-	110	-	-	2,469
Total Cash Collections	**$ -**	**$ 2,787,920**	**$ -**	**$ -**	**$ 36,936**	**$ -**	**$ 12,436**	**$ -**	**$ -**	**$ 2,837,292**
Accrual Adjustments	-	(19)	-	-	(203)	-	-	-	-	(222)
Total Custodial Revenue	**$ -**	**$ 2,787,901**	**$ -**	**$ -**	**$ 36,733**	**$ -**	**$ 12,436**	**$ -**	**$ -**	**$ 2,837,070**
Disposition of Collections										
Transferred to Federal Agencies										
U.S. Department of Agriculture	-	(140,289)	-	-	-	-	-	-	-	(140,289)
U.S. Department of Commerce	-	(1,884)	-	-	-	-	-	-	-	(1,884)
U.S. Department of the Interior	-	(23,239)	-	-	-	-	-	-	-	(23,239)
U.S. Department of Justice	-	(294,666)	-	-	-	-	-	-	-	(294,666)
U.S. Department of Labor	-	(3,268)	-	-	-	-	-	-	-	(3,268)
U.S. Postal Service	-	(10,817)	-	-	-	-	-	-	-	(10,817)
U.S. Department of the Treasury	-	(200,173)	-	-	(36,936)	-	(12,178)	-	-	(249,287)
Office of Personnel Management	-	(7,432)	-	-	-	-	-	-	-	(7,432)
National Credit Union Administration	-	(7)	-	-	-	-	-	-	-	(7)
Federal Communications Commission	-	(4,114)	-	-	-	-	-	-	-	(4,114)
Social Security Administration	-	(650)	-	-	-	-	-	-	-	(650)
Smithsonian Institution	-	(9)	-	-	-	-	-	-	-	(9)
U.S. Department of Veterans Affairs	-	(13,548)	-	-	-	-	-	-	-	(13,548)
General Services Administration	-	(1,516)	-	-	-	-	-	-	-	(1,516)
Federal Deposit Insurance Corporation	-	(14)	-	-	-	-	-	-	-	(14)
Railroad Retirement Board	-	(373)	-	-	-	-	-	-	-	(373)
Tennessee Valley Authority	-	(7,933)	-	-	-	-	-	-	-	(7,933)
Environmental Protection Agency	-	(440,033)	-	-	-	-	-	-	-	(440,033)
U.S. Department of Transportation	-	(36,213)	-	-	-	-	-	-	-	(36,213)
U.S. Department of Homeland Security	-	(46,329)	-	-	-	-	-	-	-	(46,329)
Small Business Administration	-	(10,740)	-	-	-	-	-	-	-	(10,740)
U.S. Department of Health and Human Services	-	(1,614,871)	-	-	-	-	-	-	-	(1,614,871)
National Aeronautics and Space Administration	-	(413)	-	-	-	-	-	-	-	(413)
U.S. Department of Housing and Urban Development	-	(8,467)	-	-	-	-	-	-	-	(8,467)
U.S. Department of Energy	-	(7,463)	-	-	-	-	-	-	-	(7,463)
U.S. Department of Education	-	(14,517)	-	-	-	-	-	-	-	(14,517)
Independent Agencies	-	(86,419)	-	-	-	-	-	-	-	(86,419)
U.S. Department of Defense	-	(115,735)	-	-	-	-	-	-	-	(115,735)
Transferred to the Public	-	(339,229)	-	-	-	-	-	-	-	(339,229)
(Increase)/Decrease in Amounts Yet to be Transferred	-	723,201	-	-	203	-	-	-	-	723,404
Refunds and Other Payments	-	(640)	-	-	-	-	(258)	-	-	(898)
Retained by the Reporting Entity	-	(80,101)	-	-	-	-	-	-	-	(80,101)
Net Custodial Activity	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

U. S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2007

Dollars in Thousands	AFF/SADF	OBDs	USMS	OJP	DEA	FBI	ATF	BOP	FPI	Combined
Revenue Activity										
Sources of Cash Collections										
Delinquent Federal Civil Debts as Required by the Federal Debt Recovery Act of 1986	$ -	$ 3,053,827	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,053,827
Fees and Licenses	-	-	-	-	15,000	-	10,551	-	-	25,551
Fines, Penalties and Restitution Payments - Civil	-	-	-	-	7,958	-	22	-	-	7,980
Fines, Penalties and Restitution Payments - Criminal	-	17,353	-	-	-	-	56	-	-	17,409
Miscellaneous	-	4,114	-	-	-	-	1,005	-	-	5,119
Total Cash Collections	**$ -**	**$ 3,075,294**	**$ -**	**$ -**	**$ 22,958**	**$ -**	**$ 11,634**	**$ -**	**$ -**	**$ 3,109,886**
Accrual Adjustments	-	19	-	-	(379)	-	(52)	-	-	(412)
Total Custodial Revenue	**$ -**	**$ 3,075,313**	**$ -**	**$ -**	**$ 22,579**	**$ -**	**$ 11,582**	**$ -**	**$ -**	**$ 3,109,474**
Disposition of Collections										
Transferred to Federal Agencies										
U.S. Department of Agriculture	-	(99,035)	-	-	-	-	-	-	-	(99,035)
U.S. Department of Commerce	-	(5,447)	-	-	-	-	-	-	-	(5,447)
U.S. Department of the Interior	-	(121,901)	-	-	-	-	-	-	-	(121,901)
U.S. Department of Justice	-	(202,300)	-	-	-	-	-	-	-	(202,300)
U.S. Department of Labor	-	(6,779)	-	-	-	-	-	-	-	(6,779)
Pension Benefit Guaranty Corporation		(816)								(816)
U.S. Postal Service	-	(17,185)	-	-	-	-	-	-	-	(17,185)
U.S. Department of State	-	(500)	-	-	-	-	-	-	-	(500)
U.S. Department of the Treasury	-	(283,709)	-	-	(22,958)	-	(11,365)	-	-	(318,032)
Office of Personnel Management	-	(110,594)	-	-	-	-	-	-	-	(110,594)
National Credit Union Administration	-	(977)	-	-	-	-	-	-	-	(977)
Federal Communications Commission	-	(491)	-	-	-	-	-	-	-	(491)
Social Security Administration	-	(544)	-	-	-	-	-	-	-	(544)
Smithsonian Institution	-	(34)	-	-	-	-	-	-	-	(34)
U.S. Department of Veterans Affairs	-	(10,931)	-	-	-	-	-	-	-	(10,931)
General Services Administration	-	(83,435)	-	-	-	-	-	-	-	(83,435)
National Science Foundation	-	(860)	-	-	-	-	-	-	-	(860)
Federal Deposit Insurance Corporation	-	(435)	-	-	-	-	-	-	-	(435)
Railroad Retirement Board	-	(294)	-	-	-	-	-	-	-	(294)
Environmental Protection Agency	-	(310,136)	-	-	-	-	-	-	-	(310,136)
U.S. Department of Transportation	-	(14,365)	-	-	-	-	-	-	-	(14,365)
U.S. Department of Homeland Security	-	(29,879)	-	-	-	-	-	-	-	(29,879)
Agency for International Development	-	(396)	-	-	-	-	-	-	-	(396)
Small Business Administration	-	(12,456)	-	-	-	-	-	-	-	(12,456)
U.S. Department of Health and Human Services	-	(718,437)	-	-	-	-	-	-	-	(718,437)
National Aeronautics and Space Administration	-	(268)	-	-	-	-	-	-	-	(268)
Export-Import Bank of the United States	-	(1,142)	-	-	-	-	-	-	-	(1,142)
U.S. Department of Housing and Urban Development	-	(5,513)	-	-	-	-	-	-	-	(5,513)
U.S. Department of Energy	-	(2,023)	-	-	-	-	-	-	-	(2,023)
U.S. Department of Education	-	(17,184)	-	-	-	-	-	-	-	(17,184)
Independent Agencies	-	(22,662)	-	-	-	-	-	-	-	(22,662)
U.S. Department of Defense	-	(53,495)	-	-	-	-	-	-	-	(53,495)
Transferred to the Public	-	(202,688)	-	-	-	-	-	-	-	(202,688)
(Increase)/Decrease in Amounts Yet to be Transferred	-	(679,599)	-	-	379	-	-	-	-	(679,220)
Refunds and Other Payments	-	(1,576)	-	-	-	-	(217)	-	-	(1,793)
Retained by the Reporting Entity	-	(57,227)	-	-	-	-	-	-	-	(57,227)
Net Custodial Activity	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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Required Supplementary Stewardship Information Unaudited

See Independent Auditors' Report on Financial Statements

U.S. Department of Justice
Required Supplementary Stewardship Information
Consolidated Stewardship Investments
For the Fiscal Years Ended September 30, 2008, 2007, 2006, 2005 and 2004

The Violent Offender Incarceration and Truth-In Sentencing (VOI/TIS) Grant Program is administered by OJP's Bureau of Justice Assistance (BJA). The VOI/TIS program provides grants to all states as well as the District of Columbia, Puerto Rico, Virgin Islands, American Samoa, Guam and the Northern Mariana Islands for the purposes of building or expanding correctional facilities and jails to increase secure confinement space for violent offenders.

VOI/TIS funds are available for the following purposes:

- Build or expand correctional facilities to increase the bed capacity for the confinement of persons convicted of a Part 1 violent crime or adjudicated delinquent for an act, which, if committed by an adult, would be a Part 1 violent crime. NOTE: Part 1 violent crime includes murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault as reported to the FBI for purposes of the Uniform Crime Reports.
- Build or expand temporary or permanent correctional facilities, including facilities on military bases, prison barges, and boot camps, for the confinement of convicted nonviolent offenders and criminal aliens, for the purpose of freeing suitable existing prison space for the confinement of persons convicted of a Part 1 violent crime.
- Build or expand jails.
- Additionally, since FY 1999, up to 10 percent of a State's VOI/TIS award may be applied to the costs of offender drug testing or intervention programs during periods of incarceration and post-incarceration criminal justice supervision and/or pay the costs of providing the required reports on prison drug use.

The facilities built or expanded with these funds constitute non-federal physical property.

VOI/TIS funds expended from FY 2004 through FY 2008 are as follows:

Dollars in thousands	2008	2007	2006	2005	2004
Cooperative Agreement Program Administered by USMS	$1,140	$2,839	$2,521	$3,605	$10,961
Discretionary Grants to Indian Tribes	5,094	11,334	4,007	16,723	47,881
Formula Grants to States	59,011	188,171	222,650	249,892	311,717
Total	$65,245	$202,344	$229,178	$270,220	$370,559

Section IV Management Section (Unaudited)

Overview

In an effort to achieve a results-oriented, citizen-centered government that allows for improving performance and overall effectiveness, the Administration developed the President's Management Agenda (PMA), which outlines five government-wide goals and two additional initiatives specific to the Department of Justice. The first report in this section highlights the Department's commitment to effective and efficient operations and accountability and outlines the Department's progress throughout FY 2008 in implementing the strategies of the PMA.

As part of the PMA's mission to integrate budget and performance, the OMB developed the Program Assessment Rating Tool (PART) in FY 2002. After completing the initial five-year cycle, the Department has used the recommendations to inform annual budget and administrative decisions. The Department is currently in the second round of PART assessments. The second report in this section highlights the Department's progress with the PART process and provides an update on the development of efficiency measures.

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

Presented on the following pages are the Department's status of achieving the PMA goals and initiatives, the Department's PART results, the OIG-identified Top Management and Performance Challenges in the Department, Department management's response to those challenges, and the corrective action plans resulting from the FMFIA assessment.

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PMA The President's Management Agenda

This section outlines the five overarching criteria of the President's Management Agenda (PMA) and two additional initiatives to strengthen and improve Department of Justice performance. The following information provides the Department's status of achieving each goal and initiative and highlights the progress made in implementing the PMA throughout FY 2008 against the criteria. Overall, the Department has made significant progress in achieving the PMA goals and initiatives.

PMA 1. Strategic Management of Human Capital

Overall Status as of 9/30/08: Yellow

President Bush's Management Agenda seeks to flatten the federal hierarchy and make government more citizen-centered by reducing the number of layers within the government. Through workforce planning, agencies can redistribute higher-level positions to aid timely decision-making and interact more effectively with citizens. The Department's main initiatives under the umbrella of strategic management of human capital include streamlining, eliminating, and/or consolidating duplicative functions; focusing resources on front-line positions; and strengthening hiring, training and diversity policies throughout the Department.

Criteria	FY 2008 Progress
• Implemented a comprehensive Human Capital Plan that is kept current and is fully aligned with the agency's overall strategic plan and annual performance goals, and budgetary priorities; demonstrated that Human Capital planning efforts (including workforce succession, accountability, survey action and other Human Capital-related plans) are strategically integrated; analyzed implementation results relative to the plan and used them in decision-making to drive continuous improvement;	• Continued to monitor progress of goal accomplishment as outlined in DOJ's Human Capital Strategic Plan FY 2007 - 2012. • Developed the DOJ Recruitment Supplement and 1st Edition of DOJ Human Capital Promising Practices (Recruitment). This represents the efforts of the DOJ Human Resources (HR) Community to raise awareness of numerous Department-wide HR activities in support of the recruitment, development, and retention of the Department's workforce. Highlighted activities represent only a sample of DOJ's ongoing efforts. • Implemented Quarterly Human Capital Strategic Plan Accomplishments Reports used to inform decision making for Chief Human Capital Officer (CHCO), Deputy, CHCO, Human Capital Executive Committee, and Human Capital Initiatives Owner Council. • Earned all required PMA checkmarks for strategic alignment linked to DOJ Human Capital Strategic Plan.
• Implemented an organizational structure that provides greater efficiencies in serving customers and stakeholders, reduces overall program costs and improves performance. The agency's workforce plan delineates how to effectively deploy, restructure, and/or delayer the workforce; and to use competitive sourcing, E-Gov solutions, as necessary; and the agency has process(es) in place to continuously review the organizational structure and update it to address future changes in business needs in a timely manner;	• Conducted analyses of three DOJ organizational restructuring efforts-- the National Security Division; Federal Detention Trustee; and Office of Justice Programs. • Conducted analysis of three VERA/VSIPs—Criminal Division, Executive Office for U.S. Attorneys, and Civil Rights Division. • Conducted analysis of one functional effort: Learning Management System.
• Succession strategies, including structured leadership development programs, result in adequate leadership bench strength; agency meets its targets for closing leadership competency gaps; and agency determined that bench strength and competency gap closure support organizational objectives;	• Evaluated succession strategies and updated the Department-wide Succession Plan. The Plan identifies a leadership pipeline that is comprised of first line supervisors through Senior Executives and outlines interventions that are necessary in developing a strong leadership pool. • Successfully completed inaugural year of the Leadership Excellence and Achievement Program (LEAP). This program is geared toward mid-level management (GS 13-15) employees. Graduated 33 employees (48 percent minority

Criteria	FY 2008 Progress
	and 72 percent female) from 17 DOJ Components. • Launched second year of LEAP. Thirty-one candidates are participating in the FY 2009 program. • Forty-eight percent of our leadership pipeline participated in the FCAT-M.
• Demonstrates that it has performance appraisal and awards systems for all Senior Executive Service (SES) and managers, and more than 70 percent of the workforce, that effectively: link to agency mission, goals, and outcomes; hold employees accountable for results appropriate for their level of responsibility; differentiate between various levels of performance (i.e., multiple performance levels with at least one summary rating above Fully Successful); and provide consequences based on performance.	• The Department SES Program was granted provisional certification. • Submitted 22 Performance Appraisal and Assessment Tool (PAATs) to OPM for scoring. • The number of DOJ employees under cascading work plans increased by 32 percent to 102,629 or 97.5 percent of the DOJ total workforce. This increase of 32 percent meets stated objective to have more than 70 percent of the workforce on cascading work plans.
• Implemented a performance pilot, providing evidence that at the pilot site clear expectations are communicated to employees; rating and awards data demonstrate that managers effectively planned, monitored, developed and appraised employee performance; and the pilot site is ready to link pay to the to the performance appraisal systems. In addition, the agency significantly increased the number of employees covered under the pilot systems; and achieved a score of 80 or above on PAAT on the original and expanded performance pilots;	• The DOJ Beta Site, Antitrust Division, has met the PAAT requirements by scoring 90+ in their second PAAT, and thus has met the OPM requirement of scoring at least 80 points on their PAAT as the beta site. • DOJ began collaboration with its Components to explore options for developing a new performance management system and policies.
• Implemented programs that are designed to recruit broadly, attract a diverse applicant pool and use the talents of the agency's workforce; has a process to sustain workforce diversity;	• EEO launched DOJ's first ever EEO Strategic Plan detailing strategies for recruiting a diverse pool of applicants as well as retaining its current level of workforce diversity. • Continued to participate in targeted recruitment fairs.
• Met targets for closing competency gaps in mission critical occupations (i.e., human resources management, information technology, acquisition and agency-specific occupations), significantly reduced the number of vacant positions in MCOs, and used appropriate E-Gov solutions within the gap closure strategy; demonstrates how gap closure supports organizational objectives;	• Submitted required Competency Gap Charts for Government-wide and mission critical occupations. • Identified no significant gap in occupational competencies. • Submitted Leadership Bench Strength Charts showing no significant gaps in the leadership pipeline.
• Implemented a comprehensive strategy for improving hiring process and ensuring highly qualified candidates are recruited and retained; at least 70 percent of agency hires are made and applicants notified of their status within 45 business days, achieved a significant reduction in the time to hire employees in MCOs; met aggressive SES hiring timelines, and met targets for hiring process improvements based on the Hiring Satisfaction Survey; integrated Career Patterns initiative into its recruitment and hiring strategy; optimized the use of hiring flexibilities including category rating; and	• DOJ successfully met its hiring timeline for each quarter of FY 2008. • Developed plan to initiate hiring process improvements. • Developed a DOJ Recruitment Supplement to identify a set of recruitment objectives and strategies that can supplement ongoing Department-wide recruitment efforts
• Took corrective and improvement action, within prescribed timeframes, based on the results of the accountability activities.	• The Department's Human Capital Accountability Program continues to grow and expand. DOJ completed and submitted the annual Human Capital Management Report to OPM and OMB on schedule. • Program successfully conducted six audits of Component Human Capital Programs. • DOJ also conducted three follow-up audits of Components in need of additional assistance with Human Resources Programs. • 100 percent of audit reports issued in 90 work days. • The Program earned all three PMA required scorecard checkmarks including the Green check for taking corrective actions when program deficiencies were identified.

PMA 2. Commercial Services Management

Overall Status as of 9/30/08: Green

The President has proposed to increase competition for activities performed by the government as listed on agency FAIR Act inventories. The Department will use competitive sourcing as a tool for getting commercial-type work done efficiently, considering the full cost of in-house performance.

The Department will strive to conduct accurate FAIR Act inventories that reflect closer scrutiny of functions performed within the Department to determine those that are commercial in nature. Additionally, as appropriate, the Department will conduct A-76 competitions to achieve economies and enhance productivity.

Criteria	FY 2008 Progress
• Has an OMB approved "green" competition plan to compete commercial activities available for competition or to perform business process reengineering including high performing organizations.	• In compliance with the DOJ green plan, BOP completed its high performing organization effort of 109 legal instrument examiners and 99 computation and classification specialists. JMD performed a feasibility study to determine if we should compete building maintenance which resulted in this work not being competed.
• Publicly announces standard competitions in accordance with the schedule outlined in the agency "green" competition plan;	• All scheduled standard competitions have been completed.
• Since January 2001, has completed at least 10 competitions (no minimum number of positions required per competition) or has completed a sufficient number of large competitions to demonstrate meaningful use of competitive sourcing;	• The Department has completed 3 standard competitions, 12 streamlined competitions, and 1 high performing business organization effort.
• In the past four fiscal quarters, completed 90 percent of all standard competitions in a 12-month timeframe or timeframe otherwise approved in accordance with the Circular;	• We did not have any standard competitions to be completed in this fiscal year.
• In the past four fiscal quarters, completed 95 percent of all streamlined competitions in a 90-day timeframe or timeframe otherwise approved in accordance with the Circular;	• 100 percent of all the Department's streamlined competitions were completed within the 90 day timeframe.
• In the past year, canceled fewer than 10 percent of publicly announced standard and streamlined competitions;	• No cancellations.
• Has OMB reviewed written justifications for categories of commercial activities determined to be unsuitable for competition;	• All justifications submitted to OMB.
• Structures competitions in a manner to encourage participation by both private and public sectors as typically demonstrated by receipt of multiple offers and/or by documented market research, as appropriate; and	• All competed activities structured to encourage competition.
• Regularly reviews work performed once competitive sourcing studies or business process reengineering efforts, including high performing activities, are implemented to determine if performance standards in contract or agreement with agency provider are met and takes corrective action when provided services are deficient.	• All reviewed as appropriate.

PMA 3. Improved Financial Performance

Overall Status as of 9/30/08: Yellow

Timely and accurate financial reports, combined with key performance information, are critical to improving agency management, program performance, and overall cost effectiveness. It is vital for agencies to have reliable and functionally capable financial and associated performance systems that can provide the critical information. It is equally important that agencies operate with efficient business practices that are compliant with federal financial management and accounting standards. The Department continues to improve its systems and practices in order to provide management and the public with reliable and timely financial management information.

Criteria	FY 2008 Progress
• Receives an unqualified audit opinion on its annual financial statements;	• The Department received an unqualified opinion on its FY 2008 consolidated financial statements. All nine of the Department's components that produced financial statements received unqualified opinions as well.
• Meets financial statement reporting deadlines;	• The Department met OMB's November 17th due date for submission of consolidated financial statements. For FY 2008, the Department continued to emphasize the importance of meeting year-end requirements including key dates for the FY 2008 audit and critical deadlines for submission of financial data to the OMB and the Department of the Treasury. On August 18th, the Department revised and reissued the annual Financial Statement Requirements and Preparation Guide (Guide). The Guide includes a Department-wide timeline of critical dates for preparation of the FY 2008 financial statements. Other significant factors includes quarterly financial statement preparation, quarterly confirmations of intra-Departmental business activity and preparation of draft Component Formatted Draft Financial Statement Packages including the Management's Discussion and Analysis were circulated for comment on May 9, 2008.
• Reports in its audited annual financial statements that its systems are in compliance with the Federal Financial Management Improvement Act (FFMIA);	• The Department assessed its financial systems requirements applicable to the FFMIA and determined that, when taken as a whole, they substantially comply with the requirements of FFMIA. In addition, efforts continue to implement a Department-wide unified financial management system.
• Has no chronic or significant Anti-Deficiency Act Violations;	• The Department has no Anti-Deficiency Act violations of any kind, nor are any foreseen. Through careful oversight by Departmental management, funds continued to be obligated and disbursed in compliance with appropriations law.
• Has no material auditor-reported internal control weaknesses;	• The Department auditors did not report any material weaknesses at the consolidated level, although they did identify two significant deficiencies. The Department has corrective action plans in place to remediate the significant deficiency findings.
• Has no material non-compliance with laws or regulations;	• The Department auditors did not report any material non-compliance with laws and regulations. The Department has no programs that are susceptible to improper payments exceeding both 2.5 percent of program payments and $10 million. The goal of the Department's recovery audit program is to identify and collect improper payments in a timely manner. The Department continues to comply with Prompt Payment regulations. • Notably, the Department's commitment in the overall disbursement management process remains strong.
• Has no material weaknesses or non-conformances reported under Section 2 and Section 4 of the Federal Managers' Financial Integrity Act that impact the	• During FY 2008, the Department continued to perform rigorous oversight to ensure that targeted corrective actions plans are in place and milestones are met; to further improve

Criteria	FY 2008 Progress
agency's internal control over financial reporting or financial systems;	data integrity; to enhance financial management performance through improved accounting and financial reporting procedures; and to sustain the reduction of deficiencies in general controls over information systems supporting financial processes.
• Is implementing a single accounting system agency-wide;	• Progress in FY 2008 regarding the Department's implementation of its Unified Financial Management System included: Asset Forfeiture Program (AFP) pilot project went live in November 2007; Drug Enforcement Administration (DEA) completed requirements, design, and configuration phases and plan to go live in December 2008; Federal Bureau of Investigation (FBI) continued work on preparation for UFMS and assessing the UFMS contract writing tool; and the Alcohol, Tobacco, Firearms and Explosives (ATF) has begun to plan for its UFMS implementation.
• Currently produces accurate and timely financial information that is used by management to inform decision-making and drive results in key areas of operations; and	• The Department continues to produce and enhance its reporting methodology on certain key information. This key information facilitates decision-making, meets management goals, and drives results. The Department's components will continue to perform self-assessments of their current business processes to drive results in key areas of operations.
• Is implementing a plan to continuously expand the scope of its routine data use to inform management decision-making in additional areas of operations.	• The Department continues to refine its financial and performance reporting, training materials on systems operations, and financial management activities to inform management decision-making and strengthen business practices. With the use of ad-hoc reporting and other reporting tools, the Department is able to track and measure financial and performance data to determine potential risk areas and manage financial challenges. Each of the Department's components will continue to monitor its use of routine data in areas of operations to facilitate management decision-making.

PMA 4. Expanding E-Government

Overall Status as of 9/30/08: Yellow

Focusing the application of Information Technology (IT) on improving agency mission performance, enhancing information security, maintaining privacy, reducing duplications and coordinating efforts with other agencies in an integrated manner is vital to the success of this agenda item. The Department of Justice's Office of the Chief Information Officer (OCIO) has made significant progress in implementing the DOJ IT Strategic Plan. Additionally, savings achieved through e-Government solutions will enable the Department to reallocate resources in support of anti-terrorism activities.

Criteria	FY 2008 Progress
• Has an Enterprise Architecture linked to the Federal Enterprise Architecture (FEA) with a score of "3" in both the "Completion" and "Use" sections or at least "3" in the "Results section.	• DOJ achieved higher than the required scores in the "Completion" and "Use" sections, to remain Green according to the FEA enterprise architecture assessment performed in March 2008. DOJ's enterprise architecture is linked to the federal enterprise architecture (FEA) and follows FEA best practices.
• Has acceptable business cases for all major systems investments;	• In FY 2008, DOJ submitted acceptable business cases for all major systems investments. The business cases were rated "Green" since Quarter 1 FY 2007.
• Has demonstrated appropriate planning, execution, and management of major IT investments using Earned Value Management (EVM) or operational analysis, and has portfolio performance within 10 percent of cost, schedule, and performance goals;	• All major DOJ IT developmental projects have been validated for compliance with the ANSI/EIA-748A EVM standard. Currently, the DOJ portfolio is performing within 10 percent of cost, schedule, and performance goals.
• Inspector General verifies the effectiveness of the Department-wide IT Security Remediation Process and rates the agency certification and accreditation process as "Satisfactory" or better;	• In the Department's FY 2008 Federal Information Security Management Act (FISMA) Report, the Inspector General found the Department's certification and accreditation process as "good" and includes adherence to Federal Information Processing Standards (FIPS) and National Institute of Standards Technology (NIST) standards.
• Has 90 percent of all IT systems properly secured (certified, and accredited);	• As reported in the Department's FY 2008 FISMA Report, the Department Chief Information Officer has ensured that 100 percent of all Department systems are certified and accredited. Known IT security weaknesses associated with IT systems are tracked and managed through plans of actions and milestones to ensure weaknesses are addressed in a timely manner and receive appropriate resources.
• Has implemented all of the appropriate E-Gov/Lines of Business/SmartBuy initiatives and has transitioned and/or shut down investments duplicating these initiatives in accordance with the OMB-approved implementation plan.	• The Department continues to implement E-Gov/Lines of Business/SmartBUY initiatives in accordance with the OMB-approved plan, to improve internal efficiencies, increase access and effectiveness, and enhance services to the public. • In 2008, the Department collaborated with the appropriate E-Gov/Lines of Business(LOB) initiatives; migrated over to a single enterprise LMS architecture; electronically transmitted technically compliant DOJ EHRI training data to OPM; complied with submission of no less than 95 percent of the SF-86 (National Security) investigation in e-QIP; developed a strategic plan for implementing the Grants Management (GM) LOB objectives, and signed an agreement with the Department of Education (ED), a GM LOB consortia lead, for the DOJ Community Oriented Policing Services Office to collaborate with ED to achieve the GM LOB objectives; submitted a DOJ 5-year plan to optimize the End User Systems and Support area of IT infrastructure that is aligned with the IT Infrastructure LOB Business Case; and, posted on the GovSales.gov portal the forfeited assets available for sale through the DOJ Asset Forfeiture Program.

PMA 5. Performance Improvement Initiative

Overall Status as of 9/30/08: Green

The Administration began formally integrating a review of performance with budget decisions in FY 2004 with the intent of linking program performance to budget decisions and improve tracking, management, and performance. Re-named in July 2007 as the Performance Improvement Initiative (PII) to reflect the focus of improving program performance, it is expected through this initiative that agencies will be able to identify and report effective outcome measures, monitor their progress, and accurately present the associated costs of the program.

Criteria	FY 2008 Progress
• Senior agency managers meet at least quarterly to examine reports that integrate financial and performance information that cover all major responsibilities of the Department. Agency works to improve program performance and efficiency each year;	• The Department continued its Quarterly Status Review (QSR) of component-level financial and performance information. Component meetings took place on a quarterly basis with the Assistant Attorney General for Administration and members of the Associate and Deputy Attorney General's staff. The outcomes of the meetings are shared with the Deputy Attorney General, via memorandum. The results of all quarterly reviews are used to guide Departmental decision making and inform leadership when corrective actions may be necessary.
• Strategic plans contain a limited number of outcome-oriented goals and objectives. Annual budget and performance documents incorporate measures identified in the PART and focus on the information used in the senior management report described in the first criterion;	• The Department's Strategic Plan (FY 2007-2012) contains a three-goal structure that includes specific long-term measurable outcome goals in key priority areas. In addition, the Department's budget submissions, as well as QSR documents, include all the performance measures identified as a result of the OMB PART process.
• Reports the full cost of achieving performance goals accurately in budget and performance documents and can accurately estimate the marginal cost of changing performance goals;	• The Department's budget and performance documents report the full and marginal cost of achieving performance goals.
• Has at least one efficiency measure for all PARTed programs;	• The Department has OMB-approved efficiency measures for 35 programs assessed by the PART. In addition, an efficiency measure has been established for a program scheduled to undergo PART in 2012.
• Uses PART evaluations to direct program improvements and hold managers accountable for those improvements, and PART findings and performance information are used consistently to justify funding requests, management actions, and legislative proposals; and	• The PART review results are used to improve our programs and aid in refinement of long-term measurable outcome goals, where appropriate. In FY 2007, PART follow-on actions were discussed on a quarterly basis during the QSR meetings with the leadership and the components.
• Less than 10 percent of agency programs receive a Results Not Demonstrated rating for two years in a row.	• Justice Management Division, Budget Staff continues to work with OMB and the components to assess if programs previously receiving an assessment of "results not demonstrated" (RND) should be reassessed. The Department is currently below the 10 percent of threshold for RNDs.

