



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

**OVERSIGHT ★ INTEGRITY ★ GUIDANCE**



**Audit of the**  
**U.S. Department of Justice**  
**Annual Financial Statements**  
**Fiscal Year 2019**



# Commentary and Summary

*Audit of the U.S. Department of Justice Annual Financial Statements  
Fiscal Year 2019*

## Objective

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

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

## Results in Brief

KPMG LLP (KPMG) found that the Department's financial statements are fairly presented as of and for the year ended September 30, 2019. An unmodified opinion was issued. KPMG reported a material weakness in the Independent Auditors' Report. The Independent Auditors' Report did not report any instances of non-compliance.

The OIG reviewed KPMG's report and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with Government Auditing Standards, was not intended to enable us to express, and we do not express, an opinion on the Department's financial statements; conclusions about the effectiveness of internal control; conclusions on whether the Department's financial management systems substantially complied with FFMIA; or conclusions on compliance and other matters. KPMG is responsible for the attached Independent Auditors' Report dated November 19, 2019, and the conclusions expressed in the report. However, our review disclosed no instances where KPMG did not comply, in all material respects, with auditing standards generally accepted in the United States of America.

## Recommendations

KPMG provided the Department four recommendations to improve its monitoring activities of financial statement preparation and review controls.

## Audit Results

Under the direction of the OIG, KPMG performed the Department's audit in accordance with auditing standards generally accepted in the United States of America. The fiscal year (FY) 2019 audit resulted in an unmodified opinion on the financial statements. An unmodified opinion means that the financial statements present fairly, in all material respects, the financial position and the results of the entity's operations in accordance with U.S. generally accepted accounting principles. For FY 2018, the Department also received an unmodified opinion on its financial statements (OIG Audit Division Report No. 19-02).

KPMG reported a material weakness in the FY 2019 Independent Auditors' Report, noting that the Department's financial statement compilation and review processes had again not achieved the full level of rigor that is necessary to prepare timely, accurate, and reliable financial statements in accordance with applicable standards. Specifically, KPMG identified errors in the journal entry process, and presentation of certain note disclosures and financial statement amounts. KPMG also identified that Working Capital Fund activity converted into UFMS was missing attributes and indicators, and weaknesses in the implementation of a new accounting standard. KPMG reported that the DOJ's ability to prevent, or detect and correct, misstatements of the DOJ's financial statements on a timely basis is impaired.

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

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



# Commentary and Summary

*Audit of the U.S. Department of Justice Annual Financial Statements  
Fiscal Year 2019*

Beginning in 2009, the Department has made significant progress toward implementing the UFMS. The Department has one final implementation scheduled in October 2020 after which the UFMS implementation will be complete and the Department will have a fully unified financial management system. Until that time, the Department does not yet have a fully unified financial management system to readily support ongoing accounting operations and the preparation of financial statements, in order to achieve the economies of scale that it envisions. As discussed in past years, we believe the most important challenge facing the Department in its financial management is to fully implement an integrated financial management system to replace the remaining major non-integrated legacy accounting system currently being used by three of the Department's nine reporting components.

**AUDIT OF THE  
U.S. DEPARTMENT OF JUSTICE  
ANNUAL FINANCIAL STATEMENTS  
FISCAL YEAR 2019**

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# U.S. DEPARTMENT OF JUSTICE

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)



# Management's Discussion and Analysis (Unaudited)

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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. The Department was created to control federal law enforcement, and all criminal prosecutions and civil suits in which the United States has an interest. The structure of the Department has changed over the years, with the addition of a Deputy Attorney General, Associate Attorney General, Assistant Attorneys General, and the formation of Divisions and components; however, unchanged is the commitment and response to securing equal justice for all, enhancing respect for the rule of law, and making America a safer and more secure Nation.

## Mission

The mission of the Department of Justice, as reflected in the Strategic Plan for fiscal years (FY) 2018-2022 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 the Department's mission, we are guided by the following core values:

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**Equal Justice Under Law.** Upholding the laws of the United States is the solemn responsibility entrusted to DOJ by the American people. The Department enforces these laws fairly and uniformly to ensure that all Americans receive equal protection and justice.

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**Honesty and Integrity.** DOJ adheres to the highest standards of ethical behavior, cognizant that, as custodians of public safety, its motives and actions must be above reproach.

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**Commitment to Excellence.** The Department seeks to provide the highest levels of service to the American people. DOJ is an effective and responsible steward of taxpayers' dollars.

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**Respect for the Dignity and Worth of Each Human Being.** Those who work for the Department treat each other and those they serve with fairness, dignity, and compassion. They value differences in people and ideas. They are committed to the well-being of employees and to providing opportunities for individual growth and development.

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## Strategic Goals and Objectives

From our mission and core values stem the Department’s strategic and annual planning processes. The Department embraces the concepts of performance-based management. At the heart of these concepts is the understanding that improved performance is realized through greater focus on mission, agreement on goals and objectives, and timely reporting of results. 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 FY 2018 – 2022 Strategic Plan provides the overarching framework for component and function-specific plans as well as annual performance plans, budgets, and reports. The Strategic Plan is available electronically on the Department’s website at: <https://www.justice.gov/jmd/page/file/1071066/download>.

The table below provides an overview of the Department’s FY 2018 - 2022 strategic goals and objectives.

Strategic Goal		Strategic Objectives
1	Enhance National Security and Counter the Threat of Terrorism	1.1 Disrupt and defeat terrorist operations 1.2 Combat cyber-based threats and attacks 1.3 Combat unauthorized disclosures, insider threats, and hostile intelligence activities
2	Secure the Borders and Enhance Immigration Enforcement and Adjudication	2.1 Prioritize criminal immigration enforcement 2.2 Ensure an immigration system that respects the rule of law, protects the safety of U.S. Citizens and serves the national interest
3	Reduce Violent Crime and Promote Public Safety	3.1 Combat violent crime, promote safe communities, and uphold the rights of victims of crime 3.2 Disrupt and dismantle drug trafficking organizations to curb opioid and other illicit drug use in our nation
4	Promote Rule of Law, Integrity, and Good Government	4.1 Uphold the rule of law and integrity in the proper administration of justice 4.2 Defend first amendment rights to exercise religion and free speech 4.3 Pursue regulatory reform initiatives 4.4 Achieve management excellence

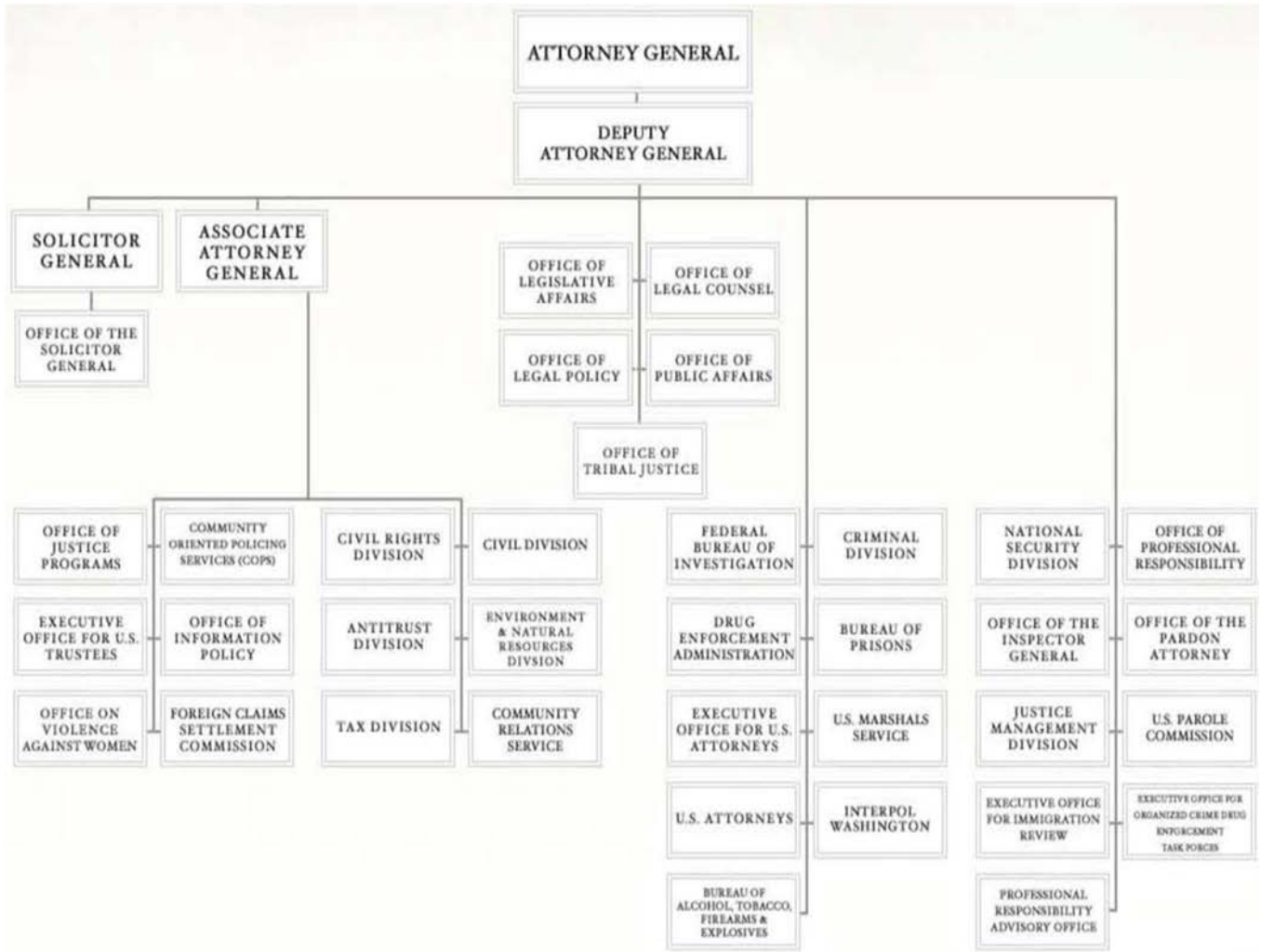
## Organizational Structure

Led by the Attorney General, the Department is comprised of forty separate component organizations. There are over 113,000 employees who ensure that the individual component missions, and the overarching Department goals, are carried out. 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 Service (USMS), which protects the federal judiciary, apprehends fugitives, and detains persons in federal custody; the Federal 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.

