

A MESSAGE FROM THE ATTORNEY GENERAL

November 14, 2006

Every day, the men and women of the Department of Justice work to protect Americans by preventing terrorism and other threats to our Nation, as well as by keeping our communities safe from violent crime. During the past five years, working side by side with our federal, State and local partners, the Department has worked tirelessly to strengthen our Nation's counterterrorism efforts and to reduce violent crime to historic lows.

We have increased our capacity to investigate terrorism and have identified, disrupted, and dismantled terrorist cells operating in the United States. These efforts have resulted in the securing of over 300 convictions or guilty pleas in terrorism or terrorism-related cases arising from investigations conducted primarily after September 11, 2001. Under the leadership of President Bush, the Department has allocated new resources to the war on terror and recently created the National Security Division to further improve our information sharing, coordination, and counterterrorism capacity.

Due to the hard work of law enforcement, our Nation continues to enjoy the lowest crime rate in 30 years. Where individual localities have seen small increases in crime recently, the Department has responded appropriately, working with our State and local partners to study the problem and to develop strategies to reduce and deter that crime. We are also urging our prosecutors to redouble their efforts to vigorously prosecute federal crimes involving guns, gangs, drugs, child exploitation, corporate and public corruption, immigration, and civil rights violations.

While we work to fulfill our vital mission, I am 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 2006 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).

I am pleased to report that the Department earned an unqualified audit opinion on our financial statements as of September 30, 2006. All ten of the Department's components that produce financial statements received unqualified opinions this year. For the third year in a row, the Department met OMB's 45-day standard for issuing the *Performance and Accountability Report*. Two components had no material weakness or reportable conditions of any kind, and six of our ten components had no material control weaknesses reported by the auditors. In addition, three of our components were able to successfully eliminate prior year material weakness. While I am pleased with this progress, we still have components that face challenges in their financial controls and

information systems environments. As a result, I provide qualified assurance that our internal control and financial systems met the objectives of Sections 2 and 4 of the FMFIA and that our internal control over financial reporting met the objectives of Appendix A of OMB Circular A-123. As the Department continues to operate with seven individual financial reporting systems, we are dedicated to improving our financial controls and systems and continuing our project to install an integrated Departmental financial management system.

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

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

Alberto R. Gonzales