Faith-Based and Community Initiative

Overall Status as of 9/30/08: Green

The Faith-Based and Community Initiative is a component of President Bush's Management Agenda that seeks to reform federal management and improve program performance through the development of a coordinated strategy. Under this initiative, the Department of Justice, in addition to the Departments of Education, Health and Human Services, Housing and Urban Development, Labor, Agriculture, Commerce, Veterans Affairs, and Homeland Security, as well as the U.S. Agency for International Development, the Small Business Administration, and the Corporation For National and Community Service, was called upon to work to identify and eliminate unwarranted regulatory barriers that exist in providing Faith-Based and Community-Based programs with access to federal programs. Faith-Based and Community-Based organizations interested in grant funding will receive coordinated training and technical assistance from the Department throughout the grant funding process.

Criteria	FY 2008 Progress
• Has implemented a comprehensive outreach and technical assistance strategy for enhancing opportunities of Faith-Based and other Community Organizations (FBCOs) to compete for federal funding, including working with state and local officials to expand access to federal funding awarded through them. This strategy employs all seven best practices focusing on educating non-governmental organizations and expanding the number of programs open to them;	• The DOJ continues to provide technical assistance to FBCOs through a Task Force Web site, email notification service, and tailored advice in person and by telephone. Presented workshops on DOJ grant programs, discretionary and formula, at White House conferences in four cities. Trained new grantees and federal/state grant managers in how and why to partner with FBCOs. Recorded Webinar with National Institute of Corrections on FBCO opportunities in prisoner reentry and recorded tutorial with Bureau of Prisons on how FBCOs may apply for contract to operate a halfway house.
• Provides and facilitates education on the equal treatment principles at the Federal, State and local levels, assists Federal programs within their purview in developing mechanisms for assessing compliance with appropriate regulations and in addressing violations once they are brought to the agency's attention, and works to enable State- and locally-administered programs to implement equal treatment principles using proven models for partnering with FBCOs. Employs all nine best practices , targeting grant administrators and their understanding of the law;	• Created and loaded onto DOJ Web site an on-line tutorial on Equal Treatment Regulations. Presented plenary addresses to potential grant applicants on legal rules for use of grant funds. Taught rules to state and local administrators of DOJ formula and block grants at four White House conferences as well as numerous regional and national training conferences of DOJ's grant-making agencies, as well as to program staff and peer reviewers in Washington DC.
• Collects accurate and timely data on participation of FBCO and other applicants, including government entities, in selected federal non-formula grant programs; and	• Reported on measurable results of Initiative for White House Results Conference in June; FY 2007 non-formula grants; and list of all training events since 2001.
• Implements pilot programs to strengthen the partnership between FBCO and the federal government to deliver services and inform implementation of the Initiative, and expands the use of pilots to test new strategies when appropriate.	• Spearheaded concept for a pilot national database of agencies that provide reentry services for returning ex-offenders. Helped design legal parameters for voluntary in-prison residential reentry program.

Real Property Asset Management

Overall Status as of 9/30/08: Green

The federal government owns hundreds of billions of dollars in real property assets. President Bush's Management Agenda initiative for Real Property Asset Management seeks to right-size the federal inventory to ensure that the right number of assets are maintained in the right condition and at the right cost. The initiative seeks to establish a Senior Real Property Officer and a Real Property Council and reform the authorities for managing federal real property. These steps aim to establish an increased level of accountability within the Department and across the federal government.

Criteria	FY 2008 Progress
• Has a Senior Real Property Officer (SRPO) who actively serves on the Federal Real Property Council (FRPC);	• The Director, Facilities and Administrative Services Staff (FASS) serves as the Senior Real Property Officer (SRPO) for the DOJ.
• Established asset management performance measures, consistent with the published requirements of the Federal Real Property Council;	• Performance measures and targets are reviewed and completed for the Department through the DOJ Real Property Management Council (RPMC). • Currently, DOJ uses the Federal Real Property Council (FRPC) Performance Measures (PM) of Utilization, Condition Index, Mission Dependency, Annual Operating and Maintenance Costs. In FY2007, the Department added the PM of Operating Costs for Energy Consumption to gauge our success in energy savings. • Additional performance measures and targets are explored on an annual basis and adopted based on review and concurrence by the DOJ RPMC. During Second and Third Quarters of FY 2008, the performance measures and targets were reviewed again by the RPMC, but no additional targets were added at that time.
• Completed and maintained a comprehensive inventory and profile of agency real property, consistent with the published requirements of the Federal Real Property Council;	• DOJ has maintained a comprehensive inventory and real property profile since the inception of EO 13327 and currently is in the process of collecting FY 2008 Federal Real Property Profile (FRPP) data. • DOJ has a quality control data validation process in place entitled the "Real Property Inventory Data Validation Methodology" which was developed to achieve accurate and complete reporting of real property asset data to the FRPP. Quality control activities ensure accuracy and completeness of the collected data and for each annual FRPP data submission, DOJ analysts follow a comprehensive quality control process to ensure that the Departmental data set complies with the requirements set forth by FRPC's annual guidance. • The "Real Property Inventory Data Validation Methodology" represents the successful accomplishments the Department has made in its management and direction of Executive Order 13327 to ensure all Bureaus and Components are effectively and consistently working toward the goal of improving real property data inventory.
• Provided timely and accurate information for inclusion into the government-wide real property inventory database;	• During the Fourth Quarter of FY 2008, the following timeline and guidance was distributed to the Bureaus and Components for the FY 2008 FRPP Data Collection. As the Department's coordinator for this initiative, the JMD/FASS manages this effort for the Department and oversees the entire data collection. Currently, all Bureaus and Components are on track and successfully complying with the timeline highlighted below:

Criteria	FY 2008 Progress
	• FRPP FY 2008 Submission - Timeline: • August 1, 2008: "FY2008 FRPP Data Request Template" distributed to Bureaus and Components. • September 26, 2008: First 2008 data submission from the Bureaus and Components to JMD/FASS using the FRPP template. • October 17, 2008: JMD/FASS sent the validated data back to Bureaus and Components in order to obtain any additional information required. • November 14, 2008: Bureaus and Components to submit back to JMD/FASS any additional information that was requested. • December 1, 2008: Final Data ready for upload into the FRPP.
• Developed an OMB-approved comprehensive asset management plan that: complies with guidance established by the FRPC; includes policies and methodologies for maintaining property holdings in an amount and type according to agency budget and mission; seeks to optimize level of real property operating, maintenance, and security costs;	• The Asset Management Plan (AMP) was initially approved by OMB in December of 2005 and the document complies with the guidance established by the FRPC. DOJ has committed to maintaining an updated Real Property Asset Management Plan and providing necessary updates to the document on an annual basis. • During the Third Quarter of FY 2008, DOJ reviewed the AMP to ensure relevancy and utilization of the plan throughout the Department. DOJ then updated the document to include new organizational structures, new and revised metrics and Three Year Timeline plan updates. During the Fourth Quarter, DOJ submitted the revised AMP to OMB for review and approval.
• Established an OMB-approved three-year rolling timeline with date certain deadlines by which agency will address opportunities and determine its priorities as identified in the asset management plan;	• In accordance with the Federal Real Property Asset Management Initiative Framework and Executive Order 13327, the Department created the Three Year Timeline to identify the Key Initiatives which are intended to enhance the Department's real property policies, procedures and processes with a long term goal of improved management of DOJ real property assets. • In February of 2007, this document was approved by OMB and it supports the implementation of the goals and objectives in the AMP. On a quarterly basis, DOJ focuses on specific, planned action items which are used to address and ultimately complete each of the Key Initiatives. These action items are called the Implementation Milestones. • DOJ successfully completed milestones within the following number of Implementation Milestones during FY 2008: • Quarter 1: Twenty-Two Milestones • Quarter 2: Eleven Milestones • Quarter 3: Eight Milestones • Quarter 4: Twenty Milestones • A specific overview of each of the Key Initiatives that these 2008 Milestones support is summarized in the response below.
• Demonstrated steps taken toward implementation of asset management plan as stated in yellow standards (including meeting established deadlines in three-year timeline, meeting prioritized management improvement actions, maintaining appropriate amount of holdings, and estimating and optimizing cost levels);	• During FY 2008, DOJ focused on the following Three Year Timeline Key Initiatives, which demonstrates its ability to implement the AMP and provide solid evidence of its efforts to meet prioritized management improvement, maintain the appropriate amount of holdings, and estimate and optimize cost levels.

Criteria	FY 2008 Progress
• Accurate and current asset inventory information and asset maximization performance measures are used routinely in management decision-making (such as reducing the amount of unneeded and underused properties); and	• DOJ is currently in the process of gathering this information using the FY2008 FRPP data submission. DOJ will look closely at those assets where improved performance measures have not been reported and hold the necessary conversations with the reporting Bureau or Component to discuss next steps.
• The management of agency property assets is consistent with the agency's overall strategic plan, the agency asset management plan, and the performance measures established by the Federal Real Property Council as stated in the Federal Real Property Asset Management Executive Order.	• Since the inception of EO 13327 and the PMA, the Department, with leadership by its SRPO and support of the senior staff in the JMD, has employed an integrated, life-cycle real property asset management process in support of the Department's mission and strategic objectives. DOJ uses the AMP, three-year timeline and FRPC performance measures to help succeed in the daily management of its real property assets. These tools allow DOJ to ensure that real property inventories are leveraged at the right size, operated at the right cost and maintained in the right condition to support agency missions and objectives. • The AMP is reviewed on an annual basis and in the Third Quarter of 2008, the document was updated to include new organizational structures, new and revised metrics and three-year timeline updates. This revised document was submitted to OMB during the Fourth Quarter. • Additional performance measures and targets are explored by the DOJ RPMC on an annual basis. During the Second Quarter of FY 2008, DOJ submitted the performance measure targets and results comparison based on the FY 2007 FRPP data to OMB, which included results on operating costs for energy consumption. At the present time, the Department has no additional performance measure targets to add but will continue to review and make any necessary additions as deemed appropriate by the RPMC.

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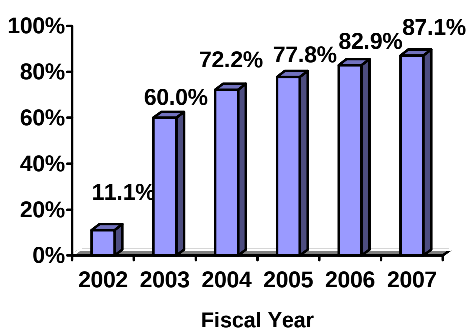
PART OMB's Program Assessment Rating Tool

In order to comprehensively examine and identify program efficacy and inform management actions, budget requests, and legislative proposals, OMB implemented an analytical assessment of federal programs through the PART. Established in 2002, the PART allows for the tracking of program enhancements, as well as the evaluation of programs in four key areas – purpose and design, strategic planning, program management, and results and accountability.

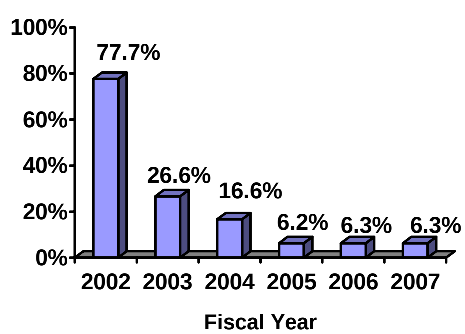
The Department utilizes the results of PART assessments in its ongoing efforts to improve programs and processes and refine its long-term measurable performance goals. Through the Department's Quarterly Status Reporting (QSR) system, the Department is able to engage leadership in a dialogue regarding the progress and status of PART follow-up actions and hold managers accountable for the long-term outcomes of these assessments. This reporting system also allows for components to provide routine, reliable financial and performance information.

The Department continues to make improvements to its programs, which are reflected in the increase of average PART scores from 45 percent in FY 2002 to 72.5 percent in FY 2007. Similarly, respectable ratings of Adequate, Moderately Effective, and Effective have increased from 11.1 percent in FY 2002 to 87.1 percent in FY 2007. At the same time, ratings of "Results not Demonstrated (RND)" have declined from 77.7 percent in FY 2002 to 6.3 percent in FY 2007. The Department continues to make improvements to programs that received such scores and continues its efforts to limit ratings of RND in the future.

Percentage of PARTed Programs Rated Adequate or Higher (Cumulative Ratings)*



Percentage PARTed Programs Rated Results Not Demonstrated (Cumulative Ratings)^



*The FY 2008 PART assessments have already taken place; however, OMB will not release the Department's final scores for these assessments until the issuance of the FY 2010 President's Budget in February 2009. This release date is subject to change due to the transition in administration.

^The data for this chart are calculated using the Annual Budget Authority (dollars) for each program rated RND, divided by the total Annual Budget Authority for all PARTed programs for each individual fiscal year.

During FY 2007, the Department began the second five-year cycle of PART assessments (FY 2007-2011) with the review of four programs. Ratings for these four assessments will be discussed in the FY 2009 President's Budget. To date, OMB has assessed 39 of the Department's programs, 10 of which have been reassessed, representing 100 percent of the Department's non-administrative/enabling annual budget authority.

The PART assessments have led to the development of efficiency measures that track how programs make the best use of resources – time, effort, and money – and capture improvements in program outcomes for a specific level of resource usage. To date, the Department has developed 56 efficiency measures spanning across the Department's strategic goals.

The table shown below lists the programs assessed through the OMB PART process, as well as the component managing the program, the year the program was assessed, and its final rating.

Program	Component	Year Assessed	Final Rating
Community Oriented Policing Services	Community Oriented Policing Services	2002	Results Not Demonstrated
Drug Courts	Office of Justice Programs	2002	Results Not Demonstrated
Juvenile Accountability Block Grant	Office of Justice Programs	2002	Ineffective
Residential Substance Abuse Treatment	Office of Justice Programs	2002	Results Not Demonstrated
Apprehension of Fugitives	U.S. Marshals Service	2003	Adequate
Cybercrime	Federal Bureau of Investigation	2003	Adequate
Drug Enforcement Administration	Drug Enforcement Administration	2003	Adequate
Firearms Programs – Integrated Violence	Alcohol, Tobacco, Firearms and Explosives	2003	Moderately Effective
National Criminal History Improvement	Office of Justice Programs	2003	Moderately Effective
Prison Operations	Bureau of Prisons	2003	Moderately Effective
Protection of the Judicial Process	U.S. Marshals Service	2003	Adequate
State Criminal Alien Assistance	Office of Justice Programs	2003	Results Not Demonstrated
White Collar Crime	Federal Bureau of Investigation	2003	Adequate
Arson and Explosives	Alcohol, Tobacco, Firearms and Explosives	2004	Moderately Effective
Criminal Justice Services	Federal Bureau of Investigation	2004	Moderately Effective
United States Attorneys	Executive Office of U.S. Attorneys	2004	Adequate
Weed and Seed	Office of Justice Programs	2004	Adequate
Bureau of Justice Statistics	Office of Justice Programs	2005	Effective
Counterintelligence	Federal Bureau of Investigation	2005	Moderately Effective
Counterterrorism	Federal Bureau of Investigation	2005	Adequate
General Legal Activities	Antitrust, Civil, Civil Rights, Criminal, Environment and Natural Resources, and Tax Divisions	2005	Effective
Multipurpose Law Enforcement Grant	Office of Justice Programs	2005	Results Not Demonstrated
National Institute of Justice	Office of Justice Programs	2005	Adequate
Prison Construction	Bureau of Prisons	2005	Adequate
United States Trustee	U.S. Trustee Program	2005	Effective
Vaccine Injury Compensation	Civil Division	2005	Adequate
Crime Victims' Programs	Office of Justice Programs	2006	Adequate
Criminal Enterprises	Federal Bureau of Investigation	2006	Moderately Effective
Federal Detention Activities	Office of the Federal Detention Trustee	2006	Effective
Immigration Adjudication	Executive Office for Immigration Review	2006	Moderately Effective
Intelligence	Federal Bureau of Investigation	2006	Adequate
Justice Prisoner and Alien Transportation System	U.S. Marshals Service	2006	Moderately Effective
Juvenile Justice	Office of Justice Programs	2006	Adequate
Radiation Exposure Compensation	Civil Division	2006	Adequate
Violence Against Women Programs	Office on Violence Against Women	2006	Moderately Effective
Apprehension of Fugitives	U.S. Marshals Service	2007	Moderately Effective
Firearms Programs – Integrated Violence	Alcohol, Tobacco, Firearms and Explosives	2007	Adequate
Prison Operations	Bureau of Prisons	2007	Moderately Effective
United States Attorneys	Executive Office of U.S. Attorneys	2007	Moderately Effective
Arson and Explosives	Alcohol, Tobacco, Firearms and Explosives	2008	TBD*
Cyber Crime	Federal Bureau of Investigations	2008	TBD*
Drug Courts	Office of Justice Programs	2008	TBD*
Protection of the Judicial Process	U.S. Marshals Service	2008	TBD*

*The FY 2008 PART assessments are complete; however, OMB will not release the Department's final scores for these assessments until the issuance of the FY 2010 President's Budget in February 2009.

OIG Top Management and Performance Challenges in the Department of Justice

MEMORANDUM FOR THE ATTORNEY GENERAL
THE DEPUTY ATTORNEY GENERAL

FROM: GLENN A. FINE
INSPECTOR GENERAL

SUBJECT: Top Management and Performance Challenges in the Department of Justice – 2008

Attached to this memorandum is the Office of the Inspector General's (OIG) 2008 list of top management and performance challenges facing the Department of Justice (Department). We have prepared similar lists since 1998. By statute, this list is required to be included in the Department's annual Performance and Accountability Report.

As in past years, the challenges are not presented in order of priority – we believe that all are critical issues facing the Department. We hope that this document will assist Department managers in developing strategies to address the top management and performance challenges facing the Department. We look forward to continuing to work with the Department to address these important issues.

Attachment

1. Counterterrorism: The Department's top priority remains its ongoing efforts to detect and deter terrorism. Seven years after the September 11 terrorist attacks, the Department of Justice (Department) in general and the Federal Bureau of Investigation (FBI) in particular are taking positive steps to address gaps in their tools to detect and deter terrorism, but continuing issues demonstrate the significant challenges the Department still faces in this area.

For example, in March 2008 the Office of the Inspector General (OIG) reported on the Department's processes for nominating known or suspected terrorists to the consolidated terrorist watchlist. We found that watchlist nominations from FBI field offices often were incomplete or contained inaccuracies, which caused delays in the nominations process. We also found that FBI case agents did not always update watchlist records when new information became known, and did not always remove watchlist records when appropriate. Moreover, while the FBI has developed a formal policy for nominations of individuals to the watchlist, no standard nominations policy existed for other Department components involved in watchlisting. We made seven recommendations regarding nominations to the consolidated terrorist watchlist and the sharing of terrorism-related information. The FBI and other Department components agreed with the recommendations in this report, and in October 2008 the Department issued a department-wide policy designed to ensure consistent and appropriate handling of watchlist information. The new policy requires all Department components to share terrorism information with the FBI and establishes the FBI as the only component with the authority to make watchlist nominations on behalf of the Department.

As a follow-up to this report, we are now examining the FBI's actual watchlist nomination practices. In this review, we are performing an in-depth analysis of whether subjects of FBI cases are appropriately and timely watchlisted, whether subjects of FBI investigations are removed from the consolidated terrorist watchlist in a timely manner when appropriate, and whether the individuals who are not subjects of open terrorism investigations are being watchlisted by the FBI.

In another ongoing follow-up review, the OIG is examining the FBI's Foreign Language Services Program. The FBI's ability to timely translate the large amount of foreign language materials it regularly collects is critical to national security. As the FBI focuses on its two highest investigative priorities – counterterrorism and counter intelligence – it must rely heavily on its translation resources. OIG audits of the FBI's Foreign Language Services Program in 2004 and 2005 identified significant deficiencies in its translations of the materials it collects in foreign languages. Our audits found a continuing backlog of unreviewed foreign language material, some instances where high-priority material had not been reviewed within 24 hours in accord with FBI policy, the lack of full implementation of a quality control program for linguists, and continuing challenges in meeting linguist hiring goals. The ongoing OIG audit is examining the current state of the FBI's foreign translation efforts, whether a backlog still exists, and the actions taken by the FBI to address any backlog. We are also examining the FBI's efforts to ensure appropriate prioritization of translation work, accurate and timely translations of pertinent information, and proper security of sensitive information.

Past OIG reviews also found that the FBI's counterterrorism and intelligence-gathering efforts have been hampered because of outdated information technology (IT) systems. In recent years the FBI has made significant progress in improving management of its IT program (which we discuss in more detail under the IT systems implementation challenge). However, the FBI will not benefit from a fully functional case management system for several more years.

Another critical aspect of the Department's counterterrorism responsibilities is balancing the need for effective counterterrorism measures with the need to appropriately protect civil rights and civil liberties. In the past, when obtaining enhanced authority in using certain counterterrorism tools, the FBI has not always ensured that it complied with the legal requirements accompanying these news tools. A particularly salient example is the FBI's use of national security letters (NSL). Our first report on the FBI's use of NSLs, issued in March 2007, found serious and widespread misuse of these authorities, including NSLs being issued without proper authorization, improper requests under the NSL statutes, and unauthorized collection of telephone or Internet e-mail transactional records.

Our March 2008 follow-up review found that the FBI and the Department had made significant progress implementing the recommendations in our first report and adopting corrective actions to address the serious problems we identified. For example, the FBI has implemented a new NSL data system to facilitate the issuance and tracking of NSLs and improve the accuracy of its reports to Congress and the public on NSL usage. The FBI also issued guidance to its agents on the proper use of NSLs, and conducted training of field and headquarters personnel.

Another important response to the OIG's findings on the FBI's misuse of NSL authorities is the FBI's creation of a new Office of Integrity and Compliance (OIC), modeled after private sector compliance programs. The OIC's mission is "to develop, implement, and oversee a program that ensures there are processes and procedures in place that promote FBI compliance with both the letter and spirit of all applicable laws, regulations, and policies." According to the FBI, the OIC will periodically examine major compliance risks among FBI programs, subject those risks to detailed risk assessments, develop compliance checklists to guide reviews of these risks, and develop and implement risk mitigation plans. However, we recommended that the FBI consider providing the OIC with a substantial permanent staffing level so that this office would develop the skills, knowledge, and independence to lead or directly carry out the new compliance program.

In addition, the Department's National Security Division now conducts periodic national security reviews of FBI field and Headquarters divisions to assess whether the FBI is using various intelligence techniques, including NSLs, in accordance with applicable laws, guidelines, and policies. However, we believe that the Department and the FBI must aggressively monitor compliance with NSL authorities and ensure that adherence to these and other legal requirements are permanently imbedded in FBI culture and practice.

By its very nature, the Department's counterterrorism responsibilities also require close coordination with other parts of the Intelligence Community and, in some cases, the military. In May 2008, the OIG issued a report that examined the FBI's role in, and observations of, detainee interrogations in Guantanamo Bay, Afghanistan, and Iraq. Among other things, the OIG review examined whether FBI agents participated in any detainee abuse, witnessed incidents of detainee abuse in the military zones, or reported alleged abuse to their superiors or others. The OIG found that the vast majority of the FBI agents deployed in the military zones separated themselves from other agency interrogators who used techniques not permitted by the FBI, and that FBI agents continued to adhere to FBI interrogation policies. However, some FBI agents witnessed interrogation techniques by other agencies that FBI agents believed were abusive. A few of these FBI agents' reports reached senior-level officials in the Department of Justice and were the focus of inter-agency discussions. However, we found no evidence that the FBI's concerns affected other agencies' interrogation policies.

We also found that the FBI did not fully or timely respond to repeated requests from its agents in the military zones for guidance regarding several issues related to detainee interrogations. We recommended that the FBI supplement the guidance it provided in May 2004 to address the circumstances under which FBI agents may participate in interviews of detainees who have previously been subjected to non-FBI interrogation techniques, as well as the circumstances under which the FBI may use information obtained from detainees by other agencies through the use of non-FBI techniques. We also recommended that the FBI consider supplementing its guidance regarding when agents should report the conduct of other agencies' interrogators. The FBI's response to these recommendations remains outstanding.

With regard to other Department components, compared with several years ago we have seen substantially more focus on information sharing about counterterrorism issues. For example, the Federal Bureau of Prisons (BOP) has created a Counterterrorism Unit to assist in monitoring federal prisoners believed to have links to terrorist organizations and to enhance information sharing about these inmates. In addition, the Intelligence Program Manager for the Executive Office for United States Attorneys (EOUSA) spends 2 to 3 days per week on-site at the BOP unit, which has significantly improved intelligence sharing and communication between the BOP and U.S. Attorneys' Offices.

Moreover, in response to an OIG recommendation, the Department has issued interim guidance requiring a coordinated review between the FBI and U.S. Attorneys' Offices for each newly incarcerated pretrial or convicted BOP inmate associated with terrorism to determine the applicability of Special Administrative Measures (SAMs). Under SAMs, the inmates' mail, telephone calls, and visits are more closely monitored.

With respect to domestic terrorism, we are currently evaluating the coordination of explosives investigation activities between the FBI and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Both the FBI and ATF have the authority to investigate explosive-related cases, but historically they have had significant disputes over their respective jurisdictions. Prior to the integration of ATF into the Department of Justice in 2003, each agency had developed its own investigative strategies and priorities, operated separate intelligence systems, and used different systems for reporting and measuring performance. Even after ATF's entry into the Department and issuance of an Attorney General memorandum in August 2004 addressing several explosive-related jurisdictional issues, disputes between the two agencies have continued. As a result, our ongoing audit is reviewing ATF and FBI coordination on explosives-related cases, information sharing, laboratory services, and training.

In sum, the Department continues to enhance its counterterrorism efforts, but the Department still faces significant challenges in this area.

2. Sharing of Intelligence and Law Enforcement Information: The Department continued its efforts during the past year to improve its capacity to share law enforcement and intelligence information among Department components and with other federal, state, and local officials. On October 31, 2007, the President issued the National Strategy for Information Sharing (Strategy), which established a framework for information sharing among federal, state, and local government agencies, as well as with the private sector and foreign partners. One key element of the Strategy is to develop the 71 "fusion centers" established nationwide into a national integrated network to maximize law enforcement agencies' ability to detect, prevent, investigate, and respond to criminal and terrorist activity. To support implementation of this Strategy, the FBI assigned 250 personnel to 48 of the fusion centers, including 96 Special Agents, 119 Intelligence Analysts, and 35 specialized language or financial experts. In addition, U.S. Attorneys' Offices, the DEA, and ATF have assigned agents and anti-terrorism personnel to work at the fusion centers part-time.

However, while information sharing strategies are important, the implementation of new or upgraded information technology (IT) systems to facilitate information sharing remains a key factor in the Department's ability to meet this challenge. Over the past several years the Department has developed and is implementing plans for improving information sharing policies and practices, and has established the Law Enforcement Information Sharing Program (LEISP) as the single, coordinated law enforcement data and information sharing initiative for the entire Department. DOJ component information sharing initiatives should be consistent with, and support implementation of, the LEISP strategy. Two key information systems within

LEISP are known as OneDOJ and the National Data Exchange (N-DEx). OneDOJ serves as a central repository for federal law enforcement data to be shared with other federal, state, local, and tribal entities. N-DEx is designed to be a national criminal law enforcement information sharing system available to the entire law enforcement community that will include information from federal, state, local, and tribal law enforcement agencies. One-DOJ and N-DEx promote information sharing by providing participating agencies with access to other agencies' law enforcement and intelligence information. The Department plans to integrate the two systems by February 2010.

In addition, as part of its support to the fusion centers, the FBI installed the FBI Network (FBINet), the FBI's centralized network management system to access its administrative, financial, and investigative systems, in 31 of the 71 fusion centers as of September 2008. The FBI plans to install FBINet in 18 additional centers by the end of December 2008.

The Department is taking other actions to facilitate information sharing. Through the Department's Global Justice Information Sharing Initiative, all Department components have adopted a common computer language for sharing information among differing computer systems. In fiscal year (FY) 2006, the Department began requiring that state and local criminal justice agencies that receive federal grants use this information-sharing standard. And in January 2008 the Department released new guidance on the National Information Exchange Model that establishes standards for data and system design to enable federal, state, and local criminal justice agencies to consistently share data.

In August 2008, the FBI issued its National Information Sharing Strategy and announced the selection of its first Chief Information Sharing Officer (CISO)/Senior Intelligence Officer for Information Sharing. The FBI CISO will be the FBI's designated senior official for information sharing and will lead the planning and coordination of all FBI information sharing initiatives.

The Department is providing significant funding for these and other information sharing projects. For example, in FY 2008 the Department's Justice Information Sharing Technology (JIST) initiative received $80.5 million. The JIST was established in FY 2006 as a centralized fund under the control of the Department's Chief Information Officer to ensure that investments in information sharing technology and infrastructure enhancements are aligned with the Department's overall IT strategy and enterprise architecture. The JIST account provides funding to support the continued development, implementation, or operation of various Department IT systems, including LEISP, the Litigation Case Management System (LCMS), Secure Identity Management & Communication (SIMC), the Unified Financial Management System (UFMS), the Justice Consolidated Office Network (JCON), and the Joint Automated Booking System (JABS).

During the past year, the OIG assessed the status of various information sharing systems within the Department and found significant progress. For example, our reviews of the FBI's efforts to upgrade its IT systems have found that the FBI has made progress in addressing deficiencies in its information-sharing capabilities. However, the successful completion of the FBI's Sentinel system remains a continuing challenge, with the most difficult phases of the project yet to come.