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



# U.S. DEPARTMENT OF JUSTICE



Approved by:   
 JEFFERSON B. SESSIONS III  
 Attorney General

Date: 2-5-18

## Financial Structure

The Department's financial reporting structure is comprised of nine principal components.

### Components:

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

### \*OBDs

#### Offices

Office of the Attorney General  
Office of the Deputy Attorney General  
Office of the Associate Attorney General  
Community Relations Service  
Executive Office for Immigration Review  
Executive Office for U.S. Attorneys  
Executive Office for U.S. Trustees  
Executive Office for Organized Crime  
Drug Enforcement Task Forces  
INTERPOL Washington  
Office of Community Oriented Policing Services  
Office of Information Policy  
Office of Legal Counsel  
Office of Legal Policy  
Office of Legislative Affairs  
Office of Professional Responsibility  
Office of Public Affairs  
Office of the Inspector General  
Office of the Pardon Attorney  
Office of the Solicitor General  
Office of Tribal Justice  
Office on Violence Against Women  
Professional Responsibility Advisory Office  
U.S. Attorneys

#### Boards

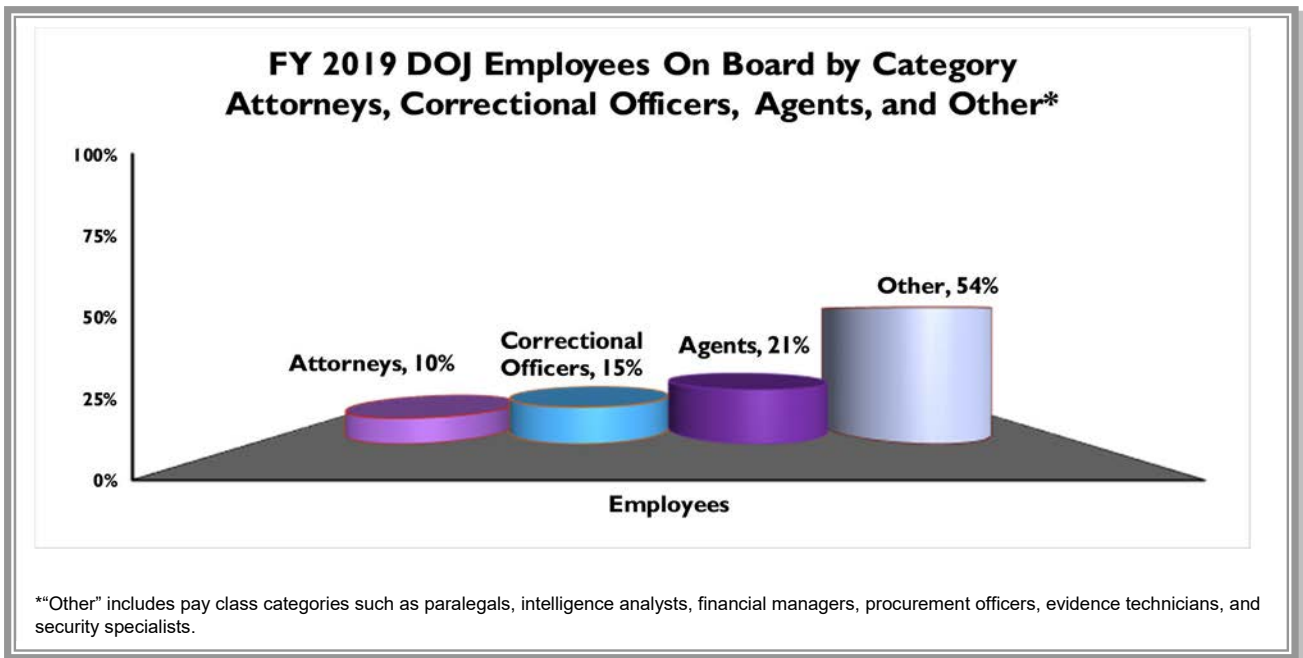
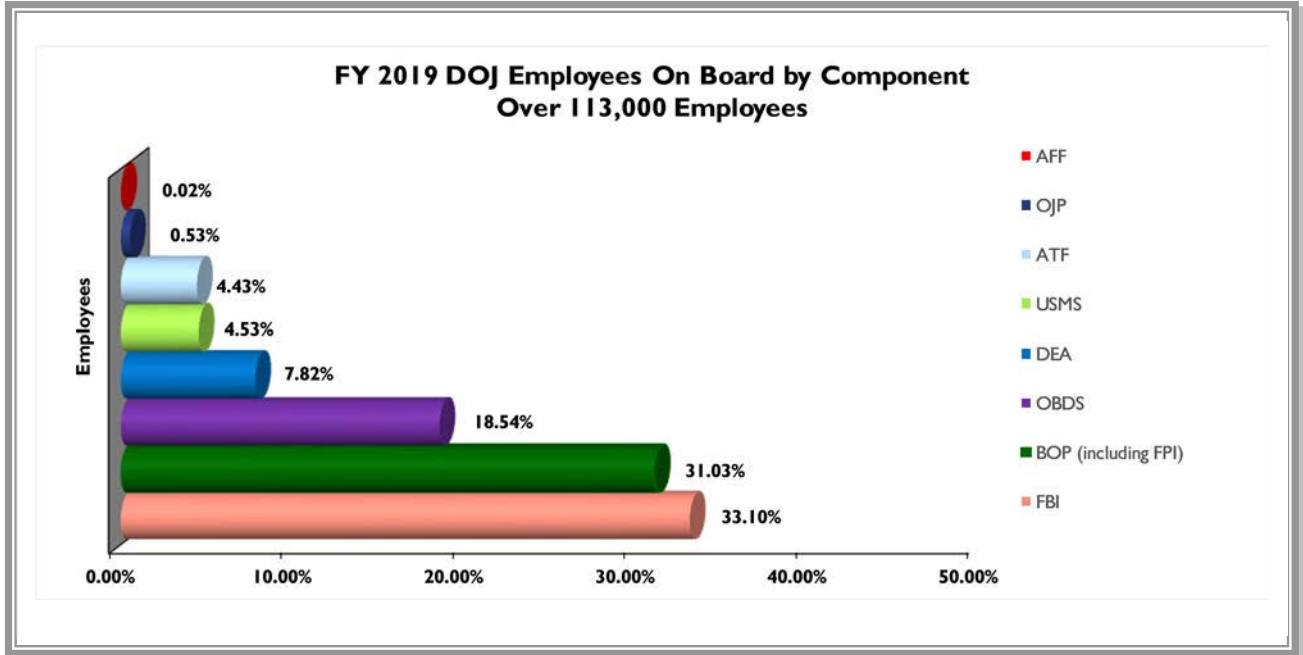
Foreign Claims Settlement Commission  
U.S. Parole Commission

#### Divisions

Antitrust Division  
Civil Division  
Civil Rights Division  
Criminal Division  
Environment and Natural Resources Division  
Justice Management Division  
National Security Division  
Tax Division

## FY 2019 Resource Information

The following pages provide summary-level resource and performance information regarding the Department's operations for FY 2019. The charts on this page reflect employees on board as of September 30, 2019.