In addition, a June 2008 OIG audit examined the FBI's National Name Check Program and the Integrated Automated Fingerprint Identification System (IAFIS). These FBI programs provide federal agencies, state and local law enforcement agencies, and approved non-governmental institutions with criminal history and identification services from the FBI's vast repositories of investigative records. We found that the name check process used by the FBI has serious deficiencies, including relying on outdated and inefficient technology, personnel with limited training, overburdened supervisors, and inadequate quality assurance measures. Those deficiencies have resulted in large backlogs, with over 327,000 name check requests pending as of March

2008, a backlog that hampers timely adjudication of immigration applications. In addition, security check delays can slow the adjudication and deportation of applicants who may pose a national security threat to the United States. In contrast, we found that the FBI is able to accurately process millions of fingerprint checks through IAFIS, usually within 24 hours.

An ongoing OIG audit is examining the FBI's terrorist threat tracking system called Guardian. Originally implemented in 2004, Guardian is an automated system that has become the cornerstone of the FBI's terrorist threat assessment process for supporting the identification, collection, management, evaluation, analysis, and dissemination of all leads relating to terrorist threats and suspicious incidents, up to the secret classification level, within the FBI. Guardian also provides the FBI with the ability to share investigative data to support intelligence analyses and share investigative data with other government agencies. From July 2004 through November 2007, approximately 108,000 potential terrorism-related threats, reports of suspicious incidents, and terrorist watchlist encounters were entered into Guardian. The FBI determined that the overwhelming majority of the threat information documented in Guardian had no nexus to terrorism, but the FBI initiated over 600 criminal and terrorism-related investigations from October 2006 to December 2007. However, our review found that the FBI's use and maintenance of its Guardian system could be improved in several ways. For example, the FBI needs to better ensure the accuracy, timeliness, and completeness of the information entered in Guardian. Additionally, we found that the Guardian system requires better oversight and updates to improve its functionality and value.

To facilitate the sharing of threat and suspicious incident information between the FBI and its law enforcement partners that do not have access to Guardian, the FBI is also developing a web-based application called E-Guardian. This new system will allow sharing of terrorist threat reporting and threat information tracking among Fusion Centers, Joint Terrorism Task Forces, and state, local, and tribal law enforcement agencies. The E-Guardian system is intended to allow the FBI and state and local law enforcement to collect, share, and analyze threat and suspicious activity data electronically.

In sum, the Department has made significant progress in improving its ability to share a greater range of law enforcement and intelligence information, both within the Department and with other federal, state, and local law enforcement agencies. Yet, the Department's efforts to upgrade its IT systems remain a key challenge for the Department to more fully meet its need to share information.

3. Information Technology Systems Planning, Implementation, and Security: The Department continues to face the challenge of ensuring that the more than $2 billion it spends on Department's IT systems is being used effectively to implement and upgrade the Department's many IT systems.

One challenge is to simply report accurately the amount of money spent on IT systems. A June 2007 OIG report examined the Department's inventory of IT systems and identified 38 major IT systems estimated by system mangers to cost over $15 billion through 2012. Yet, the OIG audit found that the cost information the Department provides on its IT systems to Congress, the Office of Management and Budget (OMB), and senior Department management is unreliable.

Specifically, IT system cost reporting within the Department is fragmented, uses inconsistent methodologies, and lacks control procedures necessary to ensure that cost data for IT systems is accurate and complete. Our audit concluded that the lack of complete and verifiable cost data undermines the effectiveness of oversight of IT projects by various entities, including the Department's Investment Review Board, Department and component Chief Information Officers (CIO), Congress, and OMB. Since our report was issued, Department finance and IT officials have been assessing the feasibility of using the forthcoming Unified Financial Management System for capital planning and investment cost reporting for IT projects.

In an August 2007 report, we inventoried approximately 800 studies, plans, and evaluations of component IT systems. Our audit found that components do not prepare many of the required IT studies, plans, and evaluations. Based on the limited number of certain types of plans and evaluations produced on major systems and projects, we recommended that the Department's CIO evaluate why project teams do not prepare certain plans and evaluations, reassess the utility of those documents, and consider revising the standards for producing IT studies, plans, and evaluations for individual IT projects. The CIO concurred and initiated an evaluation, but later determined that a coordinated review of the Department's System Development Life Cycle (SDLC) guidance was needed to address the recommendation. The CIO stated that he plans to complete this review in FY 2009, and he designated in May 2008 key studies, plans, and evaluations as mandatory for all development and major enhancement programs managed under the Department's SDLC.

The Department's recent efforts to upgrade critical IT systems in a timely and cost-effective manner have also produced mixed results. In the past, problems ranging from a lack of critical managerial processes to mismanagement of individual systems have hampered attempts by the Department to upgrade critical IT systems. While the Department is now making positive strides in a variety of areas, several major IT projects such as the Unified Financial Management System, the Litigation Case Management System, and the Integrated Wireless Network (IWN) still remain risky in terms of cost, schedule, and performance.

The OIG continues to be concerned that the Department does not exercise direct control over IT projects among Department components. Historically, the Department's components have resisted centralized control or oversight of major IT projects, and the Department's CIO does not have direct operational control of Department components' IT management. We believe the Department should enhance the CIO's oversight of the development of high-risk IT systems.

As the Department develops new IT systems, it also must ensure the security of those systems and the information they contain. For example, the Department must balance the need to share intelligence and law enforcement information with the need to ensure that such information sharing meets appropriate security standards.

The Department has made significant progress in the area of IT security. In May 2008, the Department received an A^{+} from the House Committee on Oversight and Government Reform on its Federal Information Security Management Act (FISMA) report card, a grade reflective of the Department's well documented security policies and procedures.

However, this grade does not reflect actual implementation of those policies and procedures. In fact, OIG audits of the Department's information security conducted pursuant to FISMA have identified continuing weaknesses with the Department's management, operational, and technical controls for its classified and sensitive but unclassified systems. Specifically, we found that the Department lacks effective methodologies for tracking the remediation of IT vulnerabilities identified in monthly system configuration scans, applying Department-wide remedies for known vulnerabilities, and conducting an inventory of devices connected to the Department's various IT networks.

In our reviews of individual systems, we have also found weaknesses in data security or IT systems in need of improvement. For example, in January 2008 the OIG issued a report on the Department's Victim Notification System (VNS), an automated system operated by the Executive Office for U.S. Attorneys (EOUSA) that notifies federal crime victims regarding developments in their cases. Our audit found insufficient internal controls to ensure the accuracy and completeness of data in the VNS. We also identified deficiencies in the security of VNS information, most notably that sensitive crime victim information contained within the VNS was not adequately protected. The OIG made 19 recommendations to help improve management of the VNS, including matters related to information technology. EOUSA concurred with our recommendations and has outlined a plan to address them.

As discussed in the "Sharing of Intelligence and Law Enforcement Information" challenge, we examined the FBI's National Name Check Program and the Integrated Automated Fingerprint Identification System as part of our audit of the FBI's security check procedures for immigration and naturalization applicants. We found that the FBI's name check processes rely on outdated and inefficient technology. While the FBI has explored some electronic tools to assist in the name check search process, it has not conducted a technical assessment of its phonetic name-matching algorithm, the key component in the name-matching system, which matches names to the FBI's index of names in its investigative files. We concluded that the FBI's algorithm is largely outdated and potentially ineffective, increasing the risk that submitted names are not accurately searched and matched against FBI files. While the FBI told us that it lacked adequate funding to implement technological improvements in its name check process, the OIG report noted that the FBI had not raised its name check fees in 17 years and thus lost opportunities to enhance its antiquated automated systems.

In contrast to our findings on the FBI's name check program, we determined that the FBI's automated fingerprint identification system is generally able to process millions of fingerprint submissions in an accurate and timely manner because of the fingerprint system's enhanced technology, well-trained personnel, and efficient tracking mechanisms.

In sum, if the Department is to build on the advances it has made in IT systems planning, implementation, and security, it must closely manage these projects to ensure the systems are cost-effective, well-run, secure, and able to achieve their objectives.

4. Civil Rights and Civil Liberties: As noted above, the Department faces the continuing challenge of balancing aggressive pursuit of its counterterrorism responsibilities with the protection of individual civil rights and civil liberties. FBI Director Mueller characterized this balance aptly in a May 2008 speech when he stated: "In the end, if we in the FBI safeguard our civil liberties but leave our country vulnerable to terrorist attack, we have lost. If we protect America from terrorism but sacrifice our civil liberties, we have also lost."

During the past year, the Department and the FBI have taken steps to improve their use and oversight of intelligence authorities that we found have been misused in the past. As noted above in the counterterrorism challenge, in March 2007 the OIG issued a report examining the FBI's use of NSLs from 2003 through 2005, as well as its use of 215 orders to obtain business records from 2002 through 2005. We found significant misuses of NSLs, including the issuance of NSLs without proper authorization; improper requests under the statutes cited in the NSLs; and unauthorized collection of telephone or Internet e-mail transactional records, including records with data beyond the time period requested in the NSLs.

In March 2008, we completed a follow-up report, which examined the use of these authorities in 2006. This review also assessed the corrective actions by the FBI and the Department to address the serious misuse of NSLs that our first report detailed.

We found in this follow-up report that the FBI and Department made significant progress in implementing the recommendations contained in our first report and in adopting additional corrective measures to address the serious problems in NSL usage and oversight we had identified. Based on our review, we concluded that the FBI's leadership is committed to correcting the serious deficiencies in the FBI's use of NSLs and is stressing throughout the FBI the urgent need to adhere to the rules governing the use of NSL authorities.

Yet, while we found that the FBI and the Department have taken positive steps to address the issues that contributed to the serious misuse of NSL authorities, additional work remains to be done. For example, the Department's Office of the Chief Privacy and Civil Liberties still has not revised its initial proposal and considered further whether and how to provide additional privacy safeguards and measures for minimizing the retention of NSL-derived information. In addition, it remains to be seen whether the FBI's new Office of Integrity and Compliance will be effective in detecting and correcting non-compliance with the rules governing the intrusive techniques available to the FBI.

The OIG also is in the process of completing a related investigation into the FBI's use of "exigent letters." Our first NSL report uncovered this practice by which the FBI improperly obtained telephone toll billing records from three communication service providers pursuant to more than 700 letters requesting the information by citing exigent circumstances and claiming that grand jury subpoenas had been requested and would be served expeditiously. We found that grand jury subpoenas often were not contemplated or issued, and that in many cases there was no exigency at all. We concluded that these exigent letters circumvented the requirements of the Electronic Communications Privacy Act and violated Attorney General Guidelines and internal FBI policy. The FBI has since discontinued the use of exigent letters. The OIG's ongoing investigation is examining who was responsible for the use of exigent letters and other improper requests for telephone records.

The OIG also is examining other Department programs that affect civil rights and civil liberties. For example, the OIG is reviewing the Department's involvement with the National Security Agency program known as the "terrorist surveillance program." This ongoing review is examining the Department's controls and use of information related to the program and the Department's compliance with legal requirements governing the program.

As noted in the counterterrorism challenge, the OIG also has examined the FBI's management of the consolidated terrorist watchlist. We found in our March 2008 audit that the FBI had established criteria and quality controls to assist in developing proper and accurate watchlist nominations. While it is important to place names on the watchlist when appropriate, it is also important to remove names from the list when they should not be there. Our audit found that FBI case agents did not always update watchlist records when new information became known and that the FBI did not always remove watchlist records when it was appropriate to do so.

As illustrated by the OIG's oversight work in this area, striking the appropriate balance between meeting critical counterterrorism-related responsibilities while respecting civil rights and civil liberties remains a key challenge for the Department.

5. Restoring Confidence in the Department of Justice: An ongoing challenge is the need to restore public confidence in the integrity of Department operations in light of concerns about politicized hiring in the Department. Related to this challenge is the need to prepare for an orderly transition to new Department leadership when the Administration changes in early 2009.

In the past several years, the Department has been faced with serious allegations that its hiring of career employees and its decisions whether and when to prosecute certain high-profile cases were affected by improper political considerations. With regard to the concerns about improper politicized hiring practices, two joint reports issued by the OIG and the Department's Office of Professional Responsibility (OPR) confirmed these allegations.

The first report, released in June 2008, examined hiring practices in the Department's Honors Program and Summer Law Intern Program. The Honors Program is a highly competitive hiring program for entry-level Department attorneys. The Summer Law Intern Program (SLIP) is a highly competitive program for paid summer internships for law students in the Department

In our report, we determined that committees used by the Department to screen applications for the two programs inappropriately used political or ideological affiliations to "deselect" candidates in 2002 and in 2006. We found that in 2002 candidates with Democratic Party and liberal affiliations apparent on their applications were deselected at a significantly higher rate than applicants with Republican Party, conservative, or neutral affiliations. This pattern continued when we compared a subset of academically highly qualified candidates. In 2006, the Screening Committee again inappropriately used political and ideological affiliations to deselect a significant number of candidates. We determined that a significantly higher percentage of the deselected Honors Program and SLIP candidates had liberal affiliations as compared to candidates with conservative affiliations. This pattern was also apparent when we compared applicants with Democratic Party affiliations versus Republican Party affiliations for both Honors Program and SLIP candidates, and the pattern persisted when we examined a subset of candidates who were highly qualified academically. We concluded that two members of the 2006 Screening Committee committed misconduct by taking political or ideological affiliations into account in deselecting candidates, in violation of Department policy and federal law.

The second report, issued in July 2008, examined the actions of staff in the Office of the Attorney General regarding allegations that they inappropriately used political or ideological affiliations in the hiring process for career Department positions. Our investigation found that Monica Goodling (the Department's former White House Liaison), Kyle Sampson (the former Chief of Staff to the Attorney General), and other staff in the Office of the Attorney General improperly considered political or ideological affiliations in screening candidates for certain career positions at the Department, in violation of federal law and Department policy.

We determined that Goodling often used political or ideological affiliations to select or reject career attorney candidates for temporary details to Department offices, which sometimes resulted in high-quality candidates for important details being rejected in favor of less-qualified candidates. For example, Goodling rejected an experienced career terrorism prosecutor for a detail to the Executive Office for U.S. Attorneys (EOUSA) to work on counterterrorism issues because the candidate's wife was active in the local Democratic Party. Instead, EOUSA had to select a more junior attorney who lacked any experience in counterterrorism issues and who EOUSA officials believed was not qualified for the position.

We also found that Goodling and Sampson violated federal law and Department policy by inappropriately considering political or ideological affiliations in evaluating and selecting candidates for immigration judge positions. Goodling screened candidates for immigration judges by using a variety of techniques for determining their political affiliations, including researching the candidates' political contributions and voter registration records, and using an Internet search string containing political terms. Moreover, this selection process caused significant delays in appointing immigration judges at a time when the immigration courts were experiencing an increased workload and a high vacancy rate.

A third report, issued in late September 2008, examined the Department's removal of nine U.S. Attorneys in 2006. The way the Department handled the removal process and the after-the-fact reasons proffered for the removals resulted in significant controversy, concerns that the removals were undertaken for improper political purposes, and allegations that the reasons proffered by the Department for the removals were not true. We therefore investigated in detail how each of the nine U.S. Attorneys was selected for removal and the process used to remove them. In addition, we examined the accuracy of the public statements and congressional testimony by Department officials justifying the removals.

Our report concluded that the process the Department used to select the U.S. Attorneys for removal was fundamentally flawed, and the oversight and implementation of the removal process by the Department's most senior leaders was significantly lacking. Our investigation also found substantial evidence that partisan political considerations did play a part in the removal of several of the U.S. Attorneys. In addition, after the removals became public, the statements and congressional testimony provided by senior Department officials about the reasons for the removals were inconsistent, misleading, or inaccurate in many respects.

The Department's removal of the U.S. Attorneys and the controversy it created severely damaged the credibility of the Department and raised doubts about the integrity of Department prosecutive decisions.

To its credit the Department – both prior to and since issuance of our reports on politicized hiring – has taken steps to address the problems we found in our reports. With regard to the hiring of career attorneys, the Department agreed to implement all of the recommendations in our June and July 2008 reports, including changing the process for selecting Honors Program candidates, removing the screening conducted by political officials on the Screening Committee, and providing written guidance on the criteria that should be applied to the hiring for career attorneys. With regard to the removal of the U.S. Attorneys, the Attorney General has appointed a special prosecutor to fully investigate remaining questions and make final decisions based on all the evidence as to whether any crime was committed relating to this matter.

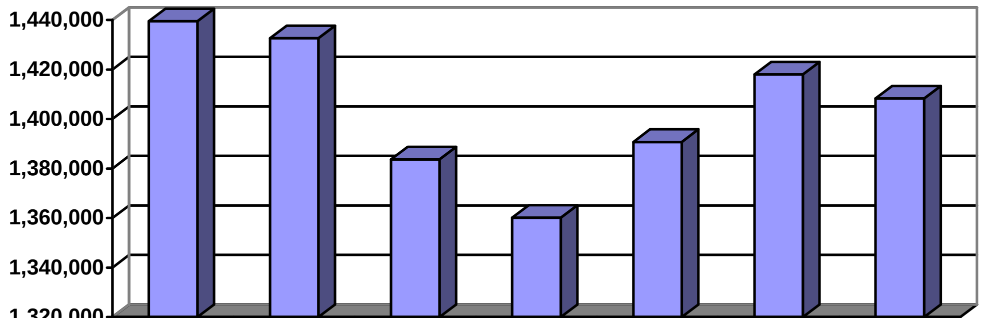
The immediate challenge for the Attorney General and the Department's leadership is to ensure that the serious problems and misconduct we found regarding politicized hiring for career positions and the dismissal of U.S. Attorneys do not recur. The Department's removal of the U.S. Attorneys and the controversy it created severely damaged the credibility of the Department and raised doubts about the integrity of Department prosecutive decisions. We believe that final resolution of the issues raised in our report can help restore confidence in the Department by fully describing the serious failures in the process used to remove the U.S. Attorneys and by providing lessons for the Department in how to avoid such failures in the future.

With regard to the upcoming change in Administrations, the Department must coordinate effectively with the Department's new leadership to accomplish an orderly and efficient transition. In addition to continuing to restore confidence in the Department over the long run, the incoming Attorney General must address in a timely way the serious challenges facing the Department, many of which are described in this document.

6. Violent Crime: The Department's Strategic Plan recognizes as priorities the need to "reduce the threat, incidence, and prevalence of violent crime" and the need to "strengthen partnerships for safer communities and enhance the Nation's capacity to prevent, solve, and control crime."

Although the number of violent crimes in 2007 decreased by 0.7 percent compared with 2006, violent crime remains a continuing challenge for the Department and the country. As shown in the chart below, in 2007 there were 467 violent crimes per 100,000 inhabitants, or about 1 violent crime per 217 people. The FBI Uniform Crime Report on trends in the number of violent crimes reported to law enforcement across the United States in 2007 shows that aggravated assault accounted for 61 percent of violent crimes, robbery 32 percent, forcible rape 6 percent, and murder 1 percent. All of these percentages remained steady between 2006 and 2007.

Chart 1 - Number of Reported Violent Crimes
Years 2002 - 2007



	2001	2002	2003	2004	2005	2006	2007
Violent Crimes	1,439,480	1,432,677	1,383,676	1,360,088	1,390,745	1,418,043	1,408,337

While the Department's post-September 11 priorities were reordered to emphasize preventing terrorism, an ongoing challenge has been to maintain an appropriate emphasis on domestic crime. One key element of this challenge is for the Department to effectively coordinate new initiatives to address violent crime with existing operations, including among the Department's task forces and partnerships with state and local law enforcement agencies. A May 2007 OIG report found that coordination efforts among four of the Department's law enforcement components' task forces were not fully effective at preventing duplication of effort. In response to our report, the Department issued a policy requiring U.S. Attorneys to report to the Department on violent crime task force coordination efforts, on coordination problems, and on guidance or policies adopted or revised to address the problems. Also, the Department now requires components to obtain the Deputy Attorney General's approval before implementing new violent crime task forces to ensure better coordination.

As part of the Department's Project Safe Childhood initiative, the FBI operates various programs to combat crimes against children, such as child abduction and exploitation. For example, to combat the prostitution of children, the FBI's Innocence Lost National Initiative coordinates with the National Center for Missing and Exploited Children and the Department's Child Exploitation and Obscenity Section. In FY 2007 the Department's Internet Crimes Against Children program, a national network of 59 regional task forces that investigate computer-facilitated child sexual exploitation, recorded more than 2,350 arrests. The OIG is currently auditing the FBI's efforts to combat crimes against children to examine whether the FBI has effectively established a nationwide investigative response to address the sexual exploitation, abduction, and abuse of children.

Because combating violent crime depends in large part on state and local responses, the Department pursues many of its anti-crime goals through grants to support local law enforcement violent crime reduction efforts and by sharing intelligence and law enforcement information with local law enforcement, as well as by directly investigating interstate criminal activities, often through task forces and partnerships with state and local law enforcement.

Regarding grants, in FY 2008 the Department awarded almost $2.8 billion to states and local agencies to assist with criminal justice activities, including gang reduction activities. As is discussed further in the Grant

Management Challenge, proper oversight and evaluation are needed to ensure that these funds are being used for their intended purpose and that the activities they support are effective.

The OIG is reviewing the Department's implementation of the *Sex Offender Registration and Notification Act* (SORNA), which increased federal enforcement of sex offender registration requirements and penalties for sex offenders who fail to register or update their registrations. The act also designated the United States Marshals Service (USMS) as the lead agency for investigating fugitive sex offenders. We found that Department has made progress in implementing SORNA, including issuing guidelines on compliance for states; working to make state, territory, and tribal registries accessible through the Department's National Sex Offender Public Registry web portal; and expanding access to the FBI's National Crime Information Center criminal history database. Further, the USMS has increased federal investigations and arrests of fugitive sex offenders and has increased the assistance it provides to state agencies with fugitive sex offender investigations. However, we also found that the national sex offender registries are incomplete and inaccurate and are not reliable sources of information on sex offenders for law enforcement and the public.

Another OIG review is examining the operations of two organizations central to the Department's anti-gang effort – the National Gang Intelligence Center (NGIC) and the National Gang Targeting, Enforcement, and Coordination Center (GangTECC). NGIC is a multi-agency entity where intelligence analysts from federal, state, and local law enforcement can work together to develop and share gang-related information to provide a centralized intelligence resource for gang information and analytical support to law enforcement. Under GangTECC, the Department's operational components and other federal agencies coordinate to ensure that tactical and strategic intelligence is shared among law enforcement agencies. GangTECC also serves as a coordinating center for multi-jurisdictional gang investigations involving federal law enforcement agencies.

In sum, while ensuring that it meets its counterterrorism-related responsibilities, the Department must at the same time maintain its focus on its violent crime initiatives and strengthen its partnerships with state and local law enforcement.

7. Cybercrime: Cybercrime involves the use of computers to conduct criminal activity, such as fraud, identity theft, sexual exploitation of minors, and theft of intellectual property. With rapid technological advances and the widespread use of the Internet, combating cybercrime represents a continuing challenge for the Department and law enforcement nationwide.

Cybercrime poses a significant threat to U.S. national economic and security interests. While there is no single reliable measure of losses sustained by U.S. business as a result of cyber attacks, the estimated losses are staggering. For example, the FBI's 2005 Computer Crime Survey described as conservative its $67.2 billion estimate of total loss to U.S. businesses from computer attacks. The Computer Security Institute (CSI) 2007 Computer Crime and Security Survey, the successor to the joint CSI/FBI computer crime survey conducted in past years, reported that the average loss suffered by a more limited number of survey respondents more than doubled from $168,000 in 2006 to $345,000 in 2007. This indicates that the economic impact of cybercrime is significant and growing. Moreover, computers and other information technology systems have become part of our critical infrastructure, making their protection central to national security.

In recognition of the global scope and rapid growth of cybercrime, the Department participates in a working group with five other countries to share knowledge, experience, and best practices to counter the rising threat associated with computer intrusions. In addition, the FBI's Cyber Division manages the FBI's overall cybercrime program in light of the international aspects and national economic implications of cyber threats. The FBI also participates in the Internet Crime Complaint Center (IC3) to better track and refer for investigation and prosecution instances of computer crime.

Three of the Department's Criminal Division sections also play key roles in the Department's ongoing response to cybercrime: the Fraud Section leads the Department's Internet Fraud Initiative; the Child Exploitation and Obscenity Section (CEOS) coordinates efforts to prosecute Internet sex crimes against children; and the Computer Crime and Intellectual Property Section (CCIPS) focuses on electronic penetrations, data thefts, and cyber attacks on critical information systems.

The Criminal Division also has greatly expanded the Computer Hacking and Intellectual Property "CHIP" Program at the United States Attorneys' Offices, which is designed to increase the number of prosecutions of these types of cases and to improve coordination of these cases with other Department components. As of August 2008, more than 200 specially trained Assistant U.S. Attorneys in each of the 94 U.S. Attorneys offices are investigating and prosecuting computer crime and intellectual property offenses.

The OIG's March 2008 audit of the Department's Key Indicators related to implementation of its Strategic Plan assessed the Department's response to two aspects of the challenges posed by cybercrime. We found that some of the measures used by the Department to assess its impact on cybercrime are faulty. For example, the FBI collects and counts Internet fraud complaints through the IC3 and refers them to FBI field offices and state and local law enforcement agencies. In each of the past four years, the IC3 has received and referred more than 200,000 complaints. However, we concluded that counting the number of complaints and referrals failed to measure the number of Internet fraud targets actually neutralized because there is no process or requirement for FBI field offices or state and local law enforcement agencies to report back to the IC3 whether an investigation was opened or whether any neutralization resulted from the referral. In response to our recommendation, FBI field offices are now required to report to IC3 all Internet Fraud investigations opened, including those resulting from IC3 referrals, and to provide regular progress updates on such investigations.

In that same March 2008 audit, we concluded that the FBI's key indicator for identifying the number of child pornography websites and web hosts shut down was not accurate because it used as a surrogate measure the number of subpoenas for subscriber information served on web hosting companies and Internet service providers (ISP). Counting the number of subpoenas served is not a fully accurate measure of the FBI's activities in shutting down child pornography websites and web hosts because the FBI has no direct technical role in shutting down the websites. The FBI concurred with the audit report's recommendation to revise this key indicator to more accurately measure the FBI's role and activities.

Additionally, the OIG is now reviewing the FBI's efforts to combat crimes against children. This audit includes a review of the FBI's national and international investigative response to the online sexual exploitation of children through its Innocent Images National Initiative. Our preliminary findings indicate that the FBI has appropriately focused 70 percent of its Innocent Images special agent resources on its top two priorities – enterprises and producers who sexually exploit children online. However, we identified issues with the timely processing of evidence seized from computers and other electronic devices in investigating cybercrimes against children. For example, we found a significant backlog in the FBI's examination of computer-based evidence in crimes against children cases. While the FBI submitted a proposal to the Department in March 2007 to address the backlog, this proposal has not yet been acted upon.

In sum, the Department and its components have taken action to combat the varied facets of cybercrime, but the Department must continue to respond to this growing challenge.

8. Grant Management: Concerns about the integrity of the Department's grant award process during the past year focused renewed attention on the Department's efforts to effectively manage the billions of dollars it awards in grants each year.

For at least the past 8 years, the OIG has identified grant management as a significant challenge for the Department, not only in terms of making timely awards of grant funds, but also in maintaining proper oversight over grantees to ensure the funds are used as intended.

At the request of Congress, the OIG is now reviewing whether the National Institute of Justice (NIJ) awarded its grants and contracts through a fair and open competitive process and the extent of its administrative costs. The current OIG audit will determine whether competitive NIJ grant and contract awards in the last 3 fiscal years were based on fair and open competition, whether non-competitive NIJ grant and contract awards were properly justified, and whether costs related to NIJ grants and contracts that were administrative in nature were properly identified.

In addition, we initiated an audit to evaluate OJJDP's grant making procedures. In FY 2007, Congress provided more than $100 million to OJJDP without earmarks and provided OJJDP an opportunity to solicit competitive proposals for new grant projects from the juvenile justice community. The ongoing OIG audit will examine how OJJDP announces competitive award programs, reviews applications for funding, and selects awardees.

During the past year the OIG continued to assess OJP's role in administering the external investigation certification requirement for the Paul Coverdell Forensic Science Improvement Grants Program. Pursuant to this requirement, Coverdell grant applicants must certify that a government entity exists and an appropriate process is in place to conduct independent external investigations into allegations of serious negligence or misconduct – such as false testimony by some forensic laboratory staff – that substantially affect the integrity of forensic results.

Our January 2008 report found continued deficiencies in OJP's administration of the Coverdell program. We found that although OJP had complied with the minimum terms of the statute to obtain certifications from grant applicants, OJP was still not effectively administering the external investigation certification requirement. In response to our report, OJP agreed to make changes in the FY 2009 Coverdell Program announcement actions that will strengthen the certification process and improve OJP's administration and monitoring of this grant program.

In July 2008, the OIG issued a report on OJP's Human Trafficking grant program that seeks to assist human trafficking victims and fund task forces to identify and rescue victims. Our audit found problems with the design and management of the program, with grantees' compliance with essential grant requirements, and with OJP's system for monitoring human trafficking service providers and task forces.

In particular, we found that the Department's award process resulted in a wide variation in funds awarded compared to the number of victims anticipated to be served. For example, one service provider received $1,896,535 to supply services to an estimated 100 victims over the 3-year agreement period, or $18,965 per estimated victim. Another provider received $490,829 to service an estimated 100 victims over the 3-year agreement period, or $4,908 per estimated victim. For the 19 agreements we tested, the amount awarded per anticipated victim ranged from a high of $33,333 to a low of $2,500. In addition, we found that the service providers and task forces significantly overstated the number of victims they served, and the Department included this inaccurate information in its annual reports to Congress. We made 15 recommendations to strengthen management OJP's human trafficking grant programs, all of which OJP agreed to implement.

Also in 2008, the OIG reviewed the Southwest Border Prosecution Initiative (SWBPI), an OJP-administered program that reimburses state and local governments for costs associated with the prosecution and detention of criminal cases declined by the U.S. Attorneys' Offices. Our audit found weaknesses in monitoring and oversight of SWBPI funds. Specifically, OJP did not require applicants to provide documentation supporting reimbursement requests and does not review applications for allowability and accuracy. We also found that SWBPI reimbursements were not linked to actual costs incurred by the jurisdictions to prosecute federally declined-referred criminal cases. Further, OJP had not taken action to identify potential duplicate funding between the SWBPI program and other federally funded prosecution and pre-trial detention programs.

As part of the review, we conducted audits of seven SWBPI recipients to determine if SWBPI reimbursements were allowable and supported. Our audits identified unallowable and unsupported SWBPI reimbursements of $15.57 million of the $55.11 million awarded in those seven grants, or 28 percent of the total reimbursements.

Other recent OIG audits of grant recipients demonstrated a continuing need for improved grant oversight by the Department. For example, in March 2008 we issued an audit on a $3.16 million Bureau of Justice Assistance (BJA) grant administered by the National Training and Information Center (NTIC) in Chicago, Illinois, to provide training, technical assistance, and funding to community-based organizations. More than half the grant funds were awarded to subgrantees who were supposedly selected based on their ability to run a successful community program. However, our review revealed that the majority of subgrantees were selected instead based on their connections to influential lawmakers. In addition, we found inadequate controls over expenditures, unallowable personnel costs, improper and unallowable non-personnel costs, and contractor irregularities. In the end, we questioned the entire $3.16 million grant and made 37 recommendations to OJP to address the deficiencies we identified during our audit. OJP agreed with our recommendations and suspended funding to NTIC. At the same time, the OIG's Investigations Division initiated a criminal investigation related to this grant and, as a result, the NTIC Executive Director pled guilty to misuse of federal grant funds.

The OIG's Investigations Division successfully concluded several other grant fraud investigations this year. For example, in February 2008, following a 3-week trial, James Hayes, the former mayor of Fairbanks, Alaska, was convicted after trial in the District of Alaska on 16 counts of theft of government funds, conspiracy, money laundering, and submitting false tax returns. Hayes and his wife were previously charged in a 97-count indictment with theft of $450,000 of federal grant funds, conspiracy, filing false tax returns and money laundering. The investigation developed evidence that Hayes and his wife misappropriated Department grant funds designated to operate a non-profit organization called Love Social Services Center by using those funds for personal use and the construction of their church. James Hayes was sentenced to 66 months' incarceration, while his wife was sentenced to 3 years' incarceration pursuant to her guilty plea.

During the past year OJP has made some progress in staffing its Office of Audit, Assessment, and Management (OAAM), a unit intended to improve internal controls and streamline and standardize grant management policies and procedures across OJP. While OAAM had a significant number of vacancies heading into FY 2008, during the past year it filled all but one of those open positions and in September 2008 hired its first permanent director.

Finally, the OIG continues to participate in the National Procurement Fraud Task Force during the past year and chairs the task force's Grant Fraud Committee.

In sum, management and oversight of the billions of dollars in Department grants awarded annually remains a top Department management challenge.

9. Detention and Incarceration: The Department's ability to safely and economically manage increasing federal detainee and inmate populations presents a critical management challenge, particularly in light of overcrowding, lack of economical alternative detention space, stresses on prison staffing, and the rising cost of inmate health care.

Between October 2003 and August 2008, the federal inmate population rose from 172,499 to 201,214 inmates, an increase of approximately 17 percent. While the Federal Bureau of Prison's (BOP) total budget during that same period increased by about 20 percent (including one time reprogramming and emergency supplemental funds), the BOP's budget has not kept pace with the eight-fold growth in the BOP inmate population over the past 25 years.

The Department continues to report prison overcrowding as a material weakness in its annual performance and accountability reports, and the Department's stated goal is to reduce crowding in federal prisons to 28 percent by 2012. To that end, the BOP has expanded existing facilities, acquired surplus properties for conversion to correctional facilities, built new facilities, and housed male low-security special population inmates in private contract and state and local facilities. Notwithstanding these steps, the BOP projects the overcrowding rate to increase to 36 percent by the end of FY 2008 and to 37 percent by the end of FY 2009.

BOP officials believe that expanding existing institutions is the least expensive way to accommodate more federal inmates, and the BOP has built additional inmate housing at facilities where the infrastructure can absorb population increases. However, the infrastructure at many institutions has already reached its limit. Approximately one-third of BOP's 114 institutions are more than 50 years old and renovation or expansion of these older facilities is not economically feasible because their infrastructure (including basic utilities) is designed for significantly smaller inmate populations. Further, according to BOP officials, overcrowding at all medium and high security facilities has accelerated the facilities' deterioration and need for renovations.

Construction of new institutions has also presented difficult challenges. A May 2008 review by the Government Accountability Office (GAO) examined construction estimates for three new BOP facilities and found that delays in beginning construction and disruptions in construction because of funding issues contributed significantly to these projects costing 62 percent more than budgeted.

In addition, an October 2007 GAO report found that the cost of contracting with non-BOP facilities to confine male low-security special population federal inmates nearly tripled from about $250 million in FY 1996 to about $700 million in FY 2006. GAO recommended that the BOP examine whether building new BOP facilities for low-security inmates would be more cost-effective than continuing to rent confinement space for this rapidly increasing population. In response to the GAO report, BOP concluded that its competitive contracts for space provided a more flexible and quicker option for adding capacity compared to new construction. During FY 2009, however, the OIG plans to audit BOP's contracting for confinement space to determine whether the contracts result in the best value for the money spent.

The need to address overcrowding within its budget has also forced BOP to cut costs elsewhere in the federal prison system. To that end, BOP has streamlined and centralized many of its administrative functions. In addition, it has cut costs in its handling of minimum security inmates by closing several stand-alone prison camps, transferring inmates to camps associated with other facilities, and moving inmates with critical medical needs to dedicated BOP medical centers. These steps have resulted in the elimination of 2,300 BOP positions.

In addition to the challenge that overcrowding presents in terms of confinement space, it can also affect the safety and security of the federal prison system. In recent years, there have been several significant incidents of inmate violence at BOP institutions. In response to some of these incidents, BOP staff members have claimed that staffing shortages and prison overcrowding, complicated by gang rivalries, led to the violence.

According to BOP officials, as of October 9, 2008, 13 percent of its staff positions – including more than 8 percent of Corrections Officer positions – are unfilled at BOP's 114 institutions.

The OIG currently has three reviews underway that examine various aspects of BOP programs. In our review of the operations of Federal Prison Industries, Inc., we are investigating allegations that the BOP failed to adequately address allegations that workers and inmates at several BOP institutions were exposed to unsafe levels of lead, cadmium, and other hazardous materials in computer recycling plants. In an audit of the BOP's Witness Security Program (WITSEC), we are examining controls in place over physical security, housing assignments, prisoner transport, and access to information in database systems about federal inmates who participate in WITSEC for their safety in connection with federal prosecutions involving organized crime, drug trafficking, and terrorism. A third ongoing OIG review is assessing the BOP's efforts to deter sexual abuse of inmates by prison staff.

In addition to the challenges relating to the BOP's housing of federal inmates, the Department must also provide adequate and economical housing for the increasing number of federal detainees taken into custody by the United States Marshal Service (USMS). Approximately 59,000 federal detainees awaiting trial or sentencing are housed each day by the USMS, primarily in jails under contract with the USMS. The Department's Office of the Federal Detention Trustee (OFDT) provides oversight of the USMS's detention activities and manages the budget for housing USMS detainees, which in FY 2008 totaled more than $1.2 billion.

The USMS houses about 20 percent of its federal detainees in BOP facilities. The remaining detainees are placed in space leased from state and local governments (66 percent) and private correctional facilities (13 percent). The USMS maintains contracts, known as Intergovernmental Agreements (IGA), with about 1,800 state and local facilities to house these detainees. In OIG audits of Department IGAs over the years, we have found problems with the manner in which the detainee-per-day charges are determined and with the Department's monitoring of the charges. In November 2007, the OFDT implemented a pricing model, referred to as eIGA, in an attempt to ensure that the rates paid by the federal government are fair and reasonable. The OFDT is attempting to refine the eIGA so that operating cost information gathered from detention facilities is converted into an estimated, reasonable per diem rate that contracting officials can use as a baseline in negotiating the IGA rates.

Both the BOP and the USMS also face challenges in containing health care costs and providing quality health care for inmates and detainees. From FY 2000 through 2007, the BOP spent about $4.7 billion for inmate health care. In a February 2008 audit, the OIG examined the growth of inmate health care costs over the past 7 years and found that the BOP has kept this growth at a reasonable level compared with national health care cost data reported by the Departments of Health and Human Services and Labor. Yet, while the BOP has implemented cost containment strategies to provide health care to inmates in an effective and efficient manner, we noted that it could possibly further reduce costs. For example, we found that some BOP institutions fail to review and verify medical bills of health care providers.

In sum, addressing the varied facets of the detention and incarceration of federal detainees and inmates presents ongoing challenges for the Department.

10. Financial Management and Systems: The Department has continued to make progress in addressing the major problems identified in the OIG's annual financial statement audits. However, while the Department and its components deserve significant credit for improvements in its financial management systems, the Department still lacks a unified financial management system to readily support ongoing accounting operations and preparation of financial statements. As discussed in past years, the most important challenge facing the Department in this area is to successfully implement an integrated financial management system to replace the disparate and, in some cases, antiquated financial systems used by Department components.

For FY 2008, the Department again earned an unqualified opinion and improved its financial reporting. For the second straight year, the financial statement auditors did not identify any material weaknesses at the consolidated level. Additionally, Department components reduced component material weaknesses from four in FY 2007 to one in FY 2008. Similar to past years, however, much of this success was achieved through heavy reliance on contractor assistance, manual processes, and protracted reconciliations. We remain concerned about the sustainability of these ad hoc and costly manual efforts.

In recent years, we have seen a key improvement in the Department's financial statement audits with the expanded involvement of Department managers in issuing guidance and providing greater assistance with component audits and corrective action plans. The Department has also continued to expand its internal control review process to include assessments of the components' information systems control environment, improper payment improvement program, and oversight of purchase card usage. These actions have enabled the Department to monitor the components' corrective action plans more timely and, when necessary, provide additional resources to correct internal control weaknesses.

Yet, none of the Department's six major accounting systems currently are integrated with each other. In some cases, the components' inadequate and outdated financial management systems are not integrated with all of their own subsidiary systems and therefore do not provide automated financial transaction processing activities necessary to support management's need for timely and accurate financial information throughout the year. As a result, many financial tasks still must be performed manually at interim periods and at year end. These costly and time-intensive efforts will continue to be necessary to produce financial statements until automated, integrated processes and systems are implemented that readily produce the necessary financial information throughout the year.

The Department has placed great reliance on the planned Unified Financial Management System (UFMS) as the fix for many of these automation issues. The UFMS is intended to standardize and integrate financial processes and systems to more efficiently support accounting operations, facilitate preparation of financial statements, and streamline audit processes. It also will enable the Department to exercise real-time centralized financial management oversight while maintaining decentralized financial management execution. We support these efforts and believe the UFMS can help eliminate the weaknesses in the Department's disparate financial management systems.

The Department's efforts over the past several years to implement the UFMS to replace the six major accounting systems currently used throughout the Department have been subject to fits and starts, primarily because of problems obtaining sufficient funding for the UFMS, staff turnover, and other competing priorities that have caused delays in implementing the UFMS.

Four years have passed since the Department selected a vendor for the unified system, and full implementation of UFMS at the first component, the Drug Enforcement Administration, is not scheduled to begin until FY 2009, more than 1 year behind schedule. Furthermore, implementation of the UFMS is not projected to be completed in all Department components until FY 2013 at the earliest. Until that time, Department-wide accounting information will continue to be produced manually, a costly process that undermines the Department's ability to prepare financial statements that are timely and in accordance with generally accepted accounting principles.

Several recently issued OIG audits have also highlighted other financial management concerns beyond financial statements. For example, the FBI uses confidential funds to conceal its identity from criminals, vendors, or the public during FBI undercover activities. A January 2008 OIG audit of the FBI's management of these confidential case funds found that the FBI lacked an adequate financial system necessary to manage these funds effectively. Consequently, FBI employees developed various "work-arounds" to the system in an effort to track confidential case fund requests made by FBI special agents operating in undercover capacities, but these efforts were not completely successful. Our review found that the sheer volume of bills, coupled with the inconsistent way various FBI field offices handle confidential case funds, resulted in the FBI routinely paying covert telecommunication costs late, which sometimes resulted in telecommunication carriers terminating FBI telephone lines for non-payment in important cases.

In sum, the Department continues to show improvement in its overall financial management, with another year of positive financial statement audit results. However, the lack of a single integrated financial management system to replace the disparate financial systems used by Department components will continue to handicap future progress. The key to improving the Department's financial management rests on the timely implementation of the Unified Financial Management System throughout the Department.

DOJ

Management's Response to the Office of Inspector General's Top Management and Performance Challenges

1. Counterterrorism

1. Counterterrorism: The Department's top priority remains its ongoing effort to detect and deter terrorism.

Issue 1.1: The Federal Bureau of Investigation's (FBI) Foreign Language Services Program has significant deficiencies in its translations of materials it collects in foreign languages. Deficiencies include a continuing backlog of unreviewed foreign language material (in some instances high-priority material is not reviewed within 24 hours in accord with FBI policy), and a lack of full implementation of the quality control program for linguists. The FBI also faces challenges in meeting linguist hiring goals.

Action: In response to the Office of the Inspector General (OIG) audits of 2004 and 2005, the FBI's Language Services Section (LSS) took decisive action and completed each and every one of the 18 OIG recommendations, pertaining to such matters as translation backlog, linguist hiring, linguist training, statistical reporting systems, quality control, and other technical issues that have a bearing on the Foreign Language Program's (FLP) ability to address FBI investigative and intelligence requirements. It has also been demonstrated to OIG that the "requirement" to review high priority material within 24 hours is not and was never intended to be formal FBI policy, but rather a temporary directive issued by the then Deputy Director in the wake of September 11, 2001. Prioritization of foreign language translation support is governed by a five tier Foreign Intelligence Surveillance Act (FISA) prioritization system, and further guidance on the timeliness of translation support has since been promulgated by the LSS. LSS continues an aggressive hiring program, hiring to the extent allowed by congressionally authorized funded staffing levels and non-personnel funding for contract support. Furthermore, LSS's Quality Control Program has trained and certified 328 quality control reviewers who, in FY 2008, reviewed close to 4000 work products as mandated by policy or as selected at random.

LSS actions following the 2004 and 2005 audits brought closure to all 18 OIG recommendations in the original audit. On February 26, 2008, the OIG initiated another follow-up audit to examine LSS's continued progress on these issues, as well as new LSS initiatives that have further enhanced the FLP's effectiveness and efficiency. OIG's final report is expected by the end of calendar year 2008.

Issue 1.2: The Department's counterterrorism responsibilities require close coordination with other Intelligence Community and military organizations. The OIG found that the FBI did not respond fully or in a timely manner to repeated requests from its agents in the military zones for guidance regarding several issues (e.g., circumstances under which FBI agents may participate in interviews of detainees who have previously been subjected to non-FBI interrogation techniques, circumstances under which the FBI may use information obtained from detainees by other agencies through the use of non-FBI techniques, and circumstances under which FBI agents should report the conduct of other agencies' interrogators).

Action: The FBI is in the process of formulating an official response to the OIG's May 2008 report on this issue. The FBI will provide its response to the OIG by November 15, 2008.

Issue 1.3: The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and the FBI both have the authority to investigate explosive-related cases, but historically, they have had significant disputes over their respective jurisdictions. Even after ATF's entry into the Department and an Attorney General memorandum addressing several explosive-related jurisdictional issues, disputes between the two agencies have continued.

Action: The FBI and the ATF are working together to address the issues identified in the OIG's ongoing audit regarding coordination of explosive-related activities. The FBI will provide a formal response to the OIG at the conclusion of the audit.

Meanwhile, in July 2008, the Directors of the ATF and the FBI entered into a formal agreement regarding the protocols to be followed in explosives related incidents/investigations. This document is the official position of DOJ, and it recognizes that ATF will be the lead investigatory agency on explosives related incidences which are not acts of terrorism. Similarly, the FBI agrees that ATF is the federal agency charged with investigating acts of explosives related violent crime. Not only are issues relating to incident management covered in the 2008 protocols (e.g., jurisdiction, investigation/leads, resources) but also issues related to initial response (e.g., first responders, joint notification, crime scene processing and laboratory/forensic capabilities) and prosecution. The 2008 protocols are a framework from which the ATF and the FBI will build more specific standards and procedures surrounding all of the issues addressed in the Memorandum of Understanding (MOU). A committee of ATF and FBI Special Agents in Charge (SACs), operating under the joint direction of ATF and FBI leadership, currently is working these issues.

2. Sharing of Intelligence and Law Enforcement Information

2. Sharing of Intelligence and Law Enforcement Information: An essential element in successfully detecting and deterring terrorism and enforcing the law is sharing information with federal, state, and local officials. The implementation of new or upgraded information technology (IT) systems to facilitate information sharing remains a key factor in the Department's ability to meet this challenge.

Issue 2.1: The successful completion of the FBI's SENTINEL system remains a continuing challenge, with the most difficult phases of the project yet to come.

Action: The FBI is fully aware of the challenges that lie ahead and is working hard to ensure that SENTINEL is successful. The SENTINEL Program Management Office (PMO) is actively managing risks through its Risk Review Board process and maintains a risk register which tracks progress of mitigation strategies. PMO progress and risks are transparent both inside the FBI and outside to our many oversight entities. The Director and/or his executive staff are briefed weekly on the status of the project. The FBI's Finance Division is also briefed weekly by the PMO. The Department of Justice (DOJ), Office of Management and Budget (OMB), and the Office of the Director of National Intelligence (ODNI) are briefed at a joint monthly meeting. The DOJ's Department Investment Review Board (DIRB) is briefed quarterly by the PMO and the DIRB certifies the activities and progress of the program. The PMO provides monthly Earned Value Management (EVM) data to the DOJ and briefs the DOJ quarterly on its EVM reporting.

The Government Accountability Office (GAO) and the DOJ OIG have performed eight audits of the SENTINEL Program to date. The FBI continues to address the findings of the reports and has incorporated all of the findings into program policies and processes. The FBI will continue to work with the GAO and OIG who will shortly be starting their ninth and tenth audits of the program. The FBI has also hired an Independent Verification & Validation (IV&V) contractor to audit the SENTINEL Program. Monthly IV&V reports are provided to the FBI Chief Information Officer (CIO) and are briefed to the SENTINEL Program Manager. The SENTINEL Program has been asked to resume quarterly staff briefings of eight Congressional committees and/or subcommittees.

The FBI will continue to work with its prime contractor to ensure that the industry's best practices are followed. It also will continue to incorporate feedback from all of the oversight entities in order to ensure the success of the program.

Issue 2.2: In its audit of the FBI's National Name Check Program (NNCP), the OIG found that the name check process used by the FBI has serious deficiencies, including relying on outdated and inefficient technology, personnel with limited training, overburdened supervisors, and inadequate quality assurance measures. Those deficiencies have resulted in large backlogs, with over 327,000 name check requests pending as of March 2008, a backlog that can hamper timely adjudication of immigration applications. Also, security check delays can slow the adjudication and deportation of applicants who may pose a national security threat to the United States.

Action: Since March 2008, the FBI's NNCP has implemented a number of strategies to expedite the elimination of the name check request backlog and maintain a steady state operation. These strategies include:
- Stabilizing the current information technology systems,
- Deploying a metrics based name check management process,
- Implementing formal quality assurance procedures,
- Updating all NNCP training documentation,
- Refreshing all training materials, and
- Conducting mandatory refresher name check training.

Based on these strategies, the NNCP reduced the name check request backlog by 90 percent. As of October 21, 2008, there were 33,018 in process.

Issue 2.3: The FBI's use and maintenance of its Guardian system could be improved in several ways. For example, the FBI needs to better ensure the accuracy, timeliness, and completeness of the information entered in Guardian, as well as provide better oversight. Additionally, the Guardian system requires updates to improve its functionality and value.

Action: Based on a review of the OIG report on this issue, the FBI concurs with the OIG's assessment and seven recommendations. As a result of this report and the September 29, 2008, signing of the new Attorney General Guidelines (AGGs) for Domestic FBI Operations, the FBI will issue updated policy and guidance to all field offices and personnel working counterterrorism matters. This guidance will incorporate the seven recommendations and changes to the FBI Threat Mitigation policy and procedures that are directly affected by the new AGGs. This policy and guidance will be issued prior to the effective date of the new AGGs on December 1, 2008.

The FBI is committed to ensuring appropriate supervisory review of threat and suspicious activity incidents entered into Guardian. To ensure that terrorist threats and suspicious incidents entered in Guardian are closed or forwarded for investigation in a timely manner, existing policy regarding this matter is being reinforced by the FBI's National Threat Center Section (NTCS), Counterterrorism Division (CTD). The Guardian development team is committed to the future enhancement of Guardian. In response to concerns outlined in the OIG report, the FBI has developed and implemented a schedule to ensure technical patches to the Guardian system are completed in a timely manner.

3. Information Technology Systems Planning, Implementation, and Security

3. Information Technology Systems Planning, Implementation, and Security: The Department must ensure that the more than $2 billion it spends on IT systems is being used effectively. The Department must ensure the security of its systems and the information contained in them, balancing the need to share intelligence and law enforcement information with the need to ensure that such information sharing meets appropriate security standards.

Issue 3.1: An OIG audit found that the IT systems cost information the Department provides to Congress, OMB, and senior Department management is unreliable. Specifically, IT systems cost reporting within the Department is fragmented, uses inconsistent methodologies, and lacks control procedures necessary to ensure that cost data is accurate and complete. The OIG concluded that the lack of complete and verifiable cost data undermines the effectiveness of oversight of IT projects by various entities, including the DIRB, Department and component CIOs, Congress, and OMB.

Action: The Department has drafted an IT system cost reporting standard that is in the process of review by Chief Financial Officers (CFOs) and CIOs of major components, following review by the principal OIG auditor for Audit 07-37. The standard contains data definitions that will aid in the consistent reporting of IT systems costs in components' legacy financial systems, and will serve as the basic requirement for tracking and reporting IT costs in the Unified Financial Management System (UFMS).

Issue 3.2: Several major IT projects such as the Unified Financial Management System (UFMS), the Litigation Case Management System, and the Integrated Wireless Network (IWN) project still remain risky in terms of cost, schedule, and performance.

Action: The Department has enhanced its oversight of these programs through more comprehensive program reviews and greater analysis using the Earned Value Management System (EVMS). The results of these reviews are being briefed monthly to senior management and are subject to quarterly reviews by the DIRB to ensure the highest possible level of executive oversight. The Justice Management Division (JMD) agrees that these programs are high risk and has dedicated additional staff to the projects to help minimize exposure.

Issue 3.3: The Department does not exercise direct control over IT projects among Department components. Historically, the components have resisted centralized control or oversight of major IT projects, and the Department's Office of the Chief Information Officer (OCIO) does not have direct operational control of components' IT management.

Action: The CIO has improved oversight of the Departments major IT initiatives and high risk projects in several ways, including conducting a CIO Council that meets every quarter to enhance the understanding of the needs of the various DOJ components. This also has greatly improved the communication between the component CIO community and the JMD staff. In addition, major IT programs are being reviewed by the DIRB which monitors them against their projected costs, schedules, and benefits, and takes corrective action to continue, modify, or terminate them.

Issue 3.4: OIG audits of the Department's information security conducted pursuant to the Federal Information Security Management Act (FISMA) have identified continuing weaknesses with the Department's management, operational, and technical controls for its classified and sensitive but unclassified systems. Specifically, the Department lacks effective methodologies for tracking the remediation of IT vulnerabilities identified in monthly system configuration scans, applying department-wide remedies for known vulnerabilities, and conducting an inventory of devices connected to the Department's various IT networks.

Action: The Department plans to provide a Vulnerability Tracking System that will be operational by January 30, 2009. This system will effectively track the remediation of IT vulnerabilities identified in system configuration scans, apply department-wide remedies for known vulnerabilities, and conduct an inventory of devices connected to the Department's various IT networks. The Vulnerability Tracking System is comprised of two tools. The Foundstone tool will be used to identify the inventory of devices, identify IT vulnerabilities, and identify whether IT vulnerabilities have been resolved through remediation by the DOJ components. Another tool, such as SharePoint or a similar application, will be used for document management and information sharing. Department engineers will research and define the remedies to vulnerabilities, determine the priority, and upload this data to the information sharing application. This application will be used to communicate the information Department-wide, as well as track the status of vulnerability remediation for all systems on a DOJ component by component basis. Each DOJ component would implement vulnerability remediation activities based on their own processes, but in accordance with Department policy and direction.

Issue 3.5: The Executive Office for U.S. Attorneys (EOUSA) has insufficient controls to ensure the accuracy and completeness of its Victim Notification System (VNS) data. Also, there are deficiencies in the security of VNS information, most notably that sensitive crime victim information is not adequately protected.

Action: In June and July 2008, EOUSA met with individual representatives of the investigative agencies that participate in VNS to discuss strategies for improving the accuracy of victim contact information. Additionally, EOUSA conducted five basic VNS courses for victim witness personnel, during which the importance of the accuracy of victim contact information was emphasized. Also, EOUSA will raise this issue again with the investigative agencies at the upcoming VNS Executive Committee Meeting on October 30, 2008.

EOUSA views maintaining the privacy and security of crime victim information as a high priority. EOUSA has taken action based on OIG's security recommendations and has provided evidence to OIG concerning those actions. EOUSA will continue to work with OIG to provide any other evidence required to close the recommendations.

Issue 3.6: The FBI's name check processes rely on outdated and inefficient technology. While the FBI has explored some electronic tools to assist in the name check search process, it has not conducted a technical assessment of its phonetic name-matching algorithm, the key component in the name matching system, which matches names to the FBI's index of names in its investigative files. The OIG concluded that the FBI's algorithm is largely outdated and potentially ineffective, increasing the risk that submitted names are not accurately searched and matched against FBI files. While the FBI told the OIG that it lacked adequate funding to implement technological improvements in its name check process, the OIG noted that the FBI had not raised its name check fees in 17 years and, thus, lost opportunities to enhance its antiquated automated systems.

Action: Currently, the FBI's NNCP is partnered with the FBI's Information Technology Operations Division (ITOD) to conduct phonetic name-matching algorithm testing. The evaluation team currently is evaluating performance and conducting a detailed analysis of the results. The final results and recommendations from this testing process will be published in a formal report, the first draft of which is due in the middle of November 2008. The NNCP adjusted its Name Check fees in FY 2008 to cover its operational costs and to fund technological improvements to its name check process. A new fee study has just concluded and is tracking changes in cost as a result of operational improvements and business process re-engineering.

4. Civil Rights and Civil Liberties

4. Civil Rights and Civil Liberties: Balancing aggressive pursuit of its counterterrorism responsibilities with the protection of individual civil rights and civil liberties is a continuing challenge of the Department.

Issue 4.1: While the FBI and the Department have taken positive steps to address the issues that contributed to the serious misuse of National Security Letter (NSL) authorities, additional work remains to be done. For example, the Department's Chief Privacy and Civil Liberties Officer still has not revised its initial proposal and considered further whether and how to provide additional privacy safeguards and measures for minimizing the retention of NSL-derived information. In addition, it remains to be seen whether the FBI's new Office of Integrity and Compliance (OIC) will be effective in detecting and correcting non-compliance with the rules governing the intrusive techniques available to the FBI.

Action: The NSL Privacy and Civil Liberties Working Group (NSL Working Group) is nearing completion of the revised memorandum concerning enhancements to the safeguards for privacy and civil liberties connected to the FBI's use of National Security Letters. The working group conducted field research to understand the processes associated with the collection, use, and maintenance of NSL-derived records and to support the development of new procedures that seek to clarify and strengthen protections for privacy and civil liberties.

The FBI Integrity and Compliance (I&C) Program is managed by the OIC and was formally established by the Director on June 25, 2007. The program is modeled on corporate-style compliance programs and is geared to identify and mitigate the risk of non-compliance in all aspects of the FBI's day-to-day operations and activities. OIC's mission is "to develop, implement, and oversee a program that ensures that there are processes and procedures in place that promote FBI compliance with both the letter and the spirit of all applicable laws, regulations, rules, and policies ... and to endeavor to protect and enhance the FBI's reputation for integrity."

The OIC has implemented all the elements of a successful I&C program: management "buy-in"; organizational structure; risk assessment methodology and implementation; two-way communications; human resource policies that encourage compliance; audit; and documentation. Implementation highlights include the following: top-level management has demonstrated support for the I&C program as evidenced by the Director's decisions to stand-up the office and to personally lead the Integrity and Compliance Council. FBI executives support the program by leading and participating in executive compliance committees and assigning personnel to analyze and mitigate potential compliance risks. The program organizational structure in Phase I centered on the creation of the Integrity and Compliance Council, chaired by the Director, and the Executive Management Committees, chaired by each of the Executive Assistant Directors. Phase II implementation, which will move the I&C program to the program manager level, has begun. A risk assessment methodology was developed and is used by the compliance committees. Potential risks are identified, prioritized, and analyzed, and mitigation plans are developed and worked. Various lines of communication have been established between the OIC and FBI personnel, including creation of an OIC training video featuring FBI executives, creation of an OIC website, and numerous OIC briefings to various FBI stakeholders. In addition, OIC has established a compliance helpline which allows FBI employees to report compliance concerns anonymously. A non-retaliation policy for reporting compliance concerns was promulgated, compliance awards established, and an explicit compliance element has been incorporated into the performance appraisal plan of FBI employees. Finally, OIC has developed a high level monitoring plan for implementation of the AAGs for Domestic Investigations and the FBI Domestic Investigations and Operations Guide. OIC is working with FBI stakeholders to further define and implement the monitoring plan.

Issue 4.2: FBI case agents do not always update watchlist records when new information becomes known, nor does the FBI always remove watchlist records when it is appropriate to do so.