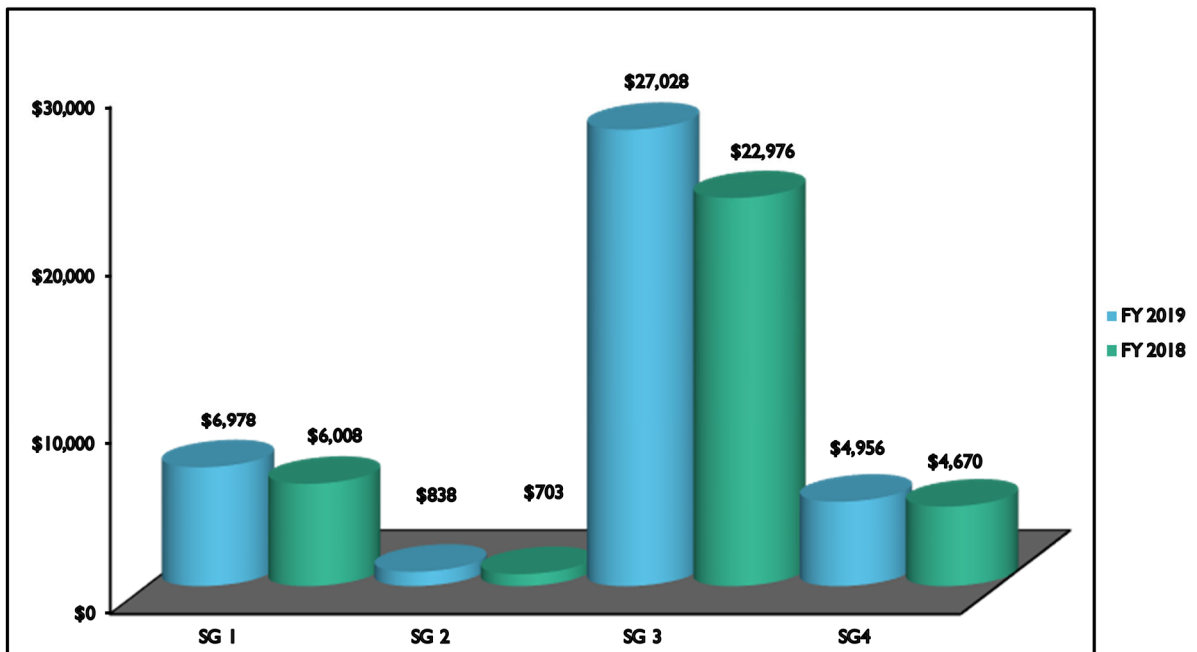
**Table 1. Sources of DOJ Resources**  
(Dollars in Thousands)

Source	FY 2019	FY 2018	% Change
<b>Earned Revenue:</b>	<b>\$ 2,999,584</b>	<b>\$ 3,312,187</b>	<b>(9.44%)</b>
<b>Budgetary Financing Sources:</b>			
Appropriations Received	31,354,708	30,435,438	3.02%
Appropriations Transferred-In/Out	970,698	985,768	(1.53%)
Nonexchange Revenues	909,202	993,117	(8.45%)
Donations and Forfeitures of Cash and Cash Equivalents	2,515,615	1,081,763	132.55%
Transfers-In/Out Without Reimbursement	(119,250)	(225,796)	(47.19%)
Other Adjustments	(1,071,565)	(674,300)	(58.92%)
<b>Other Financing Sources:</b>			
Donations and Forfeitures of Property	360,258	203,683	76.87%
Transfers-In/Out Without Reimbursement	1,554	9,025	(82.78%)
Imputed Financing	1,051,358	873,536	20.36%
Other Financing Sources	(10,903)	(9,077)	20.12%
<b>Total DOJ Resources</b>	<b><u>\$38,961,259</u></b>	<b><u>\$36,985,344</u></b>	<b>5.34%</b>

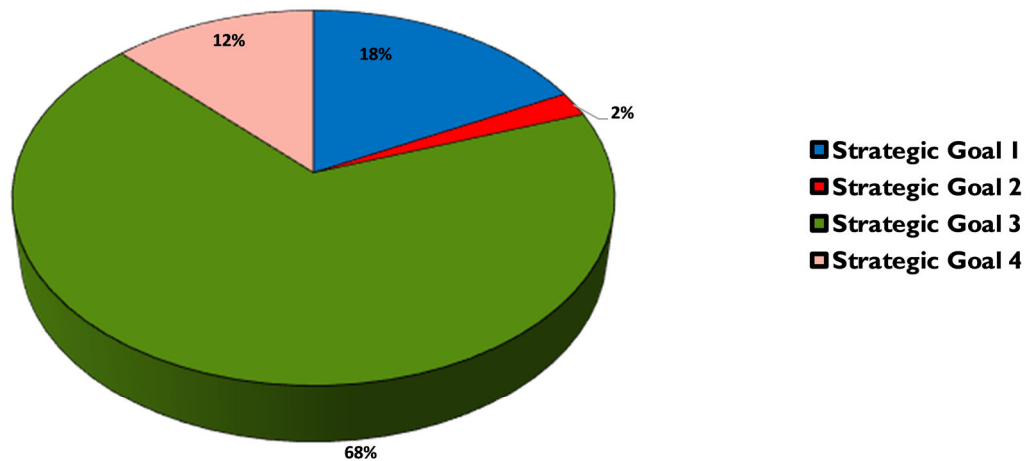
**Table 2. How DOJ Resources Are Spent**  
(Dollars in Thousands)

Strategic Goal	FY 2019	FY 2018	% Change
1 Enhance National Security and Counter the Threat of Terrorism			
Gross Cost	\$ 7,240,160	\$ 6,293,963	
Less: Earned Revenue	<u>262,247</u>	<u>285,573</u>	
<i>Net Cost</i>	6,977,913	6,008,390	16.14%
2 Secure the Borders and Enhance Immigration Enforcement and Adjudication			
Gross Cost	854,003	714,753	
Less: Earned Revenue	<u>16,215</u>	<u>11,779</u>	
<i>Net Cost</i>	837,788	702,974	19.18%
3 Reduce Violent Crime and Promote Public Safety			
Gross Cost	28,862,189	25,016,996	
Less: Earned Revenue	<u>1,833,799</u>	<u>2,041,288</u>	
<i>Net Cost</i>	27,028,390	22,975,708	17.64%
4 Promote Rule of Law, Integrity, and Good Government			
Gross Cost	5,843,575	5,643,333	
Less: Earned Revenue	<u>887,323</u>	<u>973,547</u>	
<i>Net Cost</i>	4,956,252	4,669,786	6.13%
<b>Total Gross Cost</b>	<b>42,799,927</b>	<b>37,669,045</b>	
<b>Less: Total Earned Revenue</b>	<b><u>2,999,584</u></b>	<b><u>3,312,187</u></b>	
<b>Total Net Cost of Operations</b>	<b><u>\$39,800,343</u></b>	<b><u>\$34,356,858</u></b>	<b>15.84%</b>

### Comparison of Net Costs by Strategic Goal (SG) - FY 2019 and 2018 (Dollars in Millions)



### FY 2019 Percentage of Net Costs by Strategic Goal



- Goal 1: Enhance National Security and Counter the Threat of Terrorism
- Goal 2: Secure the Borders and Enhance Immigration Enforcement and Adjudication
- Goal 3: Reduce Violent Crime and Promote Public Safety
- Goal 4: Promote Rule of Law, Integrity, and Good Government

## Analysis of Financial Statements

The Department's financial statements, which are provided in Section II of this document, received an unmodified audit opinion for the fiscal years ended September 30, 2019 and 2018. These statements were prepared from the accounting records of the Department in accordance 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 promulgated by the Federal Accounting Standards Advisory Board (FASAB).

The following information highlights the Department's financial position and results of operations in FY 2019. The complete set of financial statements, related notes, and the opinion of the Department's auditors are provided in Section II of this document.

**Assets:** The Department's Consolidated Balance Sheet as of September 30, 2019, shows \$55.8 billion in total assets, a decrease of \$1.7 billion over the previous year's total assets of \$57.5 billion. The decrease was primarily due to payments made to Victim Compensation Fund (VCF) claimants. Fund balance with Treasury (FBWT) was \$39.4 billion, which represented 70.6% percent of total assets.

**Liabilities:** Total Department liabilities were \$21.0 billion as of September 30, 2019, an increase of \$2.1 billion from the previous year's total liabilities of \$18.9 billion. The net change was the result of an increase of approximately \$1.0 billion in seized cash and monetary instruments, and approximately \$1.1 billion in the liability for the September 11<sup>th</sup> Victim Compensation Fund.

**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 the Department's operations totaled \$39.8 billion for the fiscal year ended September 30, 2019, an increase of \$5.4 billion from the previous year's net cost of operations of \$34.4 billion. The increase is primarily attributed to additional intragovernmental expenses with the U.S. Census Bureau and the Department of Health and Human Services, and the State Criminal Alien Assistance Program (SCAAP), for which there were no expenses in FY18, and increased expenses and corresponding outlays for the Crime Victims Fund (CVF).

**Budgetary Resources:** The Department's FY 2019 Combined Statement of Budgetary Resources shows \$56.3 billion in total budgetary resources, an increase of \$.1 million from the previous year's total budgetary resources of \$56.2 billion.

**Net Agency Outlays:** The Department's FY 2019 Combined Statement of Budgetary Resources shows \$37.4 billion in net agency outlays, an increase of \$2.8 billion from the previous year's total net agency outlays of \$34.6 billion. The increase is primarily due to the SCAAP program, as well as expenses and outlays for the CVF. This increase in CVF reflects increased grants program activity following prior fiscal year increases in appropriations, as the grant programs follow a four-year cycle: the year of award plus three years of expenditures.