Action: To address concerns about the maintenance of watchlist records, the FBI Terrorist Review and Examination Unit (TREX) now conducts a bi-monthly scrub of all newly opened and closed international and domestic terrorism cases to ensure an FD-930 form ("Consolidated Watchlist Form for Terrorist Members") is submitted to add or remove individuals from the watchlist in a timely manner. There are several mechanisms currently in place to ensure records are updated as new information becomes available. First, the FBI has an extensive training program required for all agents and support staff who take part in the watchlisting process, which includes details on requirements to modify (i.e., update) records when new information is available. The FBI also conducts a supervisory review every 90 days of open cases on investigative progress. This review now includes a reminder for the case agent to update the FD-930 form with newly acquired information. In addition, when the Terrorist Screening Center (TSC) becomes aware of new information from a separate agency, it notifies the FBI of the record discrepancy and requests a review/update to the FD-930.

5. Restoring Confidence in the Department of Justice

5. Restoring Confidence in the Department of Justice: Restoring public confidence in the integrity of Department operations in light of concerns about politicized hiring is an ongoing challenge facing the Department. Related to this is the need to prepare for an orderly transition to new Department leadership when the Administration changes in early 2009.

Action: The Attorney General agrees that public confidence in the integrity of the Department is essential and that preparing for an orderly transition is an important challenge for the Department. The Attorney General believes that throughout 2008 the Department has taken significant steps and engaged in a sustained effort to address the issues affecting public confidence in the Department and to ensure a smooth transition to new leadership. Many of those actions are described in more detail below.

Issue 5.1: The Department's hiring of career employees was affected by improper political considerations. Committees screening applications inappropriately used political or ideological affiliations to "deselect" candidates, violating Department policy and federal law. At times, this resulted in rejecting high-quality career attorney candidates for important work details in favor of less-qualified candidates. It also affected screening of candidates for immigration judge positions and caused significant delays in appointing immigration judges at a time when the immigration courts were experiencing an increased workload and a high vacancy rate.

Action: As noted by the OIG, the Department has taken many steps to address these issues, both before and after the OIG / OPR reports were released, and has adopted all of the recommendations made by OIG and OPR. For example, the central review process for Honors Program hiring is now handled by career employees. The Department also issued stronger guidance to enforce the use of merit hiring principles and to clarify that political affiliation may not be used to evaluate candidates and that ideological affiliations may not be used as a proxy factor to discriminate on the basis of political affiliation. In addition, all current and new political appointees now receive briefing and training material on the applicability of merit hiring principles and prohibited personnel practices in career attorney hiring.

The July 2008 OIG / OPR report on inappropriate hiring practices also noted that the Department implemented a revised process for selecting Immigration Judges in July 2007. The revised process places the recommendations in the hands of career officials at the Executive Office of Immigration Review and the

Department. Under the revised process, 18 new Immigration Judges have taken the bench and 23 are currently in the hiring process.

<u>Issue 5.2</u>: The immediate challenge for the Current Attorney General and the Department's leadership is to ensure that the serious problems and misconduct the OIG found regarding politicized hiring for career positions and the dismissal of U.S. Attorneys do not recur.

<u>Action</u>: The Attorney General has said repeatedly that it is neither permissible nor acceptable to consider political affiliations of candidates while hiring career Department employees. To ensure this does not happen again, he has instituted remedial and ongoing mandatory training for all political appointees regarding prohibited personnel practices; directed implementation of all the institutional recommendations made in the OIG/OPR reports; appointed an attorney to investigate and determine any wrongdoing that may require legal action; and revised policies and procedures to prevent recurrence of this type of activity. As a result of these reforms, and others, the Attorney General is confident that the Department is on surer footing today than it has ever been before, and that the institutional problems identified in the OIG/OPR reports will not recur.

<u>Issue 5.3</u>: The Department must coordinate effectively with the Department's new leadership to accomplish an orderly and efficient transition.

<u>Action</u>: The Attorney General has said that ensuring an orderly and efficient transition is one of his top priorities during the remainder of his tenure. The Department has been proactive in its preparation and will remain proactive throughout the transition period. The Attorney General designated his Chief of Staff and the Assistant Attorney General for Administration, the senior career management official in the Department, as transition coordinators in April 2008. The coordinators have directed a Department-wide effort and are prepared to work with the incoming administration beginning immediately after the election. Among other things, the Department has:

- Identified career officials to lead each component following the departure of political appointees.
- Along with the FBI, worked with both campaigns to facilitate security clearances for transition team members before election day.
- Prepared briefing materials on Department organization, mission and functions, funding, and major issues to be addressed following inauguration.
- Conducted briefings for outgoing appointees to ensure compliance with applicable law and regulations.
- Prepared to brief incoming appointees on hiring practices, ethics, records responsibilities, and Department organization with particular emphasis on issues raised by OIG / OPR reports.

These proactive efforts will continue throughout the transition period.

6. Violent Crime

6. Violent Crime: While the Department's post-September 11 priorities were reordered to emphasize preventing terrorism, an ongoing challenge has been to maintain an appropriate emphasis on domestic crime. A key element of this is for the Department to effectively coordinate new initiatives to address violent crime with existing operations, including the Department's task forces and partnerships with state and local law enforcement agencies. This approach has yielded positive results. The rate of violent crime reported in the FBI's VCR for 2007 was the second lowest in thirty years. Notwithstanding this historic low, some communities continue to struggle with violent crime problems. The Department's current approach of targeting relief to areas most in need and working with our partners to develop a custom response to the particular challenges faced, is well suited to the crime challenges observed.

Management's Statement: The Department is pleased that the OIG recognizes the important work it is doing to address violent crime, including projects such as the Innocence Lost National Initiative, Internet Crimes Against Children, and Project Safe Childhood. To prevent duplication of effort among these and other task forces, the Department has issued policies aimed at improving coordination among them. The OIG also recognizes the progress the Department has made in implementing the Sex Offender Registration and Notification Act (SORNA), including issuing guidelines on compliance for states, working to make local registries accessible through the Department's National Sex Offender Public Registry web portal, and expanding access to the FBI's National Crime Information Center criminal history database. Also, the U.S. Marshals Service (USMS) has increased federal investigations and arrests of fugitive sex offenders and has increased the assistance it provides to state agencies with fugitive sex offender investigations.

7. Cybercrime

7. Cybercrime: With the rapid technological advances and the widespread use of the Internet, combating cybercrime is a challenge for the Department and law enforcement nationwide. Cybercrime includes such criminal activities as fraud, identity theft, sexual exploitation of minors, and theft of intellectual property.

Issue 7.1: The FBI's key indicator for identifying the number of child pornography websites and web hosts shut down was not accurate because it used as a surrogate measure the number of subpoenas for subscriber information served on web hosting companies and Internet service providers (ISPs). Counting the number of subpoenas served is not a fully accurate measure of the FBI's activities in shutting down child pornography websites and web hosts because the FBI has no direct technical role in shutting down the websites.

Action: Following the OIG's Key Indicators Audit conducted during FY 2007, the FBI's Innocent Images National Initiative (IINI) reevaluated ways in which to report accomplishments related to investigations of Internet-based child pornography. As approved through the Program Assessment Rating Tool (PART) review conducted by the OMB during spring 2008, in the future the FBI will use a measure that records the number of children rescued as a result of FBI investigations into child pornography.

Issue 7.2: The OIG identified issues with the FBI's timely processing of evidence seized from computers and other electronic devices in investigating cybercrimes against children.

Action: The FBI agrees with the OIG that the expeditious processing of computer child pornography forensic evidence is a priority for its computer forensic examiners. The FBI already has focused personnel enhancements received in FY 2008 on staffing these types of examiners at a special laboratory in Maryland dedicated to supporting the FBI's IINI. The IINI Computer Analysis Response Team (CART) Laboratory will help reduce any existing backlog in processing evidence for top priority IINI investigations. The FBI continues to deploy new technologies as resources become available to help increase the efficiency of its field digital evidence forensic examiners. Deployment of the CART Storage Area Network system (SAN) forensic network, for example, in the majority of large FBI field offices has enabled the FBI to reduce the backlog each year by up to 10 percent despite an increase of seized data per year of up to 40 percent.

The FBI's chief constraints in processing this kind of forensic evidence are the volume of the computer evidence seized and the standards applied to its examination. Most U.S. Attorney's Offices require that the FBI conduct comprehensive forensic examinations on all computer technology-based materials found at a child exploitation crime scene, even if seemingly innocuous (e.g., music compact discs). The high volume of computer evidence seized at these crime scenes creates a huge forensic workload that complicates any attempt at speedy evaluation. In addition, meeting strict quality assurance (QA) standards, such as those established by the American Society of Crime Laboratory Directors Laboratory Accreditation Board (ASCLD-LAB), adds a great deal of time to processing computer evidence, time that is not spent strictly on forensic evaluation of pertinent material.

In the course of a continuing OIG audit on this issue, the FBI pointed out that it would be able to appreciably streamline procedures and reduce backlogs if it could apply the resources currently assigned to QA requirements to the processing of computer forensic evidence. The FBI subsequently made a written request in July 2008 to the OIG requesting clarification on whether or not the emerging digital evidence forensics discipline should, like other forensic disciplines, continue to be subject to ASCLD-LAB and other QA requirements as inferred from earlier publications of the OIG. To date, the OIG has not taken a position on whether digital evidence forensics requires the application of strict QA standards. The FBI does not anticipate the OIG taking a specific position on this question without initiating a much more significant, long term review.

8. Grant Management

8. Grant Management: Management and oversight of the billions of dollars in Department grants awarded annually remains a top Department management challenge.

Issue 8.1: There are problems with the design and management of Office of Justice Program's (OJP's) Human Trafficking grant program, grantees' compliance with essential grant requirements, and OJP's system for monitoring human trafficking service providers and task forces. In particular, the Department's award process resulted in a wide variation in funds awarded compared to the number of victims anticipated to be served. Furthermore, the service providers and task forces significantly overstated the number of victims they served, and the Department included this inaccurate information in its annual reports to Congress.

Action: OJP agreed with the recommendations made in the OIG audit and is fully committed to implementing corrective actions to strengthen the administration of the Human Trafficking grant programs. OJP will develop more comprehensible guidance to all task force grantees regarding best practices in maintaining supporting documentation, tracking data to be reported, and verifying the accuracy of the data.

Applicants will continue to estimate the number of victims that may be served in order to develop their project budgets and itemize projected costs; however, when determining the amount of the awards, OJP considers costs associated with outreach, training, and building community capacity to identify and serve all victims of human trafficking identified within a geographic area.

OJP will continue to ensure that applicant costs are reasonable and strategically sound prior to funds being awarded. OJP plans to employ the practice of special conditions that place financial holds on funds to ensure that the project strategy and budget for each application documented fully comply with essential grant requirements stated in the solicitation.

To further improve the reliability and validity of performance reports and the numbers of victims identified and served through the grants, OJP has initiated several actions, including: (1) greater collaboration among its components to ensure the most effective use of the Bureau of Justice Statistics (BJS) developed Human Trafficking Reporting System; and (2) increased technical assistance to all Office for Victims of Crime (OVC) grantees on the use of the Trafficking Information Management System (TIMS) to ensure consistency of the reporting data, thus enhancing the efficiency and reliability of the data collection process. OVC anticipates that it will provide the enhanced TIMS database to OVC grantees by January 2009.

Issue 8.2: OJP has weaknesses in monitoring and overseeing Southwest Border Prosecution Initiative (SWBPI) funds. Specifically, OJP did not require applicants to provide documentation supporting reimbursement requests and does not review applications for allowability and accuracy. Also, SWBPI reimbursements were not linked to actual costs incurred by the jurisdictions to prosecute federally declined-referred criminal cases. Further, OJP has not taken action to identify potential duplicate funding between the SWBPI program and other federally funded prosecution and pre-trial detention programs. An audit of seven SWBPI recipients identified unallowable and unsupported SWBPI reimbursements of $15.57 million of the $55.11 million awarded in those seven grants, or 28 percent of the total reimbursements.

Action: OJP agreed with the OIG recommendations and is implementing changes to the SWBPI system to ensure that reimbursement requests are limited to eligible, documented cases; linked to actual costs; and adjusted to account for any funds received from other federal prosecution and pre-trial detention programs.

9. Detention and Incarceration

9. Detention and Incarceration: The Department must safely and economically manage increasing federal detainee and inmate populations while facing overcrowding, lack of economical alternative detention space, stresses on prison staffing, and the rising cost of inmate health care.

Issue 9.1: The Department continues to report prison overcrowding as a material weakness in its annual performance and accountability reports, and the Federal Bureau of Prisons (BOP) projects the overcrowding rate to increase to 36 percent by the end of FY 2008 and to 37 percent by the end of FY 2009.

Action: The actual crowding rate for FY 2008 was 36 percent, which was lower than the projected crowding rate of 39 percent for fiscal year end. The current projection for FY 2009 overcrowding is 37 percent over rated capacity.

The FY 2008 targets were established prior to a recent Supreme Court decision regarding sentencing disparities between crack cocaine and powder cocaine. The U.S. Sentencing Commission changed guidelines to retroactively re-sentence inmates convicted of crack cocaine offenses and, in the majority of the cases, issue an order for either immediate release or a sentence reduction. The BOP is still reviewing the effects of this decision, but can report that by fiscal year end approximately 2,400 inmates had received a sentence reduction resulting in immediate release and an additional 9,200 inmates had received a sentence reduction. This resulted in slower than projected growth in the inmate population for FY 2008.

Issue 9.2: The infrastructure at many institutions has reached its limit. Approximately one-third of BOP's 114 institutions are more than 50 years old and renovation or expansion of these older facilities is not economically feasible because their infrastructure (including basic utilities) is designed for significantly smaller inmate populations. Further, according to BOP officials, overcrowding at all medium and high security facilities has accelerated the facilities' deterioration and need for renovations.

Action: Faced with limited funding to meet the increasing needs to repair failing infrastructure, the BOP continues to use available Modernization and Repair (M&R) funds to the fullest extent possible. An internal prioritization method is used to identify and fund the most urgent needs. This has resulted in the funding of 33 major projects over the past 2 fiscal years totaling $44 million. With this plan and the effective use of all M&R funds received, the BOP has reduced the M&R unobligated balance to the lowest levels ever in the past 2 fiscal years: $23.5 million in FY 2007 and $21.4 million in FY 2008. In addition, the BOP completed 435 projects in FY 2007 and 438 projects in FY 2008.

When M&R funding was at a greater level, the BOP implemented the Long Range Master Plan Program (LRMP). This program was developed to address the large inventory of needs in older facilities and provide the BOP with a survey that determines the extent of renovations required to bring the facilities to an adequate state of repair. From these surveys, the BOP completed 25 LRMP surveys and identified numerous projects that require funding. Additionally, from FY 2000 through FY 2008, the BOP funded 33 LRMP projects totaling $118 million. In order to operate within available resources, the BOP focuses on only the highest priority M&R projects in critical need of repairs. Thus, these LRMP projects could continue if the BOP receives increased levels of M&R funds.

Issue 9.3: In addition to the challenge that overcrowding presents in terms of confinement space, it also affects the safety and security of the federal prison system. In recent years, there have been several significant incidents of inmate violence at BOP institutions. BOP staff members have claimed that staffing shortages and prison overcrowding, complicated by gang rivalries, led to the violence.

Action: The BOP understands the challenges of overcrowding and its biggest priority remains filling vacant institutions positions. A BOP study completed in March 2006 found that a one percentage point increase in a Federal prison's crowding (inmate population as a percent of the prison's rated capacity) corresponds with an increase in the prison's annual serious assault rate by 4.09 assaults per 5,000 inmates. In addition, an increase of one inmate in a prison's inmate-to-custody staff ratio increases the prison's annual serious assault rate by 4.5 assaults per 5,000 inmates. This study finds that both the inmate to staff ratio and the rate of crowding at an institution are important factors that affect the rate of serious inmate assaults. The BOP is working with DOJ to increase funding for staffing in its institutions.

Issue 9.4: Regarding USMS Intergovernmental Agreements (IGAs) with state and local facilities to house detainees, there are problems with the manner in which the detainee-per-day charges were determined and with monitoring the charges.

Action: In November 2007, the Office of the Federal Detention Trustee (OFDT) implemented a pricing model, referred to as eIGA, in an attempt to ensure that the rates paid by the federal government are fair and reasonable. The OFDT is attempting to refine the eIGA so that operating cost information gathered from detention facilities is converted into an estimated, reasonable per diem rate that contracting officials can use as a baseline in negotiating the IGA rates. The OFDT is working with the OIG to determine what additional cost information will be collected. This information will be used to calculate a rate used by negotiators as additional information during the negotiation process to establish a fair and reasonable per diem rate.

Issue 9.5: Both BOP and the USMS face challenges in containing health care costs and providing quality health care for inmates and detainees. Although BOP has kept inmate health care costs at a reasonable level over the past 7 years, it could possibly further reduce costs. For example, some BOP institutions fail to review and verify medical bills of health care providers.

Action: On August 1, 2008, the BOP awarded a contract for Medical Claims Adjudication services. The BOP believes that claims review performed by a professionally trained, objective third party is the most effective method for assuring medical claims are processed accurately. The contract consists of a 2-year base period, with three 1-year option periods. The base period will focus on the Federal Correctional Complex (FCC)

Butner, the largest medical correctional complex in the BOP. FCC Butner has the largest volume of medical claims submitted for inmate health care. In the third year (first option year) three BOP regions will begin using the claims adjudication services, with the remaining three regions coming on board in year four (option year two). By year five, all BOP facilities will be using the services. The BOP believes this approach will increase the accuracy of claims review, identify errors in billing, identify potential patterns or trends of errors, and demonstrate that correct payments are being made for the services rendered. BOP will monitor the results of the adjudication services to identify potential changes to future contracting solicitations, improvements in local health services operations, and improvements in the timely processing of payments of medical claims.

10. Financial Management Systems

10. Financial Management and Systems: The Department must successfully implement an integrated financial management system to replace the disparate and, in some cases, antiquated financial systems used by Department components.

Issue 10.1: The Department's FY 2008 unqualified opinion and improved financial reporting, along with a reduction in material weaknesses at the consolidated and component levels was achieved through heavy reliance on contractor assistance, manual processes, and protracted reconciliations. The OIG remains concerned about the sustainability of these ad hoc and costly manual efforts.

Action: The Department continues to reflect improvement in its overall financial management by emphasizing internal controls and documenting processes at all levels of the organization. Progress was made in both general and application controls in FY 2008. One core departmental financial system was eliminated this fiscal year as the OJP converted to the JMD Financial Management Information System (FMIS). This leaves the Department with six core financial systems with the Drug Enforcement Administration (DEA) and the ATF scheduled to migrate to the Department's UFMS in fiscal years 2009 and 2010, respectively. Manual processes and reconciliations exist with any core financial system, but the Department believes that once it has completed the UFMS implementation, it will reduce many of the financial tasks that are performed manually, and the Department will have a standard process for doing business across its components.

Issue 10.2: Four years have passed since the Department selected a vendor for the unified systems, and full implementation of UFMS at the first component, DEA, is not scheduled to begin until FY 2009, more than 1 year behind schedule. Furthermore, implementation of the UFMS is not projected to be completed in all components until FY 2013 at the earliest. Until that time, Department-wide accounting information will continue to be produced manually, a costly process that undermines the Department's ability to prepare financial statements that are timely and in accordance with generally accepted accounting principles.

Action: During FY 2008, DOJ continued to demonstrate progress toward development and deployment of a core financial system, UFMS, throughout the Department. The UFMS will enhance financial management and program performance reporting by making financial and program information more timely, relevant, and accessible.

Deployment of the pilot for the Asset Forfeiture Program was completed in November 2007. The pilot successfully processed transactions for 10 months of FY 2008 and recently completed the first year-end close under UFMS. The go-live for UFMS at the first major component, DEA, is on schedule for the end of December 2008. Training of almost 2,000 DEA end users began in October 2008, and the results of the first operational readiness review indicate all actions are in a green status, meaning completed or on schedule for completion by the required date. In addition, during FY 2008, the FBI continued work on preparation for

UFMS, and the ATF has begun to plan for its UFMS implementation. To help ensure success, the UFMS program receives guidance from the Department's senior leadership and employs an IV&V contractor for consultation. Additionally, the UFMS Project Management Officer briefs and discusses relevant project priorities with OMB on a monthly basis.

Issue 10.3: A January 2008 OIG audit of the FBI's management of confidential case funds to support its undercover activities found that the FBI lacked an adequate financial system necessary to manage these funds effectively. Consequently, FBI employees developed various "work-arounds" in an effort to track confidential case fund requests made by FBI special agents operating in undercover capacities. The review found that the sheer volume of bills, coupled with the inconsistent way various FBI field offices handle confidential case funds, resulted in the FBI routinely paying covert telecommunication costs late, which sometimes resulted in telecommunication carriers terminating FBI telephone lines for non-payment in important cases.

Action: The FBI recognizes the need to improve how it pays its covert telecommunication expenses and is taking several measures to ensure that all covert telecommunication bills are paid on time. It is:

- Mandating the Technical Management Database (TMD)
  - The TMD was created to standardize the tracking and reporting of surveillance techniques, operations, and invoices associated with the Field's Technical Programs. As of April 2008, the FBI mandated the use of TMD in field offices. This mandate brings consistency and transparency to how field offices manage information about their technical programs.

- Mandating Standard Operating Procedures for Paying Telecommunication Costs
  - In the past, FBI field offices have paid covert telecommunication bills in a variety of ways. The FBI is now moving to standardize how field offices pay them. The standard operating procedures are based on best practices in field offices and will involve streamlining the bill paying process, identifying specific roles in the process, and creating transparency and accountability. These standard operating procedures will ensure that all field offices are using best practices for paying covert telecommunication bills and that all bills are paid in a timely manner. The FBI is in the process of mandating these standard operating procedures to the field offices.

- Training FBI Employees
  - The FBI conducted five regional trainings to which all field offices were invited. These trainings covered the use of TMD and the standard operation procedures for paying covert telecommunication bills. Over 120 FBI employees from the field offices attended these trainings. These attendees represented both the financial and technical roles within the field offices.

- Enforcing the New Processes
  - In order to ensure that field offices are implementing the changes, the FBI will send out neutral audit teams to randomly selected field offices. The goal of the audit teams will be to 1) ensure that field offices are complying with all of the mandates concerning the management of covert telecommunication expenses, and 2) provide additional assistance and education if field offices are lacking in any area. In addition, the FBI's Inspection Division will now have responsibility for reviewing how field offices are using TMD and paying covert telecommunication bills. This will ensure that all field offices follow the new mandates consistently.

FMFIA

Corrective Action Plans

FMFIA SECTION 2 – PROGRAMMATIC MATERIAL WEAKNESS – PRISON CROWDING

U.S. DEPARTMENT OF JUSTICE **Corrective Action Plan** **Issue and Milestone Schedule**	**Report Date** September 30, 2008; 2008 Fiscal Year End

Issue Title Prison Crowding	**Issue ID** 06BOP001	**Component Name** Bureau of Prisons

Issue Category

FMFIA, Section 2	☐	**Reportable Condition**	☒	**Material Weakness**
FMFIA, Section 4	☐	**Non-conformance**		
OMB A-123, Appendix A	☐	**Reportable Condition**	☐	**Material Weakness**

Issue Category – SAT Concurrence or Recategorization

Concur

Issue Description

As of September 30, 2008, the crowding rate at facilities housing federal inmates was 36 percent over the rated capacity. The BOP manages the continually growing federal inmate population by contracting with the private sector and using State and local facilities for certain groups of low-security inmates, expanding existing institutions (where programmatically appropriate and cost effective to do so), and building new facilities. The continued use of these approaches is expected to allow the BOP to keep pace with the growing inmate population and gradually reduce the crowding rate, thereby ensuring safe and secure operations in facilities housing federal inmates.

The inmate population housed in BOP owned and operated institutions was 165,964 on September 30, 2008, a decrease of 1,359 over the 167,323 inmates housed on September 30, 2007. The BOP also housed another 35,704 inmates in non-BOP owned and operated facilities on September 30, 2008, e.g., in contract jail facilities.

Through the construction of new facilities, expansion of existing institutions, and acquisition of additional low-security contract bed space, the BOP Long-Range Capacity Plan projects a rated capacity in BOP owned and operated institutions of 135,086 by September 30, 2014. If new construction plans are resourced as proposed, crowding at that time is projected to be 32 percent over the projected rated capacity.

Business Process Area (N/A for Section 2 and Section 4 issues)

Not Applicable

Date First Identified	Original Target Completion Date	Current Target Completion Date	Actual Completion Date
2006	09/30/2012	09/30/2014	

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

Description of Remediation

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

Milestones	Original Target Date	Current Target Date	Actual Completion Date
1. As of September 30, 2006, the inmate population in BOP owned and operated institutions reached 162,514 and was housed in a capacity of 119,510, resulting in a crowding rate of 36 percent.	09/30/2006		09/30/2006
2. As of September 30, 2007, the inmate population in BOP owned and operated institutions reached 167,323 and was housed in a capacity of 122,189, resulting in a crowding rate of 37 percent, an increase of 1 percent for the year.	09/30/2007		09/30/2007
3. As of September 30, 2008, the inmate population in BOP owned and operated institutions reached 165,964 and was housed in a capacity of 122,366, resulting in a crowding rate of 36 percent, a decrease of 1 percent for the year.	09/30/2008		09/30/2008
4. Planning estimates call for a rated capacity of 123,620 to be reached by the close of FY 2009. The crowding rate is projected to be 38 percent at that time, an increase of 2 percent for the year.	09/30/2009		
5. Planning estimates call for a rated capacity of 125,076 to be reached by the close of FY 2010. The crowding rate is projected to be 37 percent at that time, a decrease of 1 percent for the year.	09/30/2010		
6. Planning estimates call for a rated capacity of 126,908 to be reached by the close of FY 2011. The crowding rate is projected to be 37 percent at that time, the same rate as at the end of the previous year.	09/30/2011		
7. Planning estimates call for a rated capacity of 129,244 to be reached by the close of FY 2012. The crowding rate is projected to be 36 percent at that time, a decrease of 1 percent for the year.	09/30/2012		
8. Planning estimates call for a rated capacity of 130,798 to be reached by the close of FY 2013. The crowding rate is projected to be 36 percent at that time, the same rate as at the end of the previous year.	09/30/2013		
9. Planning estimates call for a rated capacity of 135,086 to be reached by the close of FY 2014. The crowding rate is projected to be 32 percent at that time, a decrease of 4 percent for the year.	09/30/2014		

Reason for Not Meeting Original Target Completion Date

Not Applicable

Status of Funding Available to Achieve Corrective Action

The FY 2010 and outyear budget requests are structured to address the BOP's long-term capacity needs in the most cost effective manner possible. The BOP's proposed multi-year capacity plan for new construction is at OMB; presently, the plan is partially funded through FY 2014. The BOP will continue to structure budget requests to address capacity needs in the most cost effective manner possible.

Planned Measures to Prevent Recurrence

The BOP will continue to develop budget requests consistent with population increases.

Validation Indicator

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

Organization Responsible for Corrective Action

BOP Program Review Division

FMFIA SECTION 2 – PROGRAMMATIC MATERIAL WEAKNESS – FEDERAL BUREAU OF INVESTIGATION USE OF NATIONAL SECURITY LETTERS

U.S. DEPARTMENT OF JUSTICE **Corrective Action Plan** **Issue and Milestone Schedule**	**Report Date** September 30, 2008; 2008 Fiscal Year End	
Issue Title Federal Bureau of Investigation Use of National Security Letters	**Issue ID** 07FBI001	**Component Name** Federal Bureau of Investigation

Issue Category

FMFIA, Section 2	☐	**Reportable Condition**	☒	**Material Weakness**
FMFIA, Section 4	☐	**Non-conformance**		
OMB A-123, Appendix A	☐	**Reportable Condition**	☐	**Material Weakness**

Issue Category – SAT Concurrence or Recategorization

Concur

Issue Description

In March 2007, the OIG reported that the FBI's use of national security letters (NSL) has grown dramatically and shifted in focus since the enactment of the Patriot Act (10/2001). The OIG found that, although the NSL remains an indispensable investigative tool, the electronic database used for tracking NSL usage was incomplete and inaccurate and did not accurately reflect the status of investigative targets, which impacts the Department's semiannual reports to Congress on NSL usage. The OIG also reported that the FBI did not consistently retain signed copies of NSLs or examine improper or illegal uses of NSLs. Further, the OIG reported that the FBI had not provided clear guidance on applying the Attorney General Guidelines requirements for the use of NSLs. The OIG did not find indications of misuse of NSL authorities that constituted criminal misconduct; however, it found that the FBI used NSLs in violation of applicable NSL statutes, Attorney General Guidelines, and internal FBI policies.

An OIG follow-up report issued in March 2008 stated that the FBI and Department have made significant progress in implementing the recommendations in the initial OIG report. Improvements include strengthening the controls and automated workflow governing the request, review, and approval of NSLs; field office monthly reconciliations of NSL usage; and the database used for tracking NSL usage. The FBI has issued additional guidance to field offices to assist in identifying possible violations related to NSL use and continues to dedicate personnel and resources to fully remediate the findings reported by the OIG.

Business Process Area (N/A for Section 2 and Section 4 issues)

Not Applicable

Date First Identified	Original Target Completion Date	Current Target Completion Date	Actual Completion Date
2006	03/31/2008	12/31/2008	

Issue Identified By	Source Document Title
OIG	March 2007 OIG Report, 06-20

Description of Remediation

Actions to remediate the OIG-reported findings are summarized in the *Milestones* section below. The FBI has implemented many of the OIG recommendations and is in the process of completing additional corrective actions. The FBI plans to validate by December 31, 2008, that the enhanced systems and controls implemented fully remediate the reported findings.

Milestones	Original Target Date	Current Target Date	Actual Completion Date
1. Require all personnel authorized to issue NSLs to create a control file to retain signed copies.	03/31/2008		03/09/2007

2. Improve the Office of the General Counsel (OGC) tracking database to ensure it captures accurate, timely, and complete NSL data.	03/31/2008		04/10/2007
3. Improve the OGC tracking database to include NSL requests for individuals who are not investigative subjects.	03/31/2008		04/10/2007
4. Issue additional guidance to field offices that will assist in identifying possible Intelligence Oversight Board violations related to NSL use.	03/31/2008		06/01/2007
5. Take steps to ensure the FBI does not improperly issue exigent letters.	03/31/2008		03/01/2007
6. Ensure that, where appropriate, the FBI makes requests for information in accordance with the requirements of NSL authorities.	03/31/2008		06/01/2007
7. Implement measures to ensure the OGC is consulted about activities undertaken by FBI Headquarters National Security Branch, including its operational support activities.	03/31/2008		06/01/2007
8. Ensure Chief Division Counsel and Assistant Division Counsel (field) provide close and independent reviews of requests to issue NSLs.	03/31/2008		06/01/2007

Reason for Not Meeting Original Target Completion Date

Not Applicable. Actions addressing each OIG recommendation were completed by the original target date. Validation to ensure that actions taken fully remediate the OIG-reported findings is to be completed by December 31, 2008.

Status of Funding Available to Achieve Corrective Action

Funding to complete database enhancements and other remediation/analytical activities has been approved.

Planned Measures to Prevent Recurrence

Ongoing oversight of the use of NSLs.

Validation Indicator

Results of the OIG follow-up review and reviews by the FBI’s OGC and Inspection Division.

Organization Responsible for Corrective Action

FBI Office of the General Counsel

Appendix A

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

Department of Justice management was provided a draft of the Independent Auditors' Report on Internal Control over Financial Reporting, and their comments on the findings and recommendations were considered in preparing this Analysis and Summary of Actions Necessary to Close the Report. Since Department management concurred with all of the recommendations, this report is being issued as resolved. We will continue to review the actions taken during future financial statement audits in order to assess whether the findings have been adequately addressed and recommendations implemented. Depending on the recommendation, it will be closed either when the action requested is completed or subsequent audit testing confirms the adequacy of corrective actions.

Internal Control Recommendation Number:

1. **Resolved.** This recommendation can be closed when subsequent annual financial statement audit testing confirms that the components have submitted and implemented corrective action plans that focus on correcting deficiencies in access controls, application change controls, segregation of duties, and system software weaknesses discussed in the component auditors’ reports on internal control over financial reporting. The corrective action plans should also include a timeline that establishes when major events must be completed. The Department’s CIO should monitor the components’ efforts to correct deficiencies, hold them accountable for meeting the action plan timelines, and ensure the corrective actions are implemented adequately to address the noted deficiencies.

2. **Resolved.** This recommendation can be closed when subsequent annual financial statement audit testing confirms that the Department monitors the corrective actions taken by the USMS to improve the condition of its funds management controls, in response to the specific recommendations made in the component auditor’s *Independent Auditors’ Report on Internal Control* issued in connection with the audit of the USMS’s financial statements as of and for the year ended September 30, 2008.

3. **Resolved.** This recommendation can be closed when subsequent annual financial statement audit testing confirms that the Department has assessed the adequacy and completeness of the Department’s accounting and financial reporting policies in the areas of: (a) accounts payable; (b) grant advances and obligations; (c) obligations and disbursements; (d) seized and forfeited property; (e) financial accounting and reporting and related quality assurance processes; and (f) preparation, review, and approval of journal entries. Based on the results of this assessment, the Department should also determine the need to issue new guidance and/or reiterate to components the existing policies for those areas in which the components’ auditors identified significant deficiencies related to the recording of transactions and the preparation of financial statements in accordance with generally accepted accounting principles. Finally, the Department should monitor the components’ adherence to the Department’s accounting and financial reporting policies and procedures throughout the year.

4. **Closed.** The status of corrective action related to this recommendation will be tracked through Recommendation No. 5 of the FY 2007 Annual Financial Statement Audit Report (OIG Report No. 08-01).

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APPENDIX B

Department of Justice Financial Structure

- Assets Forfeiture Fund and Seized Asset Deposit Fund
- Bureau of Alcohol, Tobacco, Firearms and Explosives
- Bureau of Prisons
- Drug Enforcement Administration
- Federal Bureau of Investigation
- Federal Prison Industries, Inc.
- Office of Justice Programs
- Offices, Boards and Divisions
- U.S. Marshals Service

Offices
Office of the Attorney General
Office of the Deputy Attorney General
Office of the Associate Attorney General
Community Relations Service
Executive Office for Immigration Review
Executive Office for U.S. Attorneys
Executive Office for U.S. Trustees
INTERPOL – U.S. National Central Bureau
National Drug Intelligence Center
Office of Community Oriented Policing Services
Office of Dispute Resolution
Office of Information and Privacy
Office of Intelligence Policy and Review
Office of Intergovernmental Affairs and Public Liaison
Office of Legal Counsel
Office of Legal Policy
Office of Legislative Affairs
Office of Professional Responsibility
Office of Public Affairs
Office of the Federal Detention Trustee
Office of the Inspector General
Office of the Pardon Attorney
Office of the Solicitor General
Office on Violence Against Women
Professional Responsibility Advisory Office
U.S. Attorneys

Boards
Foreign Claims Settlement Commission
U.S. Parole Commission

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

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APPENDIX C

Improper Payments Information Act Reporting Details

Item I. Describe the risk assessment performed subsequent to the agency completing its full program inventory. List the risk-susceptible programs (i.e., programs that have a significant risk of improper payments based on OMB guidance thresholds) identified through the agency's risk assessment.

In accordance with the Improper Payments Information Act (IPIA) and OMB Circular A-123, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*, the Department assessed its programs and activities for susceptibility to significant improper payments. The Department has implemented a top-down approach that assesses risk from a Department perspective allowing management to focus on the most significant programs and activities in terms of risk and materiality. The approach promotes consistency across components and enhances internal controls related to preventing, detecting, and recovering improper payments. In conjunction with implementing the top-down approach, the Department developed and disseminated guidance for conducting the required risk assessment, along with a risk assessment survey instrument for components to use in capturing information on ten risk factors, such as payment volume and process complexity. The instrument covered commercial payments, as well as intra-governmental payments, employee disbursements, and grant payments.

Based on the results of the Department-wide risk assessment for the period ending September 30, 2008, the Department concluded there were no programs with a significant risk of improper payments exceeding the OMB thresholds of 2.5 percent of program payments and $10 million.

Item II. Describe the statistical sampling process conducted to estimate the improper payment rate for each program identified.

Not applicable. Based on the results of the Department-wide risk assessment, the Department concluded there were no programs susceptible to improper payments exceeding both 2.5 percent of program payments and $10 million.

Item III. Describe the Corrective Action Plans for:

A. Reducing the estimate rate and amount of improper payments for each type of category of error. This discussion must include the corrective actions for each different type or cause of error and the corresponding steps necessary to prevent future recurrence. If efforts are ongoing, it is appropriate to include that information in this section.

The results of the Department-wide risk assessment demonstrated that, overall, the Department has sufficient internal controls over disbursement processes, the dollar amount of improper payments is not material, and the risk of significant improper payments is low. Nonetheless, Departmental components have implemented corrective actions to address specific areas where improvements can be made. For example, one aspect of DEA's continuous monitoring efforts to prevent, reduce, and correct the causes of improper payments includes quarterly testing of payments. For any improper payment identified through the monitoring efforts or other means, DEA provides feedback to employees and approving officers to ensure the proper protocol will be used when obligating and processing payments. Other examples of corrective actions and ongoing efforts to prevent improper payments are described in Item V, *Recovery Auditing Reporting.*

B. **Grant-making agencies with risk-susceptible grant programs, discuss what the agency has accomplished in the area of funds stewardship past the primary recipient. Include the status of projects and results of any reviews.**

   Not applicable. The Department-wide risk assessment concluded there were no risk-susceptible grant programs.

Item IV. Program Improper Payment Reporting

The table below is required for each reporting agency. Agencies must include the following information:

i. **all risk-susceptible programs must be listed in this chart whether or not an error measurement is being reported;**
ii. **where no measurement is provided, the agency should indicate the date by which a measurement is expected;**
iii. **if the Current Year (CY) is the baseline measurement year, indicate by either note or by N/A in the Prior Year (PY) column;**
iv. **if any of the dollar amounts included in the estimate correspond to newly established measurement components in addition to previously established measurement components, separate the two amounts to the extent possible;**
v. **include outlay estimates for CY+1, +2, and +3; and**
vi. **agencies are expected to report on CY activity or, if not feasible, PY activity is acceptable. (Future year outlay estimates (CY+1, +2 and +3) should match the outlay estimates for those years as reported in the most recent President's Budget.)**

Not applicable. Based on the results of the Department-wide risk assessment, the Department concluded there were no programs susceptible to improper payments exceeding both 2.5 percent of program payments and $10 million.

Item V. Recovery Auditing Reporting

A. **Discuss your agency's recovery auditing effort, if applicable, including any contract types excluded from review and the justification for doing so, actions taken to recoup improper payments, and the business process changes and internal controls instituted and/or strengthened to prevent further occurrences.**

   The Department's recovery auditing program is part of its overall program of effective internal control over disbursements. The recovery auditing program includes preventive and detective controls to ensure payments are legal, proper, and correct. For example, the Department's policies pertaining to the Recovery Auditing Act and IPIA provide a methodology for identifying improper payments; establish a system to monitor improper payments and their causes; and include controls and actions for preventing, detecting, and recovering improper payments.

   In addition to the controls established by the Department, components have taken specific actions to recoup improper payments and prevent further occurrences of such payments. For example, the FBI developed an accounts receivable report to assist with recouping improper payments that shows the age and collection efforts for all outstanding and uncollected improper payments, DEA designed and implemented a web-based invoice log at Headquarters that checks for duplicate submissions by systematically cross-matching payments being processed against payment history data to identify and prevent duplicate payments, and OJP enhanced its Contracting Officer's Technical Representative certification program by expanding the coverage of methods for preventing improper payments.

All of the Department's components' internal review activities include reviews of disbursements that test for improper payments. For example, for the Department's Offices, Boards and Divisions, the Justice Management Division's Quality Control and Compliance Group conducts periodic internal reviews of financial controls that include tests for improper payments.

In FY 2008, the Department continued to supplement internal recovery auditing activities with contracted services to maximize the identification and collection of improper payments. The cost of the Department's recovery auditing program in FY 2008 totaled $641,509. Internal and external costs are provided in the following table.

Department of Justice FY 2008 Recovery Auditing Program Costs	
Internal Costs (Department Salaries and Expenses)	$ 467,220
External Costs (Contracted Services)	$ 174,289
Total	$ 641,509

B. Complete the table below.

Summary of Recovery Program Activities Current Year (FY 2008) and Prior Years (FYs 2004 through 2007)							
Amount Subject to Review for CY Reporting	**Actual Amount Reviewed and Reported CY**	**Amount Identified for Recovery CY**	**Amount Recovered CY**	**Amount Identified for Recovery PYs**	**Amount Recovered PYs**	**Cumulative Amount Identified for Recovery (CY + PYs)**	**Cumulative Amount Recovered (CY + PYs)**
$8,649,281,014	$8,649,281,014 (100 percent)	$2,275,914	$1,728,294	$7,280,866[1]	$6,791,289[1]	$9,556,780	$8,519,583 (89 percent)

[1] The *Amount Identified for Recovery PYs* and the *Amount Recovered PYs* include adjustments to reflect the reclassification of some amounts previously reported as improper payments. For example, the FY 2007 PAR amounts included some improper payments that were determined in FY 2008 to be proper.

As shown in the table, for the cumulative reporting period of FY 2004 through FY 2008, the Department has recovered approximately $8.5 million or 89 percent of the total amount of improper commercial payments identified for recovery.

Item VI. Describe the steps the agency has taken and plans to take (including time line) to ensure that agency managers (including the agency head) are held accountable for reducing and recovering improper payments.

The Assistant Attorney General for Administration has implemented IPIA and recovery auditing policies and controls throughout the Department that cover preventing, detecting, and recovering improper payments. As mentioned previously, the dollar amount of the Department's improper payments is not material, and the risk of significant improper payments is low. Nonetheless, the Department holds managers accountable for reducing and recovering improper payments through performance ratings and the internal financial management scorecard. In addition, the Department requires components to provide a report each quarter on recovery auditing activities so component progress on reducing and recovering improper payments can be monitored throughout the year. Data required to be reported includes the amounts of total payments, total payments reviewed for improper payments, improper payments identified for recovery, improper payments recovered, and improper payments remaining to be recovered; the root causes of improper payments; and corrective actions taken or planned to resolve issues timely and effectively.

In addition to the Department's measures to hold managers accountable for reducing and recovering improper payments, some components have established additional accountability measures. For example, for internal reviews conducted by BOP's Program Review Office, it is the responsibility of the Chief Executive Officer of each site reviewed to address each deficiency in the program review final report and provide an explanation of the corrective action taken to resolve the deficiencies.

Item VII. Agency Information Systems and Other Infrastructure

A. Describe whether the agency has the information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted.

Department-wide efforts continue to identify and recover improper payments through an aggressive strategy of re-engineering and standardizing business processes, concurrent with the Department's implementation of an integrated financial management system, which is underway and scheduled to be implemented across Departmental components by the end of FY 2013 at the earliest. In addition to the Department's efforts to reduce improper payments, individual components have controls built into their existing financial systems that are designed to prevent improper payments and identify such payments so recovery actions can be initiated. For example, ATF's financial system validates that the same invoice number has not been used previously by a vendor when a subsequent invoice from that vendor is being processed for payment.

B. If the agency does not have such systems and infrastructure, describe the resources the agency requested in its most recent budget submission to Congress to obtain the necessary information systems and infrastructure.

Not applicable. The integrated financial management system, when fully implemented throughout the Department, will complement the Department's current infrastructure and capabilities to reduce improper payments.

Item VIII. Describe any statutory or regulatory barriers that may limit the agency's corrective actions in reducing improper payments and actions taken by the agency to mitigate the barriers' effects.

The Department has not identified any statutory or regulatory barriers that limit its corrective actions in reducing improper payments.

Item IX. Additional comments, if any, on overall agency efforts, specific programs, best practices, or common challenges identified as a result of IPIA implementation.

The Department's continued use of a top-down approach for IPIA compliance promotes consistency across components and enhances internal controls and activities designed to prevent, detect, and recover improper payments. As mentioned previously, use of a top-down approach allows the Department to focus on its most significant programs and activities in terms of risk and materiality.

Additional Departmental IPIA efforts in FY 2008 included developing a data collection instrument to further facilitate quarterly monitoring of recovery auditing activities and annual reporting for the Performance and Accountability Report. The Department also provided a workshop to reinforce requirements and promote consistency throughout the Department with regard to IPIA compliance. The workshop focused on conducting and documenting the required IPIA risk assessment and reporting the data needed for the Performance and Accountability Report.

APPENDIX D

FY 2008 Financial Management Status Report and Five-Year Plan Summary

The Department's Financial Management Status Report and Five-Year Plan, required by the Chief Financial Officers (CFO) Act of 1990, describes the Department's financial management initiatives, plans, and accomplishments. The CFO Act established the legal framework for improved financial management. Within that framework, executive agencies have key responsibilities for implementing effective financial management leadership, internal controls, reporting, and financial systems. The Department's Plan was prepared in accordance with the guidance contained in OMB Circular No. A-11, Part 2, *Preparation and Submission of Budget Estimates.*

The President's Management Agenda and the Executive Branch Management Scorecard emphasize the significance of federal government performance and accountability to achieve successful results. The ultimate goal is accurate and timely financial information on a recurring basis. The 2008 Department Financial Management Status Report and Five-Year Plan includes a summary of the important financial management initiatives completed or underway within the Department. These initiatives support the President's Management Agenda and improve management and administration of the Department's programs while also supporting mandates such as the CFO Act, the Government Management Reform Act (GMRA), the Federal Financial Management Improvement Act (FFMIA), the Government Performance and Results Act (GPRA), Federal Managers' Financial Integrity Act (FMFIA), and the Debt Collection Improvement Act (DCIA) of 1996.

The Department has moved towards budget and performance integration by including in the budget the full cost of achieving performance goals and by utilizing the Program Assessment Rating Tool (PART) for decision-making purposes in a majority of its programs. Additionally, the Department has efficiency measures in place for 100 percent of the PARTed programs.

Highlights of the Initiatives Contained in this Plan:

Reliable Financial Statements and Meeting Due Dates for Financial Statements. KPMG LLP, an independent public accounting firm under contract with the Department's Office of the Inspector General, performed the Fiscal Year (FY) 2008 consolidated Department audit. The Department earned an unqualified opinion on its audited consolidated financial statements for FY 2008. All nine of the Department's components that produce financial statements received unqualified opinions, as well. The Department and components continued to demonstrate progress in reduction of the number of material weaknesses identified by the independent auditors. The Department has consistently met the OMB due date for submission of the consolidated financial statements. Ensuring these deadlines are met required planning and coordination which included issuance of the annual Financial Statement Requirements and Preparation Guide (Guide). The Guide includes a detailed timeline of major events and interim milestones. This, along with components' corrective actions quarterly status updates, adds to the foundation necessary to eliminate auditor-reported internal control material weaknesses. For FY 2009 and beyond, the Department expects to maintain its impeccable status on its audited consolidated financial statements.

Integrated Financial Management System. The Unified Financial Management System (UFMS) initiative is the keystone to the Department's financial systems improvement planning for the future. UFMS is replacing the Department's multiple core financial management and procurement systems with an integrated Commercial Off-The-Shelf (COTS) solution, Momentum, provided by CGI Federal Inc. Implementation of the UFMS will improve financial management and procurement operations through streamlining and standardizing business processes and procedures across all components.

The Department components identified for replacement of their current financial management and procurement systems include: Federal Bureau of Investigation (FBI); U.S. Marshals Service (USMS); Drug Enforcement Administration (DEA); Federal Bureau of Prisons (BOP); Office of Justice Programs (OJP); Offices, Boards and Divisions (OBDs); and Alcohol, Tobacco, Firearms and Explosives (ATF). Implementation efforts are already underway with a pilot project at the Asset Forfeiture Program (AFP), which has been live since November 2007. The AFP pilot successfully conducted year-end activities in UFMS and has begun operations for FY 2009. DEA's implementation is scheduled to go live in first quarter of FY 2009. DEA successfully completed requirements, design, and configuration phases. DEA is working to complete testing and has begun training for DEA's 2,500 users. Following DEA implementation, the UFMS PMO will provide post-implementation support. FBI continues to work on preparation for UFMS implementation and is assessing the UFMS contract writing tool (CWT) for FBI deployment. Additionally, ATF has begun to plan for its UFMS implementation.

The Financial Management Program's primary achievement in FY 2008 was the pilot deployment of AFP building upon the success of the UFMS Foundation Build, completed in FY 2007. The AFP pilot provided the Department with the opportunity to test the UFMS Foundation Build with component configuration in a live environment. The UFMS Foundation Build is the core standard financial and procurement configuration to be used by the Department components as a baseline system. This allows components to extend the Foundation Build to meet their individual configuration needs.

E-Gov Travel. As one of the five General Services Administration managed E-Gov initiatives, E-Gov Travel was launched in support of the President's Management Agenda. The goal of the E-Gov Travel initiative is to improve internal efficiency and effectiveness of the federal government by providing an automated government-wide, web-based, end-to-end travel management service that delivers an easy-to-use cost saving travel experience, supports effective management of travel practices, and results in superior customer satisfaction.

Following the award to Carlson Wagonlit Government Travel for E-Gov Travel services, the Department transitioned its Travel Management Center (TMC) services from its former TMC to CWTSato Travel TMC in a phased conversion from July 1 through September 8, 2008. The CWTSato Travel TMC is embedded in the Carlson Wagonlit E-Gov Travel solution, E2, which will facilitate the deployment and implementation of E2 throughout the components of the Department.

Work progresses on gaining Department Authority To Operate (ATO), and on a pilot implementation in selected components. After ATO and successful completion of the pilot, full implementation of the service throughout all Bureaus and Offices, Boards and Divisions will proceed.

Once fully implemented, the Department envisions leveraging improved reporting and data collection capabilities for business intelligence and performance measurements. The Department expects to continue to consolidate its travel processes at a Department level, centrally managed through a customer-centric, web-based environment with the expectation to integrate an easy to use, end-to-end travel service.

Federal Financial Management Improvement Act (FFMIA) Remediation Plan and A-123 Compliance. During FY 2008, the Department continued efforts to resolve internal control weaknesses within individual components. Departmental oversight and resources were provided to components in critical areas to help resolve previously identified weaknesses. Through ongoing review programs, components aggressively demonstrated their commitment to identify areas of concern and implement corrective actions promptly. The Department also continued to demonstrate progress on its multi-year project to install a UFMS that will provide a single source for timely and reliable financial data. The implementation of the UFMS will strengthen the Department's control environment, facilitate the collection of information, and enhance decision-making.

The Department continued to enhance its OMB Circular A-123 internal control assessment process in FY 2008 by strengthening assessments of the components' information systems control environment and expanding assessments of payments to ensure coverage of certain types of sensitive payments, such as premium class travel. Using a top-down risk-based approach, efforts were focused on significant areas where the risk of material errors in financial reporting could occur. These actions, coupled with the Department's corrective action plan process, have enabled the Department to monitor the components' progress against corrective action plans more timely and, when necessary, provide additional resources to correct control weaknesses.

Debt Collection Management Program: The Department reported civil cash collections totaling over $2.76 billion in FY 2008, resulting from its civil litigation and enforcement activities. Throughout the Department, ongoing efforts are in place to maintain effective debt collection and debt management practices. In FY 2008, the Department successfully completed deployment of the Consolidated Debt Collection System (CDCS) to all U.S. Attorney Offices nationwide, and to the Department's litigating divisions (Antitrust, Civil, Civil Rights, Criminal, Environment and Natural Resources, and Tax). This system is designed to centralize, track, support and manage the Department's financial litigation and debt collection responsibilities. Efforts during FY 2008 have concentrated on refining and enhancing system functionality, standardizing processes, and developing new reports to better support front line collectors as well as management in the new centralized environment.

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APPENDIX E

Major Program Evaluations Completed During FY 2008

OIG Audit of Department of Justice Key Indicators

This review examined DOJ's Strategic Plan for FY 2003-2008. That plan included four strategic goals, which are broken into specific long-term outcome goals that state what DOJ hopes to achieve in the future. The outcome goals represent the activities that are considered DOJ's highest priorities. Key indicators are used to measure annual progress toward achieving these outcome goals. The OIG conducted this audit at the request of the Department to determine whether DOJ's data collection, storage and validations processes, and data limitations reported for its key indicators were complete and accurate.

OIG's final report contained recommendations to improve the: 1) data collection and storage processes, 2) data validation and verification processes, and 3) data limitation disclosures for the DOJ's key indicators. The Department has closed each of these recommendations by first issuing a formal policy requiring components to provide supporting documentation and guidelines for submitting them. Second, components provided more specific data validation and verification processes and lastly, revised data limitation disclosures have all been included in the Department's PAR.

GAO Report on Variation in Asylum Outcomes

Immigration judges within the Department's Executive Office for Immigration Review (EOIR) decide whether to grant or deny asylum to aliens in removal proceedings. Those denied asylum may appeal their case to EOIR's Board of Immigration Appeals (BIA). The GAO was asked to assess the variability of immigration judge rulings, and the effects of policy changes related to appeals and claims. The GAO report addresses: (1) factors affecting variability in asylum outcomes; (2) EOIR actions to assist applicants and immigration judges; (3) effects associated with procedural changes at the BIA; and (4) effects of the requirement that asylum seekers apply within one year of entering the country. GAO analyzed DOJ asylum data for fiscal years 1995 through mid-2007; visited five immigration courts in three cities, including those with three of the four top asylum caseloads; observed asylum hearings; and interviewed key officials.

GAO recommends that EOIR use GAO's findings and examine cost-effective options for obtaining statistical information on asylum decisions to help it identify immigration judges with training and supervision needs; and assess resources and guidance needed to supervise immigration judges. The Department and EOIR agreed with GAO's recommendations.

OIG Audit on the U.S. Trustee Program's Oversight of Chapter 7 Panel Trustees and Debtors

The objectives of the OIG audit were to determine if the U.S. Trustee Program (USTP) is providing adequate monitoring and oversight of Chapter 7 panel trustees and to assess the USTP's compliance with the requirements of the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) with regard to the implementation of the means test and debtor audits.

The OIG concluded that the USTP's system of audits and reviews was adequate to monitor the effectiveness of panel trustee operations and that in the areas of means testing and debtor audits, the USTP had met its obligations under the requirements of BAPCPA.

The OIG made four recommendations: (1) ensure that CPA audits or U.S. Trustee field examinations are conducted every four years; (2) regional U.S. Trustees should complete annual trustee interim report reviews for all panel trustees unless a CPA audit or U.S. Trustee field examination has been conducted within the same year; (3) USTP should continue to work with the Administrative Office of the U.S. Courts to require mandatory use of automated bankruptcy forms; and, (4) USTP should formulate a strategic plan to meet means testing requirements in the event that filings increase and resources remain static.

The USTP developed an action plan to address each of the recommendations made by the OIG, including the development and implementation of streamlining procedures that have allowed the USTP to achieve a reduction in the amount of time devoted to case review.

OIG Audit of the Management of OJP's Grant Program for Trafficking Victims

The OIG conducted an audit of the Management of OJP’s Grant Program for Trafficking Victims. The objectives of the audit were to: (1) assess the adequacy of OJP’s design and management of the grant program; (2) evaluate the extent to which grantees have administered the grants in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant awards; and (3) assess the effectiveness of the grant program for trafficking victims.

The report contains 15 recommendations and no questioned costs directed to the OJP. In brief, the OIG found that:

- OVC’s service provider agreements have built significant capacities to service victims, but have not resulted in significant numbers of trafficking victims being identified and receiving assistance. Moreover, BJA’s task force grants have not resulted in long-term increases in the number of trafficking victims being assisted by the OVC service providers.
- the number of victims reported as benefiting from the service providers and identified by the task forces was overstated.
- the process used to award the service provider agreements resulted in a wide variance in the amount of funds awarded compared to the number of victims each grantee anticipated would be identified and served.
- BJA did not ensure that task force grantees established baselines to measure whether the task forces were effectively increasing the number of “trafficking victim saves” each year and task forces actually met the “trafficking victim saves” performance measure.
- the individual audits of the OVC service provider agreements and BJA task force grant found that they did not comply with the essential grant requirements in 9 of the 10 areas tested, i.e., reporting; fund drawdowns; local match; expenditures; indirect costs; monitoring of subrecipients; and goals and accomplishments.
- OVC and BJA need to improve monitoring of the OVC service providers and BJA task forces to ensure that performance data reported is accurate, service providers and task forces are meeting the performance goals, and service providers can show the amount of grant funds that are used to directly assist victims of human trafficking.

Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Controls Over Weapons, Laptop Computers, and Other Sensitive Property

In 2001, in order to address concerns about the Department’s accountability for such property, the Attorney General requested that OIG conduct audits of the controls over weapons and laptop computers throughout the Department. During fiscal year (FY) 2002, the OIG performed a series of audits that examined controls over weapons and laptop computers at the FBI, DEA, and the United States Marshals Service. At that time, ATF was an agency under the Department of the Treasury. The Treasury OIG conducted an audit of ATF's controls over firearms, laptop computers, ammunition, and explosives. The September 2008 report is one of a series of follow-up audits that the OIG conducted to examine DOJ component controls over weapons and laptop computers. The OIG audit report refers to the results of the Treasury OIG audit of FY 2002. Audits for the other DOJ components did not include reviews of ammunition and explosives. The DOJ OIG did however include ammunition and explosives as part of the ATF audit, because the Treasury OIG audit report in 2002 identified weaknesses in these areas. The DOJ OIG audit covered the 59-month period from October 1, 2002 through August 31, 2007.

The objectives of the DOJ OIG audit were to assess the following: (1) the adequacy of ATF's actions taken in response to weapons, laptop computers, ammunition, and explosives identified as lost, stolen, or missing; and (2) the effectiveness of ATF's internal controls over weapons, laptop computers, ammunition and explosives. The OIG interviewed various ATF officials, reviewed documents and tested controls at ATF Headquarters offices, field divisions and three training facilities. The audit examined ATF's actions in response to lost, stolen, or missing weapons, laptop computers, ammunition, and explosives, and whether ATF followed current DOJ procedures after weapons or laptop computers were lost, stolen, or missing. The OIG queried the National Crime Information Center to identify lost, stolen, or missing ATF weapons and laptop computers that were recovered or weapons used in the commission of a crime. The OIG also examined whether national security or investigative information may have been contained on ATF lost laptop computers. In addition, the OIG reviewed ATF's internal controls over accountable property, its exit procedures for departing employees, and its disposal of property. The review included a physical verification of a sample of weapons and laptop computers. The OIG also tested the accuracy and completeness of the property records, and reviewed controls over ammunition and explosives to determine whether ATF stores and properly accounts for this property. The OIG reported that 76 weapons and 418 laptop computers were lost, stolen or missing from ATF. The OIG made 14 recommendations to ATF. ATF agreed with ten recommendations, partially agreed with three recommendations, and disagreed with one recommendation. In the instances where ATF disagreed or partially agreed, ATF outlined the policies and procedures that currently exist that address the concerns raised by the OIG. ATF addressed the specific actions ATF will take to increase awareness of those policies and procedures, and to ensure that employees comply with those policies and procedures. With respect to the recommendations that ATF agreed with, ATF outlined the actions it will take to close the recommendation. A status update is due to the OIG in December 2008.

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APPENDIX F

Intellectual Property Report – FY 2008

The information in this section is provided pursuant to the statutory mandate in Title 18, United States Code, Section 2320(g), which requires a report of Department of Justice prosecutions of intellectual property (IP) crimes brought under sections 2318, 2319, 2319A and 2320 of Title 18 of the United States Code. Prosecutions under other IP statutes are not included. This information has been provided by the Executive Office for United States Attorneys (EOUSA), which maintains criminal caseload information as reported by the 94 U.S. Attorneys' Offices.

The pages that follow contain summary case information, segregated by statutory provision, and preceded by a brief description of each offense. Also included is a list of cases referred for prosecution by the Bureau of Immigration and Customs Enforcement or the Bureau of Customs and Border Protection. Following the summary data is a district by district break out of the same data.