## Summary of Performance Information

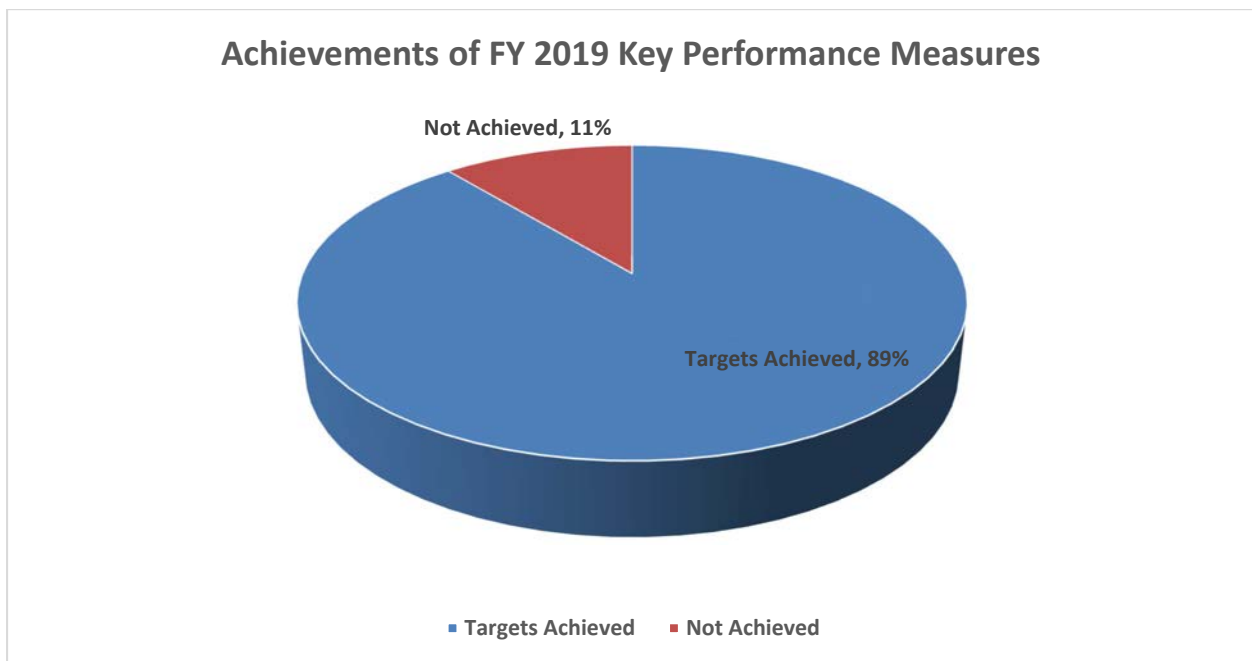
The Government Performance and Results Act Modernization Act of 2010 (GPRAMA) requires an agency's Strategic Plan to be updated every four years and cover a period of not less than four years forward from the fiscal year in which it is submitted.

The Department's FY 2018-2022 Strategic Plan, which contains four strategic goals, is used for this report. The Department's Plan includes 39 key performance measures addressing DOJ's priorities toward achieving its long-term outcome goals. The performance measures are summarized in this document. The Department's full Performance Report for these measures will be discussed in the Department's FY 2019 Annual Performance Report/FY 2021 Annual Performance Plan and submitted with the President's Budget in February 2020. The Department strives to present the highest-level outcome-oriented measures available.

During FY 2019, 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.

For this summary report, 90 percent of the performance measures have actual data for FY 2019. The Department achieved 89 percent of its key measures that had data available as of September 30, 2019. For some of the performance measures, the actual data will not be available until later in calendar year 2019 or early 2020. The Department continues to emphasize long-term and annual performance measure development, placement of key performance indicators on cascading employee work plans, and Department-wide quarterly status reporting.

The chart below and the table that follows summarize the Department's achievement of its FY 2019 long-term outcome goals (key performance measures).



U.S. Department of Justice Key Performance Measures by Strategic Goal		FY 2019	FY 2019	Target Achieved/ Not Achieved
[] Designates the reporting entity		Target	Actual	
<b>Strategic Objective</b>	<b>Strategic Goal 1: Enhance National Security and Counter the Threat of Terrorism</b>			
1 1	Number of terrorism disruptions effected through investigations [FBI]	250	518	Target Achieved
1 1	Number of incidents reported to the United States Bomb Data Center via the Bomb and Arson Tracking System [ATF]	32,000	33,475	Target Achieved
1 1	Percentage of counterterrorism defendants whose cases were favorably resolved [NSD]	90%	95%	Target Achieved
1 1	Number of assistance activities conducted with the goal of building the capacity of foreign law enforcement, prosecutors, and judicial systems to disrupt and dismantle terrorist actions and organizations [CRM]	947*	952	Target Achieved
1 2	Number of computer intrusion program deterrences, detections, disruptions and dismantlements [FBI]	8,000	15,897	Target Achieved
1 2	Percentage of cyber defendants whose cases were favorably resolved [NSD, USA, CRM]	90%	100%	Target Achieved
1 3	Number of counterintelligence program disruptions and dismantlements [FBI]	400	529	Target Achieved
1 3	Percentage of espionage defendants whose cases are favorably resolved [NSD]	90%	99%	Target Achieved
<b>Strategic Objective</b>	<b>Strategic Goal 2: Secure the Borders and Enhance Immigration Enforcement and Adjudication</b>			
2 1	Percentage of criminal immigration dispositions that are successfully resolved [USA]	90%	99.6%	Target Achieved
2 1	Percentage of federal denaturalization of dispositions that are successfully resolved [USA, CIV]	80%	95%	Target Achieved
2 2	Percentage of criminal immigration-related benefits fraud dispositions that are successfully resolved [USA]	90%	99%	Target Achieved
2 2	Percentage of employer sanctions, immigration-related unfair employment practices, and immigration-related document fraud cases completed within the established timeframe [EOIR]	90%	95%	Target Achieved
2 2	Percentage of Immigration and Nationality Act (INA) Section 274B Protecting U S Workers Initiative discriminatory or unlawful hiring practice enforcement actions successfully resolved [CRT]	75%	100%	Target Achieved
2 2	Clearance rate for detained and non-detained cases [EOIR]	50%	61%	Target Achieved



U.S. Department of Justice Key Performance Measures by Strategic Goal that MUST be Included In Component MD&A		FY 2019	FY 2019	Target Achieved/ Not Achieved
[] Designates the reporting entity		Target	Actual	
<b>Strategic Goal 3: Reduce Violent Crime and Promote Public Safety</b>				
3 1	Percentage of federal violent crime defendants whose cases were favorably resolved [USA, CRM]	90%	92%	Target Achieved
3 1	Number of National Integrated Ballistic Information Network (NIBIN) "hits/leads" that is the linkage of two or more shootings to the same firearm, based upon comparisons of 3D digital ballistic images of spent shell casings recovered from crime scenes and from gun test-fires [ATF]	55,000	74,123	Target Achieved
3 1	Number of victims of a violent crime that receive services through the Victim Assistance Program [OJP]	5,000,000	TBD**	TBD
3 1	Percentage of extraditions received related to violent criminals [CRM]	20%	21 2%	Target Achieved
3 1	Percentage increase of non-Consolidated Organization Target (non-CPOT) gang/criminal enterprise dismantlements [FBI]	15%	16%	Target Achieved
3 1	Reduce violent crime [Department-wide] (Reporting Cycle Calendar Year (CY) : 2018)	-1%	-3 9%	Target Achieved
3 1	Stop and reverse rise in homicides [Department-wide] (Reporting Cycle CY : 2018)	-2%	-6 8%	Target Achieved
3 2	Reduce drug overdose deaths [Department-wide] (Reporting Cycle CY : 2018)	-4%	TBD**	TBD
3 2	Reduce opioid prescriptions [Department-wide] (Reporting Cycle CY : 2019)	-27%	-30 5%	Target Achieved
3 2	Number of disruptions and dismantlements of Drug Trafficking Organizations (DTOs) linked to CPOTs [OCDETF]	255	328***	Target Achieved
3 2	Number of disruptions and dismantlements of Priority Threat Organizations (PTOs) not linked to CPOTs [DEA]	1,500	1,352	Not Achieved
3 2	Number of scheduled diversion investigations completed [DEA]	1,441	1,329	Not Achieved
3 2	Number of CPOT-linked investigations with one or more defendants convicted [OCDETF]	314	308***	Not Achieved

U.S. Department of Justice Key Performance Measures by Strategic Goal that MUST be Included In Component MD&A		FY 2019	FY 2019	Target Achieved/ Not Achieved
Designates the reporting entity		Target	Actual	
Strategic Objective	Strategic Goal 4: Promote Rule of Law, Integrity, and Good Government			
4 1	Percentage of illicit market defendants whose cases were favorably resolved [CRM, USA]	85%	92%	Target Achieved
4 1	Percentage of Office of Professional Responsibility (OPR) inquiries resolved within one year, and investigations within two years [OPR]	Inquiries -50% Investigations -50%	Inquiries -91% Investigations - 97%	Target Achieved Target Achieved
4 2	Increase the number of statements of interest involving First Amendment or religious liberty [CRT]	10%	167%	Target Achieved
4 2	Increase the number of Religious Land Use and Institutionalized Persons Act (RLUIPA) matters opened [CRT]	10%	20%	Target Achieved
4 3	Ratio of deregulatory actions to regulatory actions [OLP]	2 to 1	3 to 1	Target Achieved
4 3	Cost of regulations per fiscal year is below OMB cost cap [OLP]	\$0 00	-\$1 689	Target Achieved
4 4	Ethics training for DOJ employees conducted by the Departmental Ethics Office (DEO) and ensure all financial disclosures are reviewed timely [JMD/DEO]	Training - 100% Disclosures - 100%	Training - 100% Disclosures - 98%	Target Achieved Not Achieved
4 4	Time-to-hire Mission Critical Occupations (MCOs) (average number of days) [JMD/HRA]	205 days	TBD**	TBD
4 4	Percentage of unmodified audit opinions achieved [JMD/Controller]	100%	TBD**	TBD
4 4	Number of DOJ systems moved to the Cloud [JMD/OCIO]	2	5	Target Achieved

\*Annual target changed since last reported in the FY 2018 Annual Performance Report/FY 2020 Annual Performance Plan (APR/APP)

\*\*The final actual figure will be available at a later date

\*\*\* FY 2019 actual is preliminary data

## FY 2018 – 2019 Priority Goals

Federal agencies are required to identify a limited number of Priority Goals that are considered priorities for both the Administration and the agency, have high relevance to the public or reflect the achievement of key agency missions, and would produce significant results over a 12 to 24 month timeframe. The Priority Goals represent critical elements of a federal agency's strategic plan and are linked to the larger DOJ policy framework and strategic plan goals.