The automated case management system used to collect data for the U.S. Attorneys' Offices does not break out copyright infringement cases according to the following categories: audiovisual (videos and films); audio (sound recordings); literary works (books and musical compositions); computer programs or video games. Also, the case management system does not separately identify copyright infringement cases where the infringer advertises the infringing work online or makes the infringing work available on the Internet for download, reproduction, performance or distribution by others. Thus, that information is not included. Similarly, data on fines, penalties, settlements or restitution are not included because that information cannot be extracted from the database according to particular statutes.

TITLE 18, UNITED STATES CODE, SECTION 2318* - Trafficking in Counterfeit Labels for Phono Records and Copies of Motion Pictures or Other Audiovisual Works.

Offense: knowingly trafficking in a counterfeit label affixed or designated to be affixed to a phono record or a copy of a motion picture or other audiovisual work.

	FY 2008 - TOTALS (All Districts)
Referrals and Cases:	
Number of Investigative Matters Received by U.S. Attorneys:	18
Number of Defendants:	31
Number of Cases Filed:	11
Number of Defendants:	13
Number of Cases Resolved/Terminated:	17
Number of Defendants:	24
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	5
Number of Defendants Who Were Tried and Found Guilty:	1
Number of Defendants Against Whom Charge Was Dismissed:	16
Number of Defendants Acquitted:	2
Other Terminated Defendants:	0
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	3
1 to 12 Months Imprisonment:	0
13 to 24 Months:	2
25 to 36 Months:	0
37 to 60 Months:	1
61 + Months:	0

Total Dollar Value of All Criminal Fines Imposed: Not Available (fines can be assessed in lieu of or in addition to prison sentences)

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318 was brought as any charge against a defendant. Displayed defendant outcome information is based upon the defendant's outcome on the individual charge. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2318 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2318.

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506* - Criminal Infringement of a Copyright.

Offense: willful infringement of a copyright for purposes of commercial advantage or private financial gain, or through large-scale, unlawful reproduction or distribution of a copyrighted work, regardless of whether there was a profit motive.

	FY 2008 - TOTALS (All Districts)
Referrals and Cases:	
Number of Investigative Matters Received by U.S. Attorneys:	125
Number of Defendants:	171
Number of Cases Filed:	76
Number of Defendants:	86
Number of Cases Resolved/Terminated:	96
Number of Defendants:	117
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	88
Number of Defendants Who Were Tried and Found Guilty:	5
Number of Defendants Against Whom Charge Was Dismissed:	18
Number of Defendants Acquitted:	2
Other Terminated Defendants:	4
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	49
1 to 12 Months Imprisonment:	20
13 to 24 Months:	10
25 to 36 Months:	6
37 to 60 Months:	7
61 + Months:	1

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information is based upon the defendant's outcome on the individual charge. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319.

TITLE 18, UNITED STATES CODE, SECTION 2319A* - Unauthorized Fixation of and Trafficking in Sound Recordings and Music Videos of Live Musical Performances.

Offense: without the consent of the performer, knowingly and for the purposes of commercial advantage or private financial gain, fixing the sounds or sound and images of a live musical performance, reproducing copies of such a performance from an authorized fixation; transmitting the sounds or sounds and images to the public, or distributing, renting, selling, or trafficking (or attempting the preceding) in any copy of an authorized fixation.

	FY 2008 - TOTALS (All Districts)
Referrals and Cases:	
Number of Investigative Matters Received by U.S. Attorneys:	2
Number of Defendants:	2
Number of Cases Filed:	0
Number of Defendants:	0
Number of Cases Resolved/Terminated:	1
Number of Defendants:	1
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	1
Number of Defendants Who Were Tried and Found Guilty:	0
Number of Defendants Against Whom Charge Was Dismissed:	0
Number of Defendants Acquitted:	0
Other Terminated Defendants:	0
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	1
1 to 12 Months Imprisonment:	0
13 to 24 Months:	0
25 to 36 Months:	0
37 to 60 Months:	0
61 + Months:	0

Total Dollar Value of All Criminal Fines Imposed: Not Available (fines can be assessed in lieu of or in addition to prison sentences.)

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319A was brought as any charge against a defendant. Displayed defendant outcome information is based upon the defendant's outcome on the individual charge. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319A where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319A.

TITLE 18, UNITED STATES CODE, SECTION 2320* - Trafficking in Counterfeit Goods or Services.

Offense: intentionally trafficking or attempting to traffic in goods or services and knowingly using a counterfeit mark on or in connection with such goods or services.

	FY 2007 - TOTALS (All Districts)
Referrals and Cases:	
Number of Investigative Matters Received by U.S. Attorneys:	170
Number of Defendants:	280
Number of Cases Filed:	107
Number of Defendants:	157
Number of Cases Resolved/Terminated:	83
Number of Defendants:	157
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	72
Number of Defendants Who Were Tried and Found Guilty:	3
Number of Defendants Against Whom Charge Was Dismissed:	71
Number of Defendants Acquitted:	9
Other Terminated Defendants:	2
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	25
1 to 12 Months Imprisonment:	18
13 to 24 Months:	16
25 to 36 Months:	9
37 to 60 Months:	7
61 + Months:	0

Total Dollar Value of All Criminal Fines Imposed: Not Available
(fines can be assessed in lieu of or in addition to prison sentences)

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2320 was brought as any charge against a defendant. Displayed defendant outcome information is based upon the defendant's outcome on the individual charge. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2320 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2320.

TITLE 18, UNITED STATES CODE, SECTIONS 2318, 2319, 2319A, 2320 OR TITLE 17, UNITED STATES CODE, SECTION 506*

All Districts - All Statutes

Referrals and Cases:	FY 04	FY 05	FY 06	FY 07	FY 08
Number of Investigative Matters Received:	269	361	333	368	303
Number of Defendants:	334	642	580	561	467
Number of Cases Filed:	101	143	178	200	179
Number of Defendants:	141	319	297	268	239
Number of Cases Resolved/Terminated:	107	95	155	177	174
Number of Defendants:	137	133	223	278	270
Disposition of Defendants in Concluded Cases:					
Number of Defendants Who Pleaded Guilty:	114	112	178	240	220
Number of Defendants Who Were Tried and Found Guilty:	8	7	9	10	8
Number of Defendants Against Whom Charges Were Dismissed:	8	10	16	15	26
Number of Defendants Acquitted:	1	1	2	1	8
Other Terminated Defendants:	6	3	18	12	8
Prison Sentencing for Convicted Defendants (# represents defendants):					
No Imprisonment:	62	55	91	129	101
1 to 12 Months Imprisonment:	26	29	35	44	46
13 to 24 Months:	14	18	22	33	39
25 to 36 Months:	9	6	13	18	20
37 to 60 Months:	7	7	17	11	19
61 + Months:	4	4	9	15	3

Statistics on Matters/Cases Originating with the United States Bureau of Customs & Border Protection and Bureau of Immigrations & Customs Enforcement

	FY 08
Referrals and Cases:	
Number of Investigative Matters Received:	126
Number of Defendants:	205
Number of Cases Filed:	84
Number of Defendants:	118
Number of Cases Resolved/Terminated:	62
Number of Defendants:	90
Disposition of Defendants in Concluded Cases:	
Number of Defendants Who Pleaded Guilty:	75
Number of Defendants Who Were Tried and Found Guilty:	4
Number of Defendants Against Whom Charges Were Dismissed:	10
Number of Defendants Acquitted:	0
Other Terminated Defendants:	1
Prison Sentencing for Convicted Defendants (# represents defendants):	
No Imprisonment:	33
1 to 12 Months Imprisonment:	15
13 to 24 Months:	16
25 to 36 Months:	8
37 to 60 Months:	7
61+ Months:	0

*This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information is based upon the overall outcome of the defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes. This chart does not include data on the investigation and prosecution of other intellectual property crimes, such as economic espionage, 18 U.S.C. 1831; theft of trade secrets, 18 U.S.C. 1832; signal piracy, 47 U.S.C. 553 and 605; and circumvention of copyright protection systems, 17 U.S.C. 1201 to 1205. The data for Fiscal Year 2005 does not include month of September 2005 information for the Eastern District of Louisiana due to Hurricane Katrina.

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	0	0	0	0	1	1	1	0	0	0	0
ALABAMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA EASTERN	1	1	1	1	2	3	0	0	3	0	0
CALIFORNIA NORTHERN	0	1	0	0	2	2	0	0	2	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0	0	0	0	0	0
FLORIDA MIDDLE	1	3	0	0	0	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	1	1	0	1	0	0	0
FLORIDA SOUTHERN	0	0	0	0	1	1	1	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
GEORGIA SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	0	0	0	0	0	0	0
HAWAII	1	1	0	0	0	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	1	1	0	0	1	0	0
INDIANA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
KANSAS	0	0	1	1	1	1	1	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA EASTERN	0	0	0	0	1	1	1	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	0	0	0	0	1	1	0	0	1	0	0
MAINE	0	0	0	0	0	0	0	0	0	0	0
MARYLAND	2	2	0	0	0	0	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	2	2	0	0	2	0	0
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	1	2	1	1	2	7	1	0	4	2	0
NEW YORK WESTERN	1	1	0	0	0	0	0	0	0	0	0
NORTH CAROLINA EASTERN	1	8	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	1	2	1	2	0	0	0	0	0	0	0
OHIO NORTHERN	1	1	0	0	0	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	1	0	0	1	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0	0	0	0	0	0
OREGON	0	0	0	0	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318 - TRAFFICKING IN COUNTERFEIT LABELS FOR PHONO RECORDS AND COPIES OF MOTION PICTURES OR OTHER AUDIOVISUAL WORKS
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
PUERTO RICO	4	5	4	5	1	1	0	0	1	0	0
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	0	0	1	1	0	0	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE MIDDLE	1	1	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS NORTHERN	1	1	1	1	0	0	0	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	1	1	1	1	1	1	0	0	1	0	0
VIRGINIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	18	31	11	13	17	24	5	1	16	2	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318 was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2318 charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2318 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2318

TITLE 18, UNITED STATES CODE, SECTION 2318 - TRAFFICKING IN COUNTERFEIT LABELS FOR PHONO RECORDS AND COPIES OF MOTION PICTURES OR OTHER AUDIOVISUAL WORKS
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	1	0	0	0	0	0
ALABAMA NORTHERN	0	0	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	0	0	0	0	0	0
CALIFORNIA EASTERN	0	0	0	0	0	0
CALIFORNIA NORTHERN	0	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0
FLORIDA MIDDLE	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	1	0
FLORIDA SOUTHERN	0	0	1	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	1	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	0	0	1	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	0	0	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	0	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	1	0	0	0	0	0
NEW YORK WESTERN	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318 - TRAFFICKING IN COUNTERFEIT LABELS FOR PHONO RECORDS AND COPIES OF MOTION PICTURES OR OTHER AUDIOVISUAL WORKS

CRIMINAL CASELOAD STATISTICS*

FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	0	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	0	0	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0
TEXAS WESTERN	0	0	0	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	0	0	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0
WEST VIRGINIA NORTHER	0	0	0	0	0	0
WEST VIRGINIA SOUTHER	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
Grand Total	3	0	2	0	1	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318 was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2318 charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2318 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2318

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506 - CRIMINAL INFRINGEMENT OF A COPYRIGHT

CRIMINAL CASELOAD STATISTICS*

FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	3	3	2	2	3	3	3	0	0	0	0
ALABAMA NORTHERN	1	3	2	2	2	2	2	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	4	4	0	0	1	1	1	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	7	8	1	1	5	5	5	0	0	0	0
CALIFORNIA EASTERN	4	5	1	1	4	5	4	0	1	0	0
CALIFORNIA NORTHERN	0	10	2	4	4	7	7	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0	0	0	0	0	0
CONNECTICUT	2	7	2	2	3	3	3	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	2	2	2	2	0	0	0	0	0	0	0
FLORIDA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	1	1	2	2	1	1	0	0	0
FLORIDA SOUTHERN	0	0	0	0	1	1	1	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	1	3	0	3	0	0	0
GEORGIA SOUTHERN	3	3	2	2	2	2	2	0	0	0	0
GUAM	0	0	0	0	0	0	0	0	0	0	0
HAWAII	1	1	1	1	1	1	1	0	0	0	0
IDAHO	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	2	3	0	0	1	2	1	0	1	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	2	5	2	0	3	0	0
INDIANA SOUTHERN	2	2	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA SOUTHERN	1	1	1	1	2	2	0	0	0	0	2
KANSAS	2	2	2	2	0	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	1	7	6	0	1	0	0
LOUISIANA EASTERN	3	4	5	6	1	1	1	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	0	1	0	0	2	2	2	0	0	0	0
MAINE	1	1	0	0	0	0	0	0	0	0	0
MARYLAND	1	2	0	0	0	0	0	0	0	0	0
MASSACHUSETTS	1	1	0	0	0	0	0	0	0	0	0
MICHIGAN EASTERN	2	4	0	0	1	1	1	0	0	0	0
MICHIGAN WESTERN	2	2	5	6	1	1	0	0	1	0	0
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI NORTHERN	1	1	1	1	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	2	2	1	1	1	1	0	0	1	0	0
MISSOURI EASTERN	3	3	2	2	0	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	1	1	0	0	0	0	0	0	0	0	0
NEVADA	3	3	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	2	2	1	0	1	0	0
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	3	3	3	3	10	13	8	0	3	2	0
NEW YORK WESTERN	1	1	1	1	1	1	1	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	1	1	0	0	1	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	1	1	1	1	2	2	0	0	2	0	0
NORTH DAKOTA	0	0	0	0	1	1	1	0	0	0	0
NORTHERN MARIANAS	1	3	1	2	0	0	0	0	0	0	0
OHIO NORTHERN	2	3	1	1	1	1	1	0	0	0	0
OHIO SOUTHERN	3	4	1	1	1	1	1	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	1	1	1	1	1	1	0	0	1	0	0
OREGON	1	1	1	1	1	1	1	0	0	0	0
PENNSYLVANIA EASTERN	3	4	1	1	2	2	2	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	1	1	1	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506 - CRIMINAL INFRINGEMENT OF A COPYRIGHT

CRIMINAL CASELOAD STATISTICS*

FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	1	2	0	0	0	0	0	0	0	0	0
PUERTO RICO	22	25	20	23	10	10	10	0	0	0	0
RHODE ISLAND	1	1	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	2	2	1	1	2	2	2	0	0	0	0
SOUTH DAKOTA	1	1	0	0	1	2	0	0	1	0	1
TENNESSEE EASTERN	1	1	0	0	0	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	2	2	0	0	0	0	0	0	0	0	0
TEXAS EASTERN	2	2	1	1	1	1	1	0	0	0	0
TEXAS NORTHERN	4	6	1	1	2	2	2	0	0	0	0
TEXAS SOUTHERN	3	3	0	0	0	0	0	0	0	0	0
TEXAS WESTERN	1	3	1	3	0	0	0	0	0	0	0
UTAH	0	0	0	0	1	1	1	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	3	4	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	12	19	7	7	7	8	6	0	1	0	1
VIRGINIA WESTERN	0	0	0	0	1	1	0	1	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	6	6	6	0	0	0	0
WISCONSIN WESTERN	0	0	1	1	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	125	171	76	86	96	117	88	5	18	2	4

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the outcome of the charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319.

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506 - CRIMINAL INFRINGEMENT OF A COPYRIGHT
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	1	2	0	0	0	0
ALABAMA NORTHERN	1	0	0	0	1	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	1	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	3	0	1	0	0	1
CALIFORNIA EASTERN	2	0	1	0	1	0
CALIFORNIA NORTHERN	7	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0
CONNECTICUT	2	0	1	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0
FLORIDA MIDDLE	0	0	0	0	0	0
FLORIDA NORTHERN	0	1	0	0	1	0
FLORIDA SOUTHERN	0	1	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	1	1	1	0	0	0
GEORGIA SOUTHERN	0	2	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	1	0	0	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	1	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	2	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	1	1	2	0	2	0
LOUISIANA EASTERN	1	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	1	1	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	0	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	0	1	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	1	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	5	1	1	1	0	0
NEW YORK WESTERN	1	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	1	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	1	0	0	0	0	0
OHIO SOUTHERN	1	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0
OREGON	0	0	0	0	1	0
PENNSYLVANIA EASTERN	1	0	0	1	0	0
PENNSYLVANIA MIDDLE	1	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2319, TITLE 17, UNITED STATES CODE, SECTION 506 - CRIMINAL INFRINGEMENT OF A COPYRIGHT
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	0	0	0	0	0	0
PUERTO RICO	10	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	2	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	1	0	0
TEXAS NORTHERN	1	1	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0
TEXAS WESTERN	0	0	0	0	0	0
UTAH	1	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	1	1	2	2	0	0
VIRGINIA WESTERN	0	0	1	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	6	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	49	20	10	6	7	1

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the outcome of the charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319.

TITLE 18, UNITED STATES, SECTION 2319A - UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES

CRIMINAL CASELOAD STATISTICS*

FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
ALABAMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA CENTRAL	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA EASTERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0	0	0	0	0	0
FLORIDA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	0	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0	0	0	0	0	0
IDAHO	1	1	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA EASTERN	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	0	0	0	0	1	1	1	0	0	0	0
MAINE	0	0	0	0	0	0	0	0	0	0	0
MARYLAND	0	0	0	0	0	0	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	1	1	0	0	0	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK WESTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0	0	0	0	0	0
OHIO NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0	0	0	0	0	0
OREGON	0	0	0	0	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES, SECTION 2319A - UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES

CRIMINAL CASELOAD STATISTICS*

FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASES FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	0	0	0	0	0	0	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS NORTHERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
TEXAS WESTERN	0	0	0	0	0	0	0	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	2	2	0	0	1	1	1	0	0	0	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319A was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2319A charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319A where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319A.

TITLE 18, UNITED STATES, SECTION 2319A - UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES

CRIMINAL CASELOAD STATISTICS*

FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	0	0	0	0	0	0
ALABAMA NORTHERN	0	0	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	0	0
ARKANSAS WESTERN	0	0	0	0	0	0
CALIFORNIA CENTRAL	0	0	0	0	0	0
CALIFORNIA EASTERN	0	0	0	0	0	0
CALIFORNIA NORTHERN	0	0	0	0	0	0
CALIFORNIA SOUTHERN	0	0	0	0	0	0
COLORADO	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0
FLORIDA MIDDLE	0	0	0	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	0	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	0	0	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	1	0	0	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	0	0	0	0	0	0
MASSACHUSETTS	0	0	0	0	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	0	0	0	0	0	0
NEW YORK WESTERN	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES, SECTION 2319A - UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	0	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	0	0	0	0	0	0
SOUTH DAKOTA	0	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	0	0	0	0	0	0
TEXAS SOUTHERN	0	0	0	0	0	0
TEXAS WESTERN	0	0	0	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	0	0	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	1	0	0	0	0	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2319A was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2319A charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2319A where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2319A.

TITLE 18, UNITED STATES CODE, SECTION 2320 - TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	1	4	1	4	0	0	0	0	0	0	0
ALABAMA NORTHERN	2	2	2	2	2	2	2	0	0	0	0
ALABAMA SOUTHERN	0	1	2	2	2	2	2	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	1	1	0	0	0	5	1	0	4	0	0
ARKANSAS EASTERN	1	2	0	0	1	1	1	0	0	0	0
ARKANSAS WESTERN	0	0	1	1	1	1	1	0	0	0	0
CALIFORNIA CENTRAL	19	24	15	16	3	7	3	0	3	0	1
CALIFORNIA EASTERN	9	11	6	6	3	4	1	0	3	0	0
CALIFORNIA NORTHERN	6	11	5	8	3	5	1	0	3	0	1
CALIFORNIA SOUTHERN	1	2	1	1	1	1	1	0	0	0	0
COLORADO	2	4	1	1	1	1	1	0	0	0	0
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0	0	0	0	0	0
FLORIDA MIDDLE	10	11	9	10	4	4	3	0	1	0	0
FLORIDA NORTHERN	1	2	0	0	1	1	1	0	0	0	0
FLORIDA SOUTHERN	3	3	0	0	3	9	4	0	0	5	0
GEORGIA MIDDLE	0	0	0	0	1	3	0	0	3	0	0
GEORGIA NORTHERN	7	14	5	10	3	8	2	0	3	3	0
GEORGIA SOUTHERN	1	2	0	0	0	0	0	0	0	0	0
GUAM	1	1	0	0	0	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0	0	0	0	0	0
IDAHO	0	0	0	0	1	2	0	1	0	1	0
ILLINOIS CENTRAL	1	1	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	1	1	0	0	0	0	0	0	0	0	0
ILLINOIS SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	1	1	0	0	1	1	1	0	0	0	0
INDIANA SOUTHERN	0	0	1	1	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
IOWA SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
KANSAS	1	1	0	0	0	0	0	0	0	0	0
KENTUCKY EASTERN	1	1	0	0	1	2	2	0	0	0	0
KENTUCKY WESTERN	1	1	0	0	0	0	0	0	0	0	0
LOUISIANA EASTERN	2	5	3	5	1	1	1	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	1	1	0	0	4	21	4	1	16	0	0
MAINE	1	3	0	0	0	0	0	0	0	0	0
MARYLAND	1	1	1	1	2	2	2	0	0	0	0
MASSACHUSETTS	1	1	0	0	1	4	4	0	0	0	0
MICHIGAN EASTERN	4	5	0	0	0	0	0	0	0	0	0
MICHIGAN WESTERN	3	3	1	1	0	0	0	0	0	0	0
MINNESOTA	0	0	0	0	1	1	0	0	1	0	0
MISSISSIPPI NORTHERN	1	2	1	1	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	1	1	1	0	0	0	0	0	0	0
MISSOURI EASTERN	5	13	1	2	1	2	2	0	0	0	0
MISSOURI WESTERN	5	5	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	1	2	1	2	0	0	0	0	0	0	0
NEVADA	2	3	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	1	2	0	0	0	0	0	0	0	0	0
NEW JERSEY	3	4	0	0	3	10	3	0	7	0	0
NEW MEXICO	1	1	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	13	21	9	16	1	2	0	0	2	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	7	20	5	16	3	7	5	0	2	0	0
NEW YORK WESTERN	3	3	1	1	0	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	3	1	4	2	5	1	1	3	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	1	4	0	0	2	3	0	0	3	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0	0	0	0	0	0
OHIO NORTHERN	4	7	1	1	1	1	1	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	1	4	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	1	1	1	0	0	0	0
OREGON	1	1	0	0	0	0	0	0	0	0	0
PENNSYLVANIA EASTERN	1	1	1	1	0	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2320 - TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES

CRIMINAL CASELOAD STATISTICS*

FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						DISPOSITION OF CHARGE				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	6	6	1	1	2	2	1	0	1	0	0
PUERTO RICO	0	0	0	0	0	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	3	7	7	12	8	12	5	0	7	0	0
SOUTH DAKOTA	1	1	1	1	1	2	2	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	1	2	1	1	1	1	1	0	0	0	0
TEXAS EASTERN	0	0	1	2	0	0	0	0	0	0	0
TEXAS NORTHERN	3	9	1	1	2	2	1	0	1	0	0
TEXAS SOUTHERN	3	5	2	3	1	1	1	0	0	0	0
TEXAS WESTERN	6	9	8	10	5	7	6	0	1	0	0
UTAH	0	0	1	1	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	6	11	5	8	5	7	2	0	5	0	0
VIRGINIA WESTERN	3	9	0	0	0	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	1	1	1	1	1	2	0	0	2	0	0
WEST VIRGINIA NORTHERN	0	0	1	1	1	1	1	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	1	1	1	1	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	170	280	107	157	83	157	72	3	71	9	2

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2320 was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2320 charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2320 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2320.

TITLE 18, UNITED STATES CODE, SECTION 2320 - TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	0	0	0	0	0	0
ALABAMA NORTHERN	0	1	1	0	0	0
ALABAMA SOUTHERN	2	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	0	0	1	0	0
ARKANSAS EASTERN	1	0	0	0	0	0
ARKANSAS WESTERN	1	0	0	0	0	0
CALIFORNIA CENTRAL	0	2	1	0	0	0
CALIFORNIA EASTERN	0	1	0	0	0	0
CALIFORNIA NORTHERN	0	0	0	1	0	0
CALIFORNIA SOUTHERN	1	0	0	0	0	0
COLORADO	0	1	0	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0
FLORIDA MIDDLE	1	0	2	0	0	0
FLORIDA NORTHERN	0	1	0	0	0	0
FLORIDA SOUTHERN	0	0	3	0	1	0
GEORGIA MIDDLE	0	0	0	0	0	0
GEORGIA NORTHERN	0	0	0	1	1	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0
IDAHO	0	1	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	0	0	1	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	1	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	2	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	0	1	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	3	1	1	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	1	0	0	0	1	0
MASSACHUSETTS	0	0	1	3	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	0	0	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	2	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	1	1	1	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	0	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	2	1	0	1	1	0
NEW YORK WESTERN	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	2	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	0	1	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	1	0	0	0
OREGON	0	0	0	0	0	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2320 - TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	1	0	0	0	0	0
PUERTO RICO	0	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	2	0	3	0	0	0
SOUTH DAKOTA	2	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	1	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	0	1	0	0	0	0
TEXAS SOUTHERN	1	0	0	0	0	0
TEXAS WESTERN	2	3	1	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	1	1	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	1	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	25	18	16	9	7	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2320 was brought as any charge against a defendant. Displayed defendant outcome information based upon the outcome of the 18 U.S.C. 2320 charge only, and does not necessarily represent the overall outcome of a defendant. Defendants against whom charges were dismissed may have been convicted of other, related offenses. This chart may not include criminal cases or matters involving 18 U.S.C. 2320 where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate 18 U.S.C. 2320.

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
FOR THE UNITED STATES BUREAU OF CUSTOMS & BORDER PROTECTION AND BUREAU OF IMMIGRATION & CUSTOMS ENFORCEMENT ONLY
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						OVERALL DISPOSITION OF THE DEFENDANT				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	1	4	1	4	2	2	2	0	0	0	0
ALABAMA NORTHERN	3	4	2	2	2	2	2	0	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	1	1	0	0	0	5	5	0	0	0	0
ARKANSAS EASTERN	0	0	0	0	1	1	1	0	0	0	0
ARKANSAS WESTERN	0	0	1	1	1	1	1	0	0	0	0
CALIFORNIA CENTRAL	6	8	4	3	4	5	4	0	1	0	0
CALIFORNIA EASTERN	1	2	0	0	2	2	2	0	0	0	0
CALIFORNIA NORTHERN	5	10	5	8	0	0	0	0	0	0	0
CALIFORNIA SOUTHERN	1	2	1	1	1	1	1	0	0	0	0
COLORADO	2	3	0	0	0	0	0	0	0	0	0
CONNECTICUT	0	4	0	0	0	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0	0	0	0	0	0
FLORIDA MIDDLE	8	8	7	7	2	2	2	0	0	0	0
FLORIDA NORTHERN	1	2	1	1	0	0	0	0	0	0	0
FLORIDA SOUTHERN	3	3	0	0	1	3	3	0	0	0	0
GEORGIA MIDDLE	0	0	0	0	1	3	2	0	0	0	1
GEORGIA NORTHERN	5	12	4	9	3	8	4	3	1	0	0
GEORGIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
GUAM	0	0	0	0	0	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	1	1	0	0	0	0	0	0	0	0	0
INDIANA SOUTHERN	1	1	1	1	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
IOWA SOUTHERN	2	2	0	0	0	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0	0	0	0	0	0
KENTUCKY EASTERN	1	1	0	0	0	0	0	0	0	0	0
KENTUCKY WESTERN	1	1	0	0	0	0	0	0	0	0	0
LOUISIANA EASTERN	1	3	2	3	1	1	1	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	0	1	0	0	2	3	2	1	0	0	0
MAINE	1	3	0	0	0	0	0	0	0	0	0
MARYLAND	2	2	1	1	2	2	2	0	0	0	0
MASSACHUSETTS	1	1	0	0	1	4	4	0	0	0	0
MICHIGAN EASTERN	2	2	0	0	0	0	0	0	0	0	0
MICHIGAN WESTERN	3	3	1	1	1	1	1	0	0	0	0
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	1	1	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
MISSOURI EASTERN	3	11	0	0	0	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	1	2	1	2	0	0	0	0	0	0	0
NEVADA	2	3	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	1	2	0	0	0	0	0	0	0	0	0
NEW JERSEY	3	3	0	0	3	4	2	0	2	0	0
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	8	10	7	8	1	2	2	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	2	11	2	10	0	0	0	0	0	0	0
NEW YORK WESTERN	1	1	1	1	0	0	0	0	0	0	0
NORTH CAROLINA EASTERN	1	8	0	0	0	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	1	4	0	0	2	3	3	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0	0	0	0	0	0
OHIO NORTHERN	1	1	1	1	0	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0	0	0	0	0	0
OREGON	1	1	1	1	1	1	1	0	0	0	0
PENNSYLVANIA EASTERN	2	2	0	0	0	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
FOR THE UNITED STATES BUREAU OF CUSTOMS & BORDER PROTECTION AND BUREAU OF IMMIGRATION & CUSTOMS ENFORCEMENT ONLY
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						OVERALL DISPOSITION OF THE DEFENDANT				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	1	1	0	0	0	0	0	0	0	0	0
PUERTO RICO	17	19	17	19	9	9	9	0	0	0	0
RHODE ISLAND	1	1	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	5	9	7	12	8	11	6	0	5	0	0
SOUTH DAKOTA	1	1	1	1	1	2	2	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	0	0	1	1	1	1	1	0	0	0	0
TEXAS EASTERN	0	0	1	2	0	0	0	0	0	0	0
TEXAS NORTHERN	4	8	1	1	3	3	2	0	1	0	0
TEXAS SOUTHERN	3	5	1	2	1	1	1	0	0	0	0
TEXAS WESTERN	5	7	6	8	4	5	5	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	6	8	2	4	0	1	1	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	1	1	1	1	0	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	1	1	1	1	0	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	126	205	84	118	62	90	75	4	10	0	1

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 2319, 2319A, 2320 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the overall outcome of a defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes.