The Priority Goals align with the FY 2018-2022 Strategic Plan, and are reported on a quarterly basis via OMB MAX Performance Page. The FY 2018-2019 Priority Goals are:

### Priority Goal 1, Combat Cyber-Enabled Threats and Attacks:

Cybercrime is one of the greatest threats facing our country, and has enormous implications for our national security, economic prosperity, and public safety. The range of threats and challenges cybercrime presents for law enforcement expands just as rapidly as technology evolves. By September 30, 2019, the Department of Justice will combat cyber-enabled threats and attacks by conducting 8,400 computer intrusion program deterrences, detections, disruptions and dismantlements, while successfully resolving 90 percent of its cyber defendant cases.

Status: The Department of Justice surpassed its two-year targets for the Combat Cyber-Enabled Threats and Attacks Priority Goal. The 'Cyber' Priority Goal tracked two performance measures throughout FY 2018 – 2019. Both measures exceeded their two-year targets.

The FBI's Cyber Division substantially exceeded its two-year target of conducting 12,200 (the annual target for FY 2019 was increased from 4,200 to 8,000) computer intrusion program deterrences, detections, disruptions and dismantlements, by successfully achieving a total of 27,437 investigative outcomes by the end of FY 2019. The Department will continue to track the FBI's efforts to deter, detect, disrupt and dismantle even more computer intrusion programs for the FY 2020 – 2021 Combat Cyber-Enabled Threats and Attacks Priority Goal.

The Department exceeded its target of favorably resolving at least 90% of its cyber defendants' cases, by successfully resolving 99% of its prosecutions of 325 cyber defendants, throughout FY 2018 – 2019. In FY 2018, the Department completed 164 cases, of which 98% were successful, and successfully resolved each of the 165 cases prosecuted in FY 2019. Cyber cases tend to involve other related criminal conduct under which the matter could be coded in the Executive Office for U.S. Attorneys' case management database. U.S. Attorneys will continue to individually assess each case brought for criminal prosecution in a manner that promotes the ends of justice. The Department will continue to track its efforts to successfully resolve 90% of its cyber defendant cases for the FY 2020 – 2021 Combat Cyber-Enabled Threats and Attacks Priority Goal.

Combating cyber threats remains one of the Agency's top priorities. DOJ will continue its cybercrime priority goal into FY 2020 – 2021. The goal will continue to focus on its current strategies to combat cyber-enabled threats and attacks, as well as a new strategy focused on strengthening public-private partnerships.

### Priority Goal 2, Violent Crime Reduction:

By September 30, 2019, the Department of Justice will increase the percentage of non-Consolidated Priority Organization Target (non-CPOT) gang/criminal enterprise dismantlements by 30%; increase the number of National Integrated Ballistic Information (NIBIN) "hits/leads," that is the linkage of two or more shootings to the same firearm, based upon comparisons of 3D digital ballistic images of spent shell casings recovered from

crime scenes and from crime gun test-fires by 55,000; and favorably resolve 90% of federal “violent crime” cases.

**Milestones:** As part of the enhanced Project Safe Neighborhoods program, the United States Attorney’s Offices will develop and implement a district-specific violent crime reduction strategy. By 2018, 75% of districts would have implemented violent crime reduction strategies. By 2019, 100% of districts would have implemented violent crime reduction strategies.

**Status:** The Department of Justice surpassed its two-year targets for the Violent Crime Reduction Priority Goal. As part of the goal, the Department also demonstrated progress towards implementing the enhanced Project Safe Neighborhoods (PSN) program. The ‘Violent Crime’ Priority Goal tracked three performance measures throughout FY 2018 - 2019. All three measures exceeded their two-year targets.

The FBI exceeded its two-year target of increasing the dismantlement of non-CPOT gang/criminal enterprises by 30%, over the baseline of 150. By the end of the priority goal cycle, the FBI dismantled a total of 217 non-CPOT gang/criminal enterprises. Collectively, the total number of dismantlements reported for FY 2018 - 2019, reflect a 45% increase over the baseline.

By the end of FY 2019, ATF exceeded its two-year target to increase the number of National Integrated Ballistic Information (NIBIN) “hits/leads,” that is the linkage of two or more shootings to the same firearm, based upon comparisons of 3D digital ballistic images of spent shell casings recovered from crime scenes and from crime gun test-fires by 55,000, by achieving a total of 74,123 “hits/leads.” In FY 2018, ATF exceeded its annual target (50,000), by 9.4%, with a total of 54,686 “hits/leads.” ATF continued to remain on target throughout each fiscal year.

The Department of Justice exceeded its two-year target of favorably resolving at least 90% of its federal violent crime defendants’ cases, by successfully resolving 92% of its prosecutions of a 30,484 federal violent crime defendants, throughout FY 2018 – 2019. In FY 2018, the Department completed 14,561 cases, of which 93% were successful. In FY 2019, the Department pursued nearly 16,000 cases against federal violent crime defendants, of which 92% were successfully resolved.

As part of the Project Safe Neighborhoods program, the USAOs developed and implemented district specific violent crime strategies. By the end of FY 2018, all 93 USAOs completed each of the key milestone activities. The Department continued to report on its semiannual reporting requirements throughout FY 2019. The last full cycle of the semiannual reports were due the summer of 2018 (covering Oct. 2018 – Mar. 2019). By August 2019, 98% of the 93 USAOs submitted at least one of the two parts of the semiannual report.

Reducing violent crime remains one of the Agency’s top priorities. DOJ will continue with a violent crime reduction priority goal into FY 2020 – 2021.

### Priority Goal 3, Disrupt Drug Trafficking to Curb Illicit Drug Use:

By September 30, 2019, the Department of Justice will increase the number of disruptions and dismantlements of Transnational Criminal Organizations (TCOs) to 402; complete 2,785 scheduled diversion investigations; and increase the number of diversion criminal cases initiated to 1,725.

**Milestones:** The Drug Enforcement Administration (DEA) will continue ongoing efforts to implement its Threat Enforcement Prioritization Process (TEPP). The TEPP proactively manages enforcement performance (activities, outcomes and resources) allowing for greater accountability. TEPP enhances DEA’s ability to identify evolving threats, prioritize its response, evaluate success, and report on its effectiveness in a timelier

manner. TEPP shifts DEA's performance from a more quantitative approach to a more qualitative, results oriented approach that focuses and reports on community-based, environmental outcomes.

- By 2018, 33% of DEA Field Division fully transitioned to TEPP
- By 2019, 66% of DEA Field Division fully transitioned to TEPP

Status: The Department of Justice partially met its two-year targets for the Disrupt Drug Trafficking to Curb Illicit Drug Use Priority Goal. The 'Drug Trafficking' Priority Goal tracked three performance measures throughout FY 2018 – 2019. Two of the three performance measures exceeded their two-year targets. As part of the goal, the Department also tracked and demonstrated progress in the implementation of the Threat Enforcement Prioritization Process (TEPP).

Number of disruptions and dismantlements of TCOs was a new performance measure, established in FY 2018. Due to the newness and complexity of the measure, the Department has set only annual targets. The intent of this measure is to increase the overall sum of disruptions and dismantlements of TCOs each fiscal year.

The initial target estimate was 402 disruptions and dismantlements conducted in FY 2019. However, based on past performance, the Department adjusted its annual target from 402 to 374.

The Department exceeded its revised target to increase the number of disruptions and dismantlements of TCOs carried out each fiscal year, to 374, with 416 investigative outcomes in FY 2019. The Department achieved 92% of its annual target (380) for FY 2018, with 348 disruptions and dismantlements completed.

The initial target for annual number of scheduled diversion investigations completed by DEA, was 2,785 by the end FY 2019. However, in light of past performance – DEA achieved 87% of its FY 2018 target – and successive adjustments in policy, the DEA Diversion Control (DCD) established a more realistic target of 1,441 for FY 2019.

DEA achieved 92% of its revised target to increase the number of scheduled diversion investigations completed annually, to 1,441, with 1,329 investigations completed in FY 2019. The DCD modified the FY 2019 Scheduled Investigation Work Plan to create flexibility in conducting investigations of DEA registrants. The modified work plan enables the field to aggressively address the identified threats and concerns within each division. DCD's work plans continue to enable operational flexibility, therefore at times higher-priority investigations involving criminal and regulatory violators take precedence over scheduled investigations.

DEA exceeded its target to increase the number of diversion criminal cases initiated each year, to 1,725, with 1,850 investigations completed in FY 2019. DEA exceeded its annual target for FY 2019 by 7%, or 125 cases. DEA exceeded its annual target for FY 2018 by 9%, or 153 cases.

## Analysis of Systems, Controls, and Legal Compliance

### Internal Control and Enterprise Risk Management in the Department of Justice

The Department of Justice's internal control system is designed to provide reasonable assurance that the objectives of the Department will be achieved. The objectives and related risks are broadly classified into one or more of the following three categories:

- Operations - Effectiveness and efficiency of operations
- Reporting - Reliability of reporting for internal and external use
- Compliance - Compliance with applicable laws and regulations

The Department identifies internal control issues and emerging risks through a strong governance framework that consists of a network of councils, internal review teams, and business line owners. These include the Department's Senior Assessment Team; Enterprise Risk Management (ERM) Working Group; Strategic Objective Review (SOR) participants; Chief Information Officers' Council; Justice Management Division's Internal Review and Evaluation Office, Quality Control and Compliance Group, and Strategic Planning and Performance Staff; and DOJ component internal review and inspection offices. In addition, the Department considers reports issued by the OIG and GAO when assessing internal control and risks.

The Department's internal control system continues to improve through ongoing assessments and corrective actions implemented by management. The Department's commitment to management excellence, accountability, and compliance with applicable laws and regulations is evidenced by continuing actions to establish effective 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 Department management in response to new legislation, OMB initiatives, and OIG and GAO recommendations.

The Department's ERM program is designed to identify challenges and risks early, bring them to the attention of Department leadership, and develop mitigation strategies. In FY 2019, the Department made significant strides in expanding its ERM program and coordinating ERM activities with strategic planning to foster better performance-based management and decision-making.<sup>1</sup> The Department's FY 2019 Risk Profile is the result of the collective efforts of the ERM Working Group, SOR participants, and the performance community.<sup>2</sup> The contributors identified enterprise mission and mission-support risks that could affect the Department meeting its strategic goals and objectives and prioritized the risks for mitigation strategies that will be monitored.

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<sup>1</sup> Consistent with OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*; the Government Performance and Results Modernization Act of 2010; and OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*.

<sup>2</sup> The JMD Strategic Planning and Performance Staff leads the ERM effort across the Department. The ERM Working Group contributing to the Department's FY 2019 Risk Profile included risk officials from ATF, ATR, BOP, CIV, COPS, CRM, CRT, DEA, EOIR, ENRD, FBI, NSD, OJP, USMS, USTP, and TAX and the following JMD offices with oversight responsibilities for strategic planning, financial management, human resources, and information systems – Budget Staff, Finance Staff, Human Resources Administration, Internal Review and Evaluation Office, and Office of the Chief Information Officer. SOR participants represented 30 components across the Department.

## Management Assurances

### Federal Managers' Financial Integrity Act of 1982

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

### FMFIA Assurance Statement

Department of Justice management is responsible for managing risks and maintaining effective internal control to meet the objectives of FMFIA § 2 and § 4. In accordance with OMB Circular A-123, the Department conducted its assessment of risk and internal control. Based on the results of the assessment, we can provide reasonable assurance that internal control over operations, reporting, and compliance was operating effectively as of September 30, 2019, except for the material weakness in financial reporting involving the need to improve financial statement compilation and review controls. Details of the weakness and corrective actions we are pursuing are provided later in this section in the Summary of Material Weakness and Corrective Actions.

The Department of Justice is committed to maintaining strong program and financial management as we continue our mission of fighting terrorism and protecting our communities from crime. We take our program and financial accountability seriously and are dedicated to ensuring that the funds we receive are used in a responsible and transparent manner. We will continue to strengthen our controls in areas identified through the Department's internal review activities and by the OIG and GAO. We look forward in FY 2020 to building on our achievements as we continue the important work of the Department.



William P. Barr  
Attorney General  
November 19, 2019

## **Federal Financial Management Improvement Act of 1996**

The Federal Financial Management Improvement Act of 1996 (FFMIA) was designed to advance federal financial management by ensuring that federal financial management systems provide accurate, reliable, and timely financial management information to the government's managers. Compliance with the FFMIA provides the basis for the continuing use of reliable financial management information by program managers, as well as by the President, Congress, and public. The FFMIA requires agencies to have financial management systems that substantially comply with federal financial management system requirements, applicable federal accounting standards, and the application of the U.S. Government Standard General Ledger (USSGL) at the transaction level. Furthermore, the Act requires independent auditors to report on agency compliance with the three requirements in the financial statement audit report. Guidance for implementing the FFMIA is provided through OMB Circular A-123, Appendix D, *Compliance with the Federal Financial Management Improvement Act of 1996*.

### **FFMIA Compliance Determination**

During FY 2019, the Department assessed its financial management systems for compliance with the FFMIA and determined that, when taken as a whole, they substantially comply with the FFMIA. This determination is based on the results of reviews conducted pursuant to the Federal Information Security Management Act and testing performed for OMB Circular A-123, Appendix A. Consideration was also given to issues identified during the Department's financial statement audit. A summary of the Department's compliance with the specific requirements of the FFMIA is provided at the end of this section.

### **Financial Management Systems Strategy, Goals, and Framework**

The Department's financial management systems strategy is to ultimately replace the one remaining major non-integrated legacy accounting system in use in the Department with the single, integrated financial management system the Department is deploying – the Unified Financial Management System (UFMS). UFMS delivers standard, core accounting and acquisition processes, as well as the data needed for effective financial and budget management. In FY 2019, the Department continued progress in the implementation of UFMS. The five components migrated to UFMS in FY 2019 were the Antitrust Division, Executive Office for United States Trustees, Justice Management Division, Organized Crime Drug Enforcement Task Forces, and Senior Management Offices. The final UFMS migrations are planned for FY 2021 and include the Bureau of Prisons, Department's Grant-awarding components, and Debt Collection Management Staff. The UFMS implementation goals leverage lessons learned from previous migrations and are based on and aligned with operational risks and requirements unique to each component.

The Department's UFMS implementation has enabled components to improve financial and budget management and realize increased efficiencies. For example, UFMS has standardized and integrated financial processes to more effectively support accounting operations, provide accurate and timely financial information throughout the year, facilitate preparation of financial statements, and streamline audit processes.

### **Analysis of Legal Compliance**

Department of Justice management is committed to ensuring compliance with applicable laws and regulations, including data standards and appropriations and employment laws and regulations. Compliance is addressed through the financial statement audit and internal audits, reviews, and inspections. The audits, reviews, and inspections performed in FY 2019 identified isolated instances of noncompliance as discussed below.

In FY 2019, the Department completed reviews of potential Antideficiency Act violations at OJP and ATF. The Department's review of OJP concluded that violations occurred between FYs 2007 and 2017,



totaling approximately \$557,000, when OJP’s Office for Victims of Crime allowed grant recipients to incur obligations under grants that had been extended beyond the statutory period of availability of the funding source. OJP instituted sufficient corrective actions to prevent future violations. The Department’s review of ATF concluded that violations occurred between FYs 2005 and 2016 when ATF opened six foreign offices without submitting the required advance notice to Congress. ATF established the offices as a result of coordinated efforts between the Department and the State Department to facilitate criminal investigations and combat firearms trafficking and gang activity in foreign countries. The review also concluded that violations occurred in FY 2014 when ATF closed two foreign offices without submitting the required advance notice to Congress. By failing to satisfy the preconditions prior to obligating and expending funds to open and close offices, ATF incurred obligations and expenditures in excess of available appropriations in violation of the Antideficiency Act. Due to the nature of the violations, as well as the fact that some occurred many years ago, it was impractical for ATF to determine the amount of funds spent with respect to the violations. ATF instituted sufficient corrective actions to prevent future violations.

In FY 2019, the OIG conducted an audit of the Department’s compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act requires the Inspector General of each Federal agency to review a statistically valid sample of the agency’s spending data submitted to USASpending.gov and provide Congress a publicly available report assessing the completeness, timeliness, accuracy, and quality of the data sampled and the agency’s implementation and use of the government-wide data standards established by OMB and Treasury. The OIG’s audit found that the Department complied with the DATA Act and generally submitted complete, timely, accurate, and quality data to the DATA Act broker submission system. The Department’s data was within the *higher* quality range, based on the error-rate ranges the Council of the Inspectors General on Integrity and Efficiency’s Federal Audit Executive Council established for compliance under the DATA Act.<sup>3</sup> In addition, the OIG found that the Department successfully implemented and used the government-wide data standards. The OIG identified a deficiency in internal controls that resulted in reporting inaccuracies, instances of non-linkage between financial and award data, and system limitations in the generation of the Department’s Award Financial file. Department management reviewed the deficiency and has already completed some corrective action and other action is underway.

### Summary of Financial Statement Audit and Management Assurances

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

**Table 3. Summary of Financial Statement Audit**

Financial Statement Audit Opinion and Material Weaknesses					
<b>Audit Opinion</b>	Unmodified				
<b>Restatement</b>	No				
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
Financial Statement Compilation and Review Controls	0	1	0	0	1
<b>Total Material Weaknesses</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>

<sup>3</sup> The Council established three error-rate ranges for determining the quality level of data – error rate of 0 to 20 percent, *Higher* quality; error rate of 21 to 40 percent, *Moderate* quality; and error rate of 41 percent and above, *Lower* quality.

**Table 4. Summary of Management Assurances**

<b>Effectiveness of Internal Control over Operations (FMFIA § 2)</b>						
<b>Statement of Assurance</b>	Unmodified					
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
None	0	0	0	0	0	0
<b>Total Material Weaknesses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)</b>						
<b>Statement of Assurance</b>	Modified					
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Financial Statement Compilation and Review Controls	0	1	0	0	0	1
<b>Total Material Weaknesses</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Compliance with Financial Management System Requirements (FMFIA § 4)</b>						
<b>Statement of Assurance</b>	Federal Systems Comply					
<b>Non-Compliances</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
None	0	0	0	0	0	0
<b>Total Non-Compliances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Compliance with Section 803(a) of Federal Financial Management Improvement Act (FFMIA)</b>						
<b>Compliance with Specific Requirements</b>						
<b>Specific Requirements</b>	<b>Agency</b>			<b>Auditor</b>		
<b>Federal Financial Management System Requirements</b>	No Lack of Compliance Noted			No Lack of Compliance Noted		
<b>Applicable Federal Accounting Standards</b>	No Lack of Compliance Noted			No Lack of Compliance Noted		
<b>USSGL at Transaction Level</b>	No Lack of Compliance Noted			No Lack of Compliance Noted		

A summary of the material weakness in financial reporting (FMFIA § 2) follows, along with details regarding corrective actions. The associated Corrective Action Plan is provided in Section III of this document.