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
FOR THE UNITED STATES BUREAU OF CUSTOMS & BORDER PROTECTION AND BUREAU OF IMMIGRATION & CUSTOMS ENFORCEMENT ONLY
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	1	1	0	0	0	0
ALABAMA NORTHERN	0	1	1	0	0	0
ALABAMA SOUTHERN	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	1	3	1	0	0
ARKANSAS EASTERN	1	0	0	0	0	0
ARKANSAS WESTERN	1	0	0	0	0	0
CALIFORNIA CENTRAL	2	0	2	0	0	0
CALIFORNIA EASTERN	2	0	0	0	0	0
CALIFORNIA NORTHERN	0	0	0	0	0	0
CALIFORNIA SOUTHERN	1	0	0	0	0	0
COLORADO	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0
FLORIDA MIDDLE	1	0	1	0	0	0
FLORIDA NORTHERN	0	0	0	0	0	0
FLORIDA SOUTHERN	0	0	2	0	1	0
GEORGIA MIDDLE	0	0	0	1	1	0
GEORGIA NORTHERN	2	1	2	1	1	0
GEORGIA SOUTHERN	0	0	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	0	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	0	0	0	0	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	1	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	0	0	0	0	0	0
KENTUCKY EASTERN	0	0	0	0	0	0
KENTUCKY WESTERN	0	0	0	0	0	0
LOUISIANA EASTERN	0	1	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	2	0	1	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	1	0	0	0	1	0
MASSACHUSETTS	0	0	1	3	0	0
MICHIGAN EASTERN	0	0	0	0	0	0
MICHIGAN WESTERN	0	1	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	0	0	0	0
MISSOURI EASTERN	0	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	0	1	1	0
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	2	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	0	0	0	0	0	0
NEW YORK WESTERN	0	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	0	0	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	2	0	0	1	0
NORTH DAKOTA	0	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	0	0	0	0	0	0
OHIO SOUTHERN	0	0	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	0	0	0	0	0	0
OREGON	0	0	0	0	1	0
PENNSYLVANIA EASTERN	0	0	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
FOR THE UNITED STATES BUREAU OF CUSTOMS & BORDER PROTECTION AND BUREAU OF IMMIGRATION & CUSTOMS ENFORCEMENT ONLY
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	0	0	0	0	0	0
PUERTO RICO	9	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	4	0	2	0	0	0
SOUTH DAKOTA	2	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	1	0	0	0	0	0
TEXAS EASTERN	0	0	0	0	0	0
TEXAS NORTHERN	1	1	0	0	0	0
TEXAS SOUTHERN	1	0	0	0	0	0
TEXAS WESTERN	1	3	1	0	0	0
UTAH	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	0	1	0	0	0	0
VIRGINIA WESTERN	0	0	0	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	0	0	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	0	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	33	15	16	8	7	0

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 2319, 2319A, 2320 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the overall outcome of a defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes.

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						OVERALL DISPOSITION OF THE DEFENDANT				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
ALABAMA MIDDLE	4	7	3	6	3	3	3	0	0	0	0
ALABAMA NORTHERN	3	5	4	4	4	4	4	0	0	0	0
ALABAMA SOUTHERN	0	1	2	2	2	2	2	0	0	0	0
ALASKA	0	0	0	0	0	0	0	0	0	0	0
ARIZONA	5	5	0	0	1	6	6	0	0	0	0
ARKANSAS EASTERN	1	2	0	0	1	1	1	0	0	0	0
ARKANSAS WESTERN	0	0	1	1	1	1	1	0	0	0	0
CALIFORNIA CENTRAL	26	32	16	17	8	12	10	0	1	0	1
CALIFORNIA EASTERN	12	15	6	6	5	6	6	0	0	0	0
CALIFORNIA NORTHERN	6	21	6	11	8	13	11	0	1	0	1
CALIFORNIA SOUTHERN	1	2	1	1	1	1	1	0	0	0	0
COLORADO	2	4	1	1	1	1	1	0	0	0	0
CONNECTICUT	2	7	2	2	3	3	3	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OF COLUMBIA	2	2	2	2	0	0	0	0	0	0	0
FLORIDA MIDDLE	11	13	9	10	4	4	3	0	1	0	0
FLORIDA NORTHERN	1	2	1	1	2	2	1	1	0	0	0
FLORIDA SOUTHERN	3	3	0	0	4	10	5	0	0	5	0
GEORGIA MIDDLE	0	0	0	0	1	3	2	0	0	0	1
GEORGIA NORTHERN	7	14	5	10	3	8	4	3	1	0	0
GEORGIA SOUTHERN	5	6	2	2	2	2	2	0	0	0	0
GUAM	1	1	0	0	0	0	0	0	0	0	0
HAWAII	2	2	1	1	1	1	1	0	0	0	0
IDAHO	1	1	0	0	1	2	0	1	0	1	0
ILLINOIS CENTRAL	1	1	0	0	0	0	0	0	0	0	0
ILLINOIS NORTHERN	3	4	0	0	1	2	2	0	0	0	0
ILLINOIS SOUTHERN	1	1	0	0	0	0	0	0	0	0	0
INDIANA NORTHERN	1	1	0	0	2	5	5	0	0	0	0
INDIANA SOUTHERN	2	2	1	1	0	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	0	1	1	1	0	0	0	0
IOWA SOUTHERN	2	2	1	1	2	2	0	0	0	0	2
KANSAS	3	3	3	3	1	1	1	0	0	0	0
KENTUCKY EASTERN	1	1	0	0	1	2	2	0	0	0	0
KENTUCKY WESTERN	1	1	0	0	1	7	7	0	0	0	0
LOUISIANA EASTERN	3	6	6	8	3	3	3	0	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
LOUISIANA WESTERN	1	2	0	0	6	24	18	1	5	0	0
MAINE	2	4	0	0	0	0	0	0	0	0	0
MARYLAND	4	5	1	1	2	2	2	0	0	0	0
MASSACHUSETTS	2	2	0	0	1	4	4	0	0	0	0
MICHIGAN EASTERN	6	9	0	0	1	1	1	0	0	0	0
MICHIGAN WESTERN	5	5	6	7	1	1	1	0	0	0	0
MINNESOTA	0	0	0	0	1	1	0	0	1	0	0
MISSISSIPPI NORTHERN	2	3	2	2	0	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	2	3	2	2	1	1	1	0	0	0	0
MISSOURI EASTERN	8	16	3	4	1	2	2	0	0	0	0
MISSOURI WESTERN	5	5	0	0	0	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0	0	0	0	0	0
NEBRASKA	2	3	1	2	0	0	0	0	0	0	0
NEVADA	5	6	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	1	2	0	0	0	0	0	0	0	0	0
NEW JERSEY	3	4	0	0	3	10	6	0	3	0	1
NEW MEXICO	1	1	0	0	0	0	0	0	0	0	0
NEW YORK EASTERN	13	21	9	16	1	2	2	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0	0	0	0	0	0
NEW YORK SOUTHERN	10	24	7	19	13	22	19	0	1	2	0
NEW YORK WESTERN	5	5	2	2	1	1	1	0	0	0	0
NORTH CAROLINA EASTERN	1	11	1	4	3	6	4	1	1	0	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0	0	0	0	0	0
NORTH CAROLINA WESTERN	2	5	1	1	4	5	5	0	0	0	0
NORTH DAKOTA	0	0	0	0	1	1	1	0	0	0	0
NORTHERN MARIANAS	1	3	1	2	0	0	0	0	0	0	0
OHIO NORTHERN	7	11	2	2	2	2	2	0	0	0	0
OHIO SOUTHERN	3	4	1	1	1	2	2	0	0	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0	0	0	0	0	0
OKLAHOMA NORTHERN	1	4	0	0	0	0	0	0	0	0	0
OKLAHOMA WESTERN	1	1	1	1	2	2	2	0	0	0	0
OREGON	2	2	1	1	1	1	1	0	0	0	0
PENNSYLVANIA EASTERN	4	5	2	2	2	2	2	0	0	0	0
PENNSYLVANIA MIDDLE	0	0	0	0	1	1	1	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED

CRIMINAL CASELOAD STATISTICS*

FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

	REFERRALS AND CASES						OVERALL DISPOSITION OF THE DEFENDANT				
DISTRICT	MATTER RECEIVE COUNT	MATTER RECEIVE DEFEND	CASE FILED COUNT	CASES FILED DEFEND	CASES TERM COUNT	CASES TERM DEFEND	GUILTY PLEAS DEFEND	GUILTY VERDICT DEFEND	DISMISS DEFEND COUNT	ACQUIT DEFEND COUNT	OTHER TERM DEFEND
PENNSYLVANIA WESTERN	7	8	1	1	2	2	1	0	1	0	0
PUERTO RICO	22	25	20	23	10	10	10	0	0	0	0
RHODE ISLAND	1	1	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	5	9	8	13	9	14	9	0	5	0	0
SOUTH DAKOTA	2	2	1	1	2	4	2	0	1	0	1
TENNESSEE EASTERN	1	1	0	0	0	0	0	0	0	0	0
TENNESSEE MIDDLE	1	1	0	0	0	0	0	0	0	0	0
TENNESSEE WESTERN	3	4	1	1	1	1	1	0	0	0	0
TEXAS EASTERN	2	2	2	3	1	1	1	0	0	0	0
TEXAS NORTHERN	8	16	2	2	4	4	3	0	1	0	0
TEXAS SOUTHERN	6	8	2	3	1	1	1	0	0	0	0
TEXAS WESTERN	7	12	9	13	5	7	6	0	1	0	0
UTAH	0	0	1	1	1	1	1	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0	0	0
VIRGIN ISLANDS	3	4	0	0	0	0	0	0	0	0	0
VIRGINIA EASTERN	18	30	12	15	12	14	11	0	2	0	1
VIRGINIA WESTERN	3	9	0	0	1	1	0	1	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0	0	0	0	0	0
WASHINGTON WESTERN	1	1	1	1	1	2	2	0	0	0	0
WEST VIRGINIA NORTHERN	0	0	1	1	1	1	1	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0	0	0	0	0	0
WISCONSIN EASTERN	1	1	1	1	6	6	6	0	0	0	0
WISCONSIN WESTERN	0	0	1	1	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS	303	467	179	239	174	270	220	8	26	8	8

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 2319, 2319A, 2320 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the overall outcome of a defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes.

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
ALABAMA MIDDLE	1	2	0	0	0	0
ALABAMA NORTHERN	1	1	1	0	1	0
ALABAMA SOUTHERN	2	0	0	0	0	0
ALASKA	0	0	0	0	0	0
ARIZONA	0	2	3	1	0	0
ARKANSAS EASTERN	1	0	0	0	0	0
ARKANSAS WESTERN	1	0	0	0	0	0
CALIFORNIA CENTRAL	4	2	2	0	1	1
CALIFORNIA EASTERN	3	1	1	0	1	0
CALIFORNIA NORTHERN	9	0	1	1	0	0
CALIFORNIA SOUTHERN	1	0	0	0	0	0
COLORADO	0	1	0	0	0	0
CONNECTICUT	2	0	1	0	0	0
DELAWARE	0	0	0	0	0	0
DISTRICT OF COLUMBIA	0	0	0	0	0	0
FLORIDA MIDDLE	1	0	2	0	0	0
FLORIDA NORTHERN	0	1	0	0	1	0
FLORIDA SOUTHERN	0	1	3	0	1	0
GEORGIA MIDDLE	0	0	0	1	1	0
GEORGIA NORTHERN	2	1	2	1	1	0
GEORGIA SOUTHERN	0	2	0	0	0	0
GUAM	0	0	0	0	0	0
HAWAII	1	0	0	0	0	0
IDAHO	0	1	0	0	0	0
ILLINOIS CENTRAL	0	0	0	0	0	0
ILLINOIS NORTHERN	0	0	0	2	0	0
ILLINOIS SOUTHERN	0	0	0	0	0	0
INDIANA NORTHERN	3	0	1	1	0	0
INDIANA SOUTHERN	0	0	0	0	0	0
IOWA NORTHERN	0	0	0	1	0	0
IOWA SOUTHERN	0	0	0	0	0	0
KANSAS	1	0	0	0	0	0
KENTUCKY EASTERN	0	2	0	0	0	0
KENTUCKY WESTERN	2	1	2	0	2	0
LOUISIANA EASTERN	1	1	1	0	0	0
LOUISIANA MIDDLE	0	0	0	0	0	0
LOUISIANA WESTERN	16	2	1	0	0	0
MAINE	0	0	0	0	0	0
MARYLAND	1	0	0	0	1	0
MASSACHUSETTS	0	0	1	3	0	0
MICHIGAN EASTERN	0	1	0	0	0	0
MICHIGAN WESTERN	0	1	0	0	0	0
MINNESOTA	0	0	0	0	0	0
MISSISSIPPI NORTHERN	0	0	0	0	0	0
MISSISSIPPI SOUTHERN	0	0	1	0	0	0
MISSOURI EASTERN	2	0	0	0	0	0
MISSOURI WESTERN	0	0	0	0	0	0
MONTANA	0	0	0	0	0	0
NEBRASKA	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0
NEW HAMPSHIRE	0	0	0	0	0	0
NEW JERSEY	0	0	2	1	2	1
NEW MEXICO	0	0	0	0	0	0
NEW YORK EASTERN	0	2	0	0	0	0
NEW YORK NORTHERN	0	0	0	0	0	0
NEW YORK SOUTHERN	10	2	2	3	1	1
NEW YORK WESTERN	1	0	0	0	0	0
NORTH CAROLINA EASTERN	0	0	2	0	3	0
NORTH CAROLINA MIDDLE	0	0	0	0	0	0
NORTH CAROLINA WESTERN	0	4	0	0	1	0
NORTH DAKOTA	1	0	0	0	0	0
NORTHERN MARIANAS	0	0	0	0	0	0
OHIO NORTHERN	1	1	0	0	0	0
OHIO SOUTHERN	1	0	0	1	0	0
OKLAHOMA EASTERN	0	0	0	0	0	0
OKLAHOMA NORTHERN	0	0	0	0	0	0
OKLAHOMA WESTERN	1	0	1	0	0	0
OREGON	0	0	0	0	1	0
PENNSYLVANIA EASTERN	1	0	0	1	0	0
PENNSYLVANIA MIDDLE	1	0	0	0	0	0

TITLE 18, UNITED STATES CODE, SECTION 2318, 2319, 2319A, 2320, and TITLE 17, UNITED STATES CODE, SECTION 506 COMBINED
CRIMINAL CASELOAD STATISTICS*
FISCAL YEAR 2008 REPORTED as of SEPTEMBER 30, 2008**

PRISON SENTENCING

DISTRICT	NOT IMPRIS	1-12 MONTHS	13-24 MONTHS	25-36 MONTHS	37-60 MONTHS	60+ MONTHS
PENNSYLVANIA WESTERN	1	0	0	0	0	0
PUERTO RICO	10	0	0	0	0	0
RHODE ISLAND	0	0	0	0	0	0
SOUTH CAROLINA	5	0	4	0	0	0
SOUTH DAKOTA	2	0	0	0	0	0
TENNESSEE EASTERN	0	0	0	0	0	0
TENNESSEE MIDDLE	0	0	0	0	0	0
TENNESSEE WESTERN	1	0	0	0	0	0
TEXAS EASTERN	0	0	0	1	0	0
TEXAS NORTHERN	1	2	0	0	0	0
TEXAS SOUTHERN	1	0	0	0	0	0
TEXAS WESTERN	2	3	1	0	0	0
UTAH	1	0	0	0	0	0
VERMONT	0	0	0	0	0	0
VIRGIN ISLANDS	0	0	0	0	0	0
VIRGINIA EASTERN	2	3	3	2	1	0
VIRGINIA WESTERN	0	0	1	0	0	0
WASHINGTON EASTERN	0	0	0	0	0	0
WASHINGTON WESTERN	2	0	0	0	0	0
WEST VIRGINIA NORTHERN	1	0	0	0	0	0
WEST VIRGINIA SOUTHERN	0	0	0	0	0	0
WISCONSIN EASTERN	0	6	0	0	0	0
WISCONSIN WESTERN	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0
GRAND TOTALS	101	46	39	20	19	3

*Caseload data extracted from the United States Attorneys' Case Management System.

**FY 2008 numbers are actual data through the end of September 2008.

***This chart includes data on any and all criminal cases/defendants where 18 U.S.C. 2318, 2319, 2319A, 2320 or 17 U.S.C. 506 was brought as any charge against a defendant. However, the statutes were run together to eliminate any double counting of cases/defendants where more than one of the statutes was charged against the same defendant. Displayed defendant outcome information based upon the overall outcome of a defendant. This chart may not include criminal cases/defendants involving 18 U.S.C. 2318, 18 U.S.C. 2319, 18 U.S.C. 2319A, 18 U.S.C. 2320, or 17 U.S.C. 506, where the lead charge, charges filed, or charges of conviction include only a conspiracy to violate any of the identified statutes.

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APPENDIX G

Acronyms

A

AAG	Assistant Attorney General
AAGA	Assistant Attorney General for Administration
ACA	American Correctional Association
ACES	Analytic Cadre Education Strategy
ACS	Automated Case Support
ACTS	Automated Case Tracking System
ADC	Assistant Division Counsel
ADIC	Assistant Director in Charge
ADR	Alternative Dispute Resolution
AFF	Assets Forfeiture Fund
AFF/SADF	Assets Forfeiture Fund and Seized Asset Deposit Fund
AFP	Assets Forfeiture Program
AMP	Asset Management Plan
ANSIR	Automated Nationwide System for Immigration Review
APB	Advisory Policy Board
ASU	Analytical Support Unit
ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
ATR	Antitrust Division
AUSA	Assistant United States Attorneys

B

BFS	Budgetary Financing Sources
BIA	Board of Immigration Appeals
BOP	Bureau of Prisons

C

CAP	Cooperative Agreement Program
CAU	Communications Analysis Unit
CBO	Community-Based Organizations
CBT	Computer-Based Training
CCIPS	Computer Crime and Intellectual Property Section
CDC	Chief Division Counsel
CDP	Candidate Development Program
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHIP	Computer Hacking and Intellectual Property
CIA	Central Intelligence Agency

CID	Criminal Investigation Division
CIO	Chief Information Officer
CIV	Civil Division
CJIS	Criminal Justice Information Services
CODIS	Combined DNA Index System
COPS	Office of Community Oriented Policing Services
COTS	Commercial-Off-The-Shelf
CPC	Capacity Planning Committee
CPOT	Consolidated Priority Organization Target
CRM	Criminal Division
CRS	Community Relations Service
CRT	Civil Rights Division
CSRS	Civil Service Retirement System
CT	Counterterrorism
CTD	Counterterrorism Division
CW	Cooperating Witness
CY	Calendar Year

D

DAG	Deputy Attorney General
DAOG	Debt Accounting Operations Group
DCIA	Debt Collection Improvement Act of 1996
DEA	Drug Enforcement Administration
Department, The	Department of Justice
DHS	Department of Homeland Security
DI	Directorate of Intelligence
DIRB	Department Investment Review Board
DNI	Director of National Intelligence
DOJ	Department of Justice
DOL	Department of Labor
DRMS	Department Rent Management System

E

EA	Enterprise Architecture
EAMMF	Enterprise Architecture Management Maturity Framework
EAPMO	Enterprise Architecture Program Management Office
EC	Electronic Communication
ECPA	Electronic Communications Privacy Act
EFT	Electronic Funds Transfer
ENRD	Environment and Natural Resources Division
EOIR	Executive Office for Immigration Review
EOUSA	Executive Office for U.S. Attorneys
eTS	eTravel System
EVM	Earned Value Management

F

FAIR Act	Federal Activities Inventory Reform Act
FASAB	Federal Accounting Standards Advisory Board
FBCO	Faith-Based and Community Organization
FBI	Federal Bureau of Investigation
FBI HQ	FBI Headquarters
FBO	Faith-Based Organizations
FCI	Federal Correctional Institute
FCP	Financial Crimes Program
FCRA	Fair Credit Reporting Act
FEA	Federal Enterprise Architecture
FECA	Federal Employees Compensation Act
FEGLI	Federal Employees Group Life Insurance Program
FEHB	Federal Employees Health Benefits Program
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FISA	Foreign Intelligence Surveillance Act
FISAMS	FISA Management System
FISCAM	Federal Information Systems Controls Audit Manual
FISMA	Federal Information Security Management Act
FLS	Federal Licensing System
FMFIA	Federal Managers' Financial Integrity Act
FMIS	Financial Management Information System
FOC	Final Operating Capability
FPI	Federal Prison Industries, Inc.
FRPC	Federal Real Property Council
FTE	Full-Time Equivalent
FTTTF	Foreign Terrorist Tracking Task Force
FY	Fiscal Year

G

GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GFIRST	Government Forum of Incident Response and Security Teams
GMRA	Government Management Reform Act
GMS	Grants Management System
GPEA	Government Paperwork Elimination Act
GPRA	Government Performance and Results Act
GS	General Schedule

H

HC	Human Capital
HCSP	Human Capital Strategic Plan
HHS	Department of Health and Human Services

I

I&I	Integration and Implementation
IA	Intelligence Analyst
IAFIS	Integrated Automated Fingerprint Identification System
IBC	Intelligence Basic Course
IC	Intelligence Community
IC3	Internet Crimes Complaint Center
ICE	Immigration and Customs Enforcement
ICS	Intelligence Career Service
IDENT	DHS' Automated Fingerprint Identification Database
IEEPA	International Emergency Economic Powers Act
IG	Inspector General
IGA	Intergovernmental Agreement
IHP	Institutional Hearing Program
III	Interstate Identification Index
IINI	Innocent Images National Initiative
INSD	Inspection Division
Integrity Act	Federal Managers' Financial Integrity Act
IOB	Intelligence Oversight Board
IPIA	Improper Payments Information Act
IPPA	Intellectual Property Protection Act of 2007
IPR	Intellectual Property Rights
IREO	Internal Review and Evaluation Office
IRM	Information Resource Management
ISRAA	Integrated Statistical Reporting and Analysis Application
IT	Information Technology
ITIM	IT Investment Management
IV&V	Independent Verification and Validation
IVRS	Integrated Violence Reduction Strategy
IWN	Integrated Wireless Network

J

JABS	Joint Automated Booking System
JFMIP	Joint Financial Management Improvement Program
JMD	Justice Management Division
JRSA	Justice Research and Statistics Association
JTTF	Joint Terrorism Task Force
JVU	Justice Virtual University
JWP-CC	Joint Wireless Programs Coordinating Council

L

LCMD	Life Cycle Management Directive
LCN	La Cosa Nostra
LEO	Law Enforcement Online
LMS	Learning Management System

LTTE	Liberation Tigers of Tamil Eelam

M

MOA	Memorandum of Agreement
MOU	Memorandum of Understanding

N

NAPA	National Academy of Public Administration
NCIC	National Crime Information Center
NCMEC	National Center for Missing and Exploited Children
NCTC	National Counterterrorism Center
NCVS	National Crime Victimization Survey
NDIC	National Drug Intelligence Center
NDIU	Nominations and Data Integrity Unit
NIBIN	National Integrated Ballistic Information Network
NICS	National Instant Criminal Background Check System
NIJ	National Institute of Justice
NIST	National Institute of Standards and Technology
NSB	National Security Branch
NSD	National Security Division
NSL	National Security Letter
NSLB	National Security Law Branch
NYSE	New York Stock Exchange
NTP	Nomination Tracking Processor

O

OAAM	Office of Audit, Assessment, and Management
OAG	Office of the Attorney General
OBD	Offices, Boards and Divisions
OC	Office of the Comptroller (OJP)
OCDETF	Organized Crime Drug Enforcement Task Force
OCIO	Office of the Chief Information Officer
ODAG	Office of the Deputy Attorney General
ODNI	Office of the Director of National Intelligence
ODR	Office of Dispute Resolution
OFBCI	Office of Faith-Based and Community Initiatives
OFDT	Office of the Federal Detention Trustee
OFS	Other Financing Sources
OGC	Office of General Counsel
OIA	Office of International Affairs
OIG	Office of the Inspector General
OIPM	Office of Information Technology Program Management
OIPR	Office of Intelligence Policy and Review (NSD)
OJP	Office of Justice Programs
OLP	Office of Legal Policy

OMB	Office of Management and Budget
ONDCP	Office of National Drug Control Policy
OPEAU	Organizational Program Evaluation and Analysis Unit
OPI	Office of Protective Intelligence
OPM	Office of Personnel Management
OPR	Office of Professional Responsibility
OSC	Office of Special Counsel
OTJ	Office of Tribal Justice
OVC	Office for Victims of Crime
OVW	Office on Violence Against Women
OWS	Office for Weed and Seed

P

PAR	Performance and Accountability Report
PART	Program Assessment Rating Tool
PCLO	Privacy and Civil Liberties Office
PHS	Public Health Services
PIJ	Palestinian Islamic Jihad
PIOB	Potential Intelligence Oversight Board
PL	Public Law
PMA	President's Management Agenda
PMO	Program Management Office
PMP	Program Management Plan
POAM	Plan of Action and Milestones
PP&E	Property, Plant and Equipment
PROTECT	Children's Online Privacy Protection Act of 1998
PSN	Project Safe Neighborhoods
PTS	Prisoner Tracking System

Q

QC	Quality Control
QSR	Quarterly Status Report

R

RECA	Radiation Exposure Compensation Act
RFQ	Request for Quotation
RFTF	Regional Fugitive Task Force
RICO	Racketeering Influenced Corrupt Organization
RISS	Regional Information Sharing System
RMD	Records Management Division
RSAT	Residential Substance Abuse Treatment

S

SAC	Special Agent in Charge
SBF	Special Benefits Fund
SBR	Statement of Budgetary Resources
SCI	Sensitive Compartmented Information
SCNP	Statement of Changes in Net Position
SCPMO	Strategy, Communication and Policy Management Office
SEA	Safe Explosives Act
SENTRY	Bureau of Prisons' primary mission-support database
SES	Senior Executive Service
SFFAS	Statement of Federal Financial Accounting Standards
SG	Strategic Goal
SMS	Strategic Management System
SRPO	Senior Real Property Officer
SRQ	Single Review Queue
SSA	Senior Special Agent
SSN	Social Security Number

T

TAX	Tax Division
TCEP	Transnational Criminal Enterprise Program
TIDE	Terrorist Identity Datamart Environment
TPMO	eTravel Program Management Office
TREX	Terrorist Review and Examination Unit
TSC	Terrorist Screening Center
TSDB	Terrorist Screening Database
TSP	Federal Thrift Savings Plan

U

UBT	Unobligated Balance Transfer
UCR	Uniform Crime Report
UFMS	Unified Financial Management System
UHP	Universal Hiring Program
USA	United States Attorneys
USA PATRIOT	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism
USAO	United States Attorneys' Offices
USC	United States Code
US-CERT	U.S. Computer Emergency Response Team
USMS	United States Marshals Service
USP	United States Penitentiary
UST	United States Trustee
USTP	United States Trustees Program

V

VCIT	Violent Crime Impact Team
VOCA	Victim of Crime Act
VOI/TIS	Violent Offender Incarceration and Truth-In Sentencing

W

WCC	White-Collar Crime
WCF	Working Capital Fund
WIN	Warrant Information Network System
WMD	Weapons of Mass Destruction
WTC	World Trade Center

Appendix H

Department Component Websites

Component	Website
American Indian and Alaska Native Affairs Desk (OJP)	www.ojp.usdoj.gov/topics/aian.htm
Antitrust Division	www.usdoj.gov/atr/index.html
Bureau of Alcohol, Tobacco, Firearms and Explosives	www.atf.gov
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.cops.usdoj.gov
Community Capacity Development Office (OJP)	www.ojp.usdoj.gov/ccdo/welcome_flash.html
Community Relations Service	www.usdoj.gov/crs/index.html
Criminal Division	www.usdoj.gov/criminal/
Diversion Control Program	www.deadiversion.usdoj.gov/
Drug Enforcement Administration	www.usdoj.gov/dea/
Environment and Natural Resources Division	www.usdoj.gov/enrd/
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/
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/
INTERPOL - U.S. National Central Bureau	www.usdoj.gov/usncb/
Justice Management Division	www.usdoj.gov/jmd/
National Criminal Justice Reference Service (OJP)	www.ncjrs.org/
National Drug Intelligence Center	www.usdoj.gov/ndic/
National Institute of Corrections	www.nicic.org/
National Institute of Justice (OJP)	www.ojp.usdoj.gov/nij/
National Security Division	www.usdoj.gov/nsd/
Office of the Associate Attorney General	www.usdoj.gov/aag/index.html
Office of the Attorney General	www.usdoj.gov/ag/
Office of the Deputy Attorney General	www.usdoj.gov/dag/
Office of Dispute Resolution	www.usdoj.gov/odr/
Office of the Federal Detention Trustee	www.usdoj.gov/ofdt/index.html
Office of Information and Privacy	www.usdoj.gov/oip/oip.html
Office of the Inspector General	www.usdoj.gov/oig/
Office of Intelligence Policy and Review	www.usdoj.gov/oipr/
Office of Intergovernmental and Public Liaison	www.usdoj.gov/oipl/index.html
Office of Justice Programs	www.ojp.usdoj.gov/
Office of Juvenile Justice and Delinquency Prevention (OJP)	www.ojjdp.ncjrs.org/
Office of Legal Counsel	www.usdoj.gov/olc/index.html
Office of Legal Policy	www.usdoj.gov/olp/
Office of Legislative Affairs	www.usdoj.gov/ola/
Office of the Pardon Attorney	www.usdoj.gov/pardon/
Office of Professional Responsibility	www.usdoj.gov/opr/index.html
Office of Public Affairs	www.usdoj.gov/opa/index.html
Office of the Solicitor General	www.usdoj.gov/osg/
Office of Tribal Justice	www.usdoj.gov/otj/index.html
Office for Victims of Crime (OJP)	www.ojp.usdoj.gov/ovc/
Office on Violence Against Women	www.usdoj.gov/ovw/
Tax Division	www.usdoj.gov/tax/
U.S. Attorneys	www.usdoj.gov/usao/
U.S. Marshals Service	www.usdoj.gov/marshals/
U.S. Parole Commission	www.usdoj.gov/uspc/

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This document is available on the Internet at:
http://www.usdoj.gov/ag/annualreports/pr2008/TableofContents.htm

Please view our Strategic Plan at:
http://www.usdoj/jmd/mps/strategic2007-2012/index.html

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