**Improvements Needed in Financial Statement Compilation and Review Controls**

The compilation of the Department’s consolidated financial statements is a complex process and dependent on Department components entering complete and accurate information in the Department’s financial management systems on a timely basis and providing other data to the JMD Finance Staff. The Department’s multi-year implementation of UFMS has facilitated the compilation process. However, during years when

Department components convert to UFMS, significant challenges can arise. Further, challenges can be compounded when the Department adopts new accounting standards, which occurred in FY 2019.<sup>4</sup>

The auditors conducting the audit of the FY 2019 financial statements noted that improvements are needed in financial statement compilation and review controls. Significant conversion issues were identified in the migration of the Department's Working Capital Fund Activity to UFMS, and errors occurred in the reporting required by new accounting standards. In addition, information provided by components for financial statement amounts and footnote disclosures contained material misstatements.

The auditors noted that the Department subsequently addressed the errors identified above in the Department's year-end financial statements. To address this material weakness, JMD will enhance controls over UFMS conversion activities and financial statement compilation and review; provide additional guidance and training to Department components; and increase oversight to prevent, detect, and correct errors in financial reporting.

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<sup>4</sup> During FY 2019, the Department adopted the Statement of Federal Financial Accounting Standards No. 53, *Budget and Accrual Reconciliation*.

## Forward Looking Information

The Department of Justice faces challenges and risks every day as we work to meet our diverse mission. Some challenges and risks are recognizable and obvious, others are subtle, or are on the horizon. In a complex world where events and actions are happening simultaneously, the Department is employing forward-thinking and agile approaches to address our critical role of maintaining and strengthening the nation's liberty, safety, and prosperity.

One approach the Department is implementing to manage risks and challenges is an Enterprise Risk Management (ERM) capability that looks across the enterprise to address the full spectrum of the Department's significant risks as an interrelated portfolio, which includes strategic, operational, compliance, and compliance risks. DOJ is using a streamlined methodology to facilitate risk-informed decision-making through identification and mitigation activities that aligns strategy, processes, people, technology, and knowledge for the purpose of evaluating and managing uncertainties in executing our diversified missions.

ERM enables the Department's leadership to manage uncertainty (risks) and challenges more effectively to ensure its programs and activities continue to focus on meeting the dynamic demands of a complex legal, economic, and technological environments presently and in the future. Below we summarize a number of forward-looking initiatives we are pursuing.

### National Security

- **Going Dark:** Criminals and terrorists are using encryption and other anonymous or hidden services to avoid detection, identification and capture. Conducting court-approved intercepts has become more challenging. Providers offer encryption as a selling point. Even when legal authority exists, technical ability is lacking, as are storage and data retention policies. A coordinated strategic response is urgently needed.
- **Foreign Intelligence and Insider Threat:** Both international and domestic terrorists threaten Americans at home and abroad. Foreign governments and state-sponsored actors threaten U.S. national security through foreign operations and espionage.
- **Cyber Threat:** Cyber issues straddle both national security and criminal areas, with the United States facing daily telecommunications network attacks from a range of nations, criminals and terrorists, all with potentially devastating consequences. The Department of Justice itself is under constant cyber-attack. The threat is pervasive and persistent and the methods of adversaries are always evolving.

### Law Enforcement

- **Opioid Epidemic:** More than 70,200 Americans died from drug overdoses in 2017, of which 68% were opioid-related.<sup>5</sup>
- **Transnational Organized Crime:** Transnational criminal organizations pose a great threat to national security and the safety of American citizens.
- **State, Local and Tribal:** Federal law enforcement officers constitute only 15 percent of the total number of law enforcement officers nationwide; therefore, 85 percent of the officer support relies upon strong partnership in state and local law enforcement, who have critical intelligence about violent crime in their communities, and whose actions are crucial in the fight against violent crime and the opioid epidemic.

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<sup>5</sup> The website for Centers for Disease Control and Prevention (CDC) is the official data source. These are the numbers reflected on the CDC website, as of October 15, 2019.

## **Immigration**

- Increasing Workload: At the end of FY 2019, there were 988,112 cases pending in immigration courts nationwide, marking another year of increased backlogs.
- Illegal Aliens: An increase in the Department of Homeland Security (DHS) apprehensions will result in more fugitive investigations for individuals with immigration warrants; more protective investigations and details for members of the judiciary; and more prisoners to receive, process, and detain.
- Immigration Enforcement Prosecutors: Federal prosecution of border crime is an essential part of the nation's defense and security and critical to public safety. U.S. Attorneys' Offices address the criminal and civil caseloads generated by law enforcement activities to ensure aggressive enforcement of all immigration statutes.

## **Hiring and Staffing**

- Given an aging population in the federal workforce, the Department faces a series of difficulties in the coming years. Most components have experienced reduced staffing levels in the past several years. The hiring process can be lengthy and complex, especially the added time needed for background investigations.

## **Budget Constraints and Uncertainties**

- From 2001 to 2010, the Department's discretionary budget rose steadily, from \$17.6 billion to \$27.7 billion, an increase of over 55%. However, since then, the discretionary budget has been largely flat or lower, with components absorbing inflationary costs. The 2019 enacted budget was \$30.7 billion, an increase of 10.8% over 2010, or only 1.2% increase per year, which is less than rent and personnel costs rise each year.

## **Unpredictable**

- 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 it must defend.

## Limitations of the Financial Statements

The principal financial statements are 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.

# U.S. DEPARTMENT OF JUSTICE

## INDEPENDENT AUDITORS' REPORT





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

## Independent Auditors' Report

Inspector General  
U.S. Department of Justice

United States Attorney General  
U.S. Department of Justice

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the U.S. Department of Justice (Department), which comprise the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources and custodial activity for the years then ended, and the related notes to the consolidated financial statements.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in accordance with Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





### *Opinion*

In our opinion, 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, 2019 and 2018, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Other Matters*

#### *Interactive Data*

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

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis, Required Supplementary Information, and Required Supplementary Stewardship Information sections be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The information in the Other Information section is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

#### *Internal Control over Financial Reporting*

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2019, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982.

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



A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Exhibit I to be a material weakness.

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

#### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Department's consolidated financial statements as of and for the year ended September 30, 2019 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 19-03.

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

#### *Department's Response to Findings*

The Department's response to the findings identified in our audit are described in Exhibit I. The Department's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

#### *Purpose of the Other Reporting Required by Government Auditing Standards*

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Washington, D.C.  
November 19, 2019

### Material Weakness

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

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#### Improvements Needed in Financial Statement Compilation and Review Controls

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The Department of Justice (DOJ, or the Department) and its components make investments in the people, processes, and technology that enable the timely and accurate accounting of the Department's daily activities. These activities include the personnel, payroll, procurement, grants, budgetary, and funds management activities of the Department and its components. During fiscal year (FY) 2019, to facilitate its accounting of the Department's daily activities, the Department continued its multi-year implementation of its Unified Financial Management System (UFMS).

We noted weaknesses in the Department's preventative controls, such as the proper review and approval by component personnel of transactions that are free of error. As a result, there was a heightened risk that the underlying information in UFMS may not be reliable. In response, the Department placed significant reliance on high-level detective controls implemented by Department personnel at the Justice Management Division to detect and correct material errors on a timely basis.

However, the Department's personnel responsible for implementing those critical detective controls faced competing priorities in FY 2019, which included: (1) supporting the conversion to UFMS of five component organizations within the Offices, Boards and Divisions (OBDs) reporting component, and (2) planning for the future conversion of the remaining components and component organizations.

As a result, we noted that the Department's consolidated financial statement compilation and review processes had again not achieved the full level of rigor that is necessary to prepare timely, accurate, and reliable financial statements in accordance with generally accepted accounting principles, and OMB Circular No. A-136, *Financial Reporting Requirements*.

During our FY 2019 audit, the Department detected or we brought to the attention of the Department the following errors, for which the underlying causes were similar and pervasive:

- Errors in the presentation of certain note disclosures were not detected on a timely basis: The accompanying notes are an integral part of the consolidated financial statements, and provide additional disclosures that are necessary to make the consolidated financial statements more informative and not misleading.

Several components submitted material errors in the note disclosures with their certified year-end financial statements, due to weaknesses in note compilation processes or difficulties in extracting information from underlying systems. Some examples of errors included:

- Misclassified \$2.8 billion between liabilities covered and not covered by budgetary resources in Note 11 (Liabilities not Covered by Budgetary Resources).
- Overstated future noncancelable operating lease payments by \$373 million in Note 13 (Leases).
- Misclassified funds from dedicated collections between budgetary financing sources and other financing sources, in the amount of \$1.1 billion, in Note 17 (Funds from Dedicated Collections).
- Overstated net position by \$1.0 billion in Note 17 (Funds from Dedicated Collections).
- Misclassified the status of undelivered orders by \$102 million between Intragovernmental and With the Public in Note 20 (Information Related to the Statement of Budgetary Resources).

We noted that component organizations in the OBDs also submitted material errors in the note disclosures with their certified interim financial statements. Some examples of errors included:

- Misclassified accounts receivable, in the amount of \$358 million, between Intragovernmental and With the Public in Note 6 (Accounts Receivable, Net).
- Misclassified \$799 million between liabilities covered and not covered by budgetary resources in Note 11 (Liabilities not Covered by Budgetary Resources).
- Errors in the presentation of certain financial statement amounts were not detected on a timely basis: Component organizations in the OBDs presented errors in the financial statement amounts of their certified financial statements, due to weaknesses in financial statement compilation processes. In the certified year-end financial statements, some examples of errors included:
  - Misclassified costs between goals 1 and 3, in the amount of \$236 million, on the Statement of Net Cost.
  - Misclassified revenues between Intragovernmental and With the Public, in the amount of \$129 million, on the Statement of Net Cost.
  - Overstated distributing offsetting receipts, in the amount of \$151 million, in the Statement of Budgetary Resources.
- Errors in journal entries were not detected during the review and approval process: We noted that certain journal entries were reviewed and approved without errors being detected on a timely basis. For example, we noted that a \$298 million journal entry to eliminate intra-departmental activity was incorrectly recorded with the wrong attribute, which misstated the presentation of accounts receivable and accounts payable on the balance sheet as of June 30, 2019. We noted a misstatement of \$179 million in the year-end financial statements due to a similar matter. In addition, we noted that review and approval processes did not detect accruals of \$270 million that duplicated revenue that had been recorded in the Department's legacy accounting system in FY 2018, and an entry that contained invalid downward adjustments of \$558 million to DOJ's prior year obligations.
- Working capital fund activity was converted into UFMS with missing attributes and indicators: For the first time since the conversion to UFMS began more than a decade ago, the Department transitioned its working capital fund activities into the new accounting system. The Department's personnel faced a number of challenges and issues related to adjusting its existing business processes to adapt to the system functionality of UFMS. Prior to the conversion, the Department's personnel did not have a process to adjust its existing records in the legacy accounting system to include all of the necessary attributes and indicators required by UFMS to enable timely, accurate, and reliable financial reporting. For example, we noted that the Department's personnel reported certain converted accounts receivable balances without customer names, which significantly delayed the Department's reporting of intra-component and intra-departmental elimination activity. As such, accounts receivable and accounts payable were most likely overstated by \$304 million, and earned revenue and expenses were most likely overstated by \$496 million, as of March 31, 2019.
- Weaknesses in the implementation of a new accounting standard: During FY 2019, the Department adopted Statement of Federal Financial Accounting Standards No. 53, *Budget and Accrual Reconciliation*. The Department's personnel did not adequately identify how its reporting activities should be presented in accordance with the new standard. As a result, we noted the Department's personnel incorrectly disclosed activities in its interim financial statements in the two note captions required by the new standard. Specifically, *Components of Net Cost That Are Not Part of Net Outlays* and *Components of Net Outlays That Are Not Part of Net Cost* had net overstatements of approximately \$1.9 billion and \$1.1 billion, respectively.

Management subsequently addressed the errors noted above in the Department's year-end financial statements.

Our observations indicate that the Department needs to substantially enhance its management review controls, its monitoring activities, and the staffing and resources to ensure that transactions processed in UFMS are free of error. As a result, the DOJ's ability to prevent, or detect and correct, misstatements of the

DOJ's financial statements on a timely basis is impaired. Consequently, errors or a combination of errors in the financial statements could go undetected.

**CRITERIA:**

The Government Accountability Office's *Standards for Internal Controls in the Federal Government* states:

- Principle 5.07 (Consideration of Excessive Pressures): "Management adjusts excessive pressures on personnel in the entity. Pressure can appear in an entity because of goals established by management to meet objectives or cyclical demands of various processes performed by the entity, such as year-end financial statement preparation."
- Principle 10.03 (Design of Appropriate Types of Control Activities): "Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded."
- Principle 16.05 (Internal Control System): "Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions. Ongoing monitoring may include automated tools, which can increase objectivity and efficiency by electronically compiling evaluations of controls and transactions."

**Recommendations:**

We recommend that the Department:

1. Assess reconciliation, financial reporting review, and other monitoring controls, and identify those areas where component management could increase the rigor and precision of those controls. *(Updated)*

**Management Response:**

Management concurs with the finding. We will enhance our internal control reviews over month and quarter end component financial reporting and operations. We will continue to assess processes to identify areas where OBD component management can increase the rigor and precision of financial management transaction processing. Lastly, we plan to expand overall financial management, budget execution and reimbursable activity training for Department components.

2. Enhance the Department's level of supervisory review over journal entries, with an emphasis on a more robust review of underlying data and the general ledger accounts affected by the journal entry. *(Repeat)*

**Management Response:**

Management concurs with the recommendation. In addition to enhancing the level of supervisory review, we are enhancing justification process for the journal entries to determine if additional system edits can be implemented to further provide validation of the journal entries. We will also enhance our review process to include analyzing related general ledger account attributes thus ensuring they are properly reflected in the financial statements and note disclosures.

3. Enhance controls over conversion activities to ensure converted information in UFMS has the necessary attributes and indicators. *(New)*

**Management Response:**

Management concurs with the recommendation and will continue to enhance and document our processes and procedures; ensure that the reconciliation, review, and approval process for the conversion of funds in UFMS is complete, accurate and timely. We will continue to ensure that the correct designation is applied to the converted funds in UFMS and all discrepancies are identified, researched and resolved timely. Lastly, we plan to review previously converted funds in UFMS to further validate the integrity of the conversions.

4. Revise its training processes associated with the implementation of new accounting standards. *(New)*

**Management Response:**

Management concurs with recommendation. The Department will review, upon issuance, all changes to OMB A-136 that would require updates to the Departmental Financial Statement Preparation Guide. In addition, the Department will ensure implementation of new accounting standards is highlighted in the Department's Financial Statement Working Group meetings and are incorporated in the quarterly financial statements in a timely manner.

EXHIBIT II

STATUS OF PRIOR YEAR'S FINDING AND RECOMMENDATIONS

As required by *Government Auditing Standards* issued by the Comptroller General of the United States, we have evaluated whether the Department has taken the appropriate corrective action to address the finding and recommendations from the prior year's financial statements audit that could have a material effect on the financial statements or other financial data significant to the audit objectives. The following table provides the Office of the Inspector General report number where the deficiency was reported, our recommendations for improvement, and the status of the previously identified significant deficiency and recommendations as of the end of FY 2019.

Report	Significant Deficiency	Recommendations	Status
Annual Financial Statements Fiscal Year 2018 Report No. 19-02	Improvements Needed in Financial Statement Preparation and Review Controls	<b>Recommendation No. 1:</b> Establish and document Fund Balance with Treasury reconciliation policies and procedures to ensure that reconciliations are properly completed and supported in a timely manner.	Completed
		<b>Recommendation No. 2:</b> Enhance controls over the review and approval of fund designations for converted funds in UFMS.	Completed
		<b>Recommendation No. 3:</b> Revise its training processes associated with the generation of reports and queries in UFMS.	Completed
		<b>Recommendation No. 4:</b> Enhance the DOJ's level of supervisory review over journal entries, with an emphasis on a more robust review of underlying data and the general ledger accounts affected by the journal entry.	In Process (FY 2019 Recommendation No. 2)
		<b>Recommendation No. 5:</b> Assess reconciliation, financial reporting review, and other monitoring controls at certain OBD components, and identify those areas where the component management could increase the rigor and precision of those controls.	Completed (Updated by FY2019 Recommendation No. 1)

# U.S. DEPARTMENT OF JUSTICE

## PRINCIPAL FINANCIAL STATEMENTS AND RELATED NOTES

SEE INDEPENDENT AUDITORS' REPORT





**U. S. Department of Justice**  
**Consolidated Balance Sheets**  
**As of September 30, 2019 and 2018**

<b>Dollars in Thousands</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS (Note 2)</b>		
Intragovernmental		
Fund Balance with Treasury (Note 3)	\$ 39,379,340	\$ 39,381,023
Investments (Note 5)	3,665,946	7,720,266
Accounts Receivable (Note 6)	659,563	720,357
Other Assets (Note 10)	157,082	196,702
<b>Total Intragovernmental</b>	<b>43,861,931</b>	<b>48,018,348</b>
Cash and Other Monetary Assets (Note 4)	2,409,814	188,960
Accounts Receivable, Net (Note 6)	168,927	181,729
Inventory and Related Property, Net (Note 7)	144,608	150,809
Forfeited Property, Net (Note 8)	136,774	146,296
General Property, Plant and Equipment, Net (Note 9)	8,715,749	8,586,026
Advances and Prepayments	327,308	256,973
Other Assets (Note 10)	3,534	1,910
<b>Total Assets</b>	<b>\$ 55,768,645</b>	<b>\$ 57,531,051</b>
<b>LIABILITIES (Note 11)</b>		
Intragovernmental		
Accounts Payable	\$ 402,790	\$ 243,959
Accrued Federal Employees' Compensation Act Liabilities	279,206	276,690
Custodial Liabilities (Note 21)	1,907,412	1,727,417
Other Liabilities (Note 15)	411,631	353,454
<b>Total Intragovernmental</b>	<b>3,001,039</b>	<b>2,601,520</b>
Accounts Payable	4,238,855	5,105,977
Accrued Grant Liabilities	843,398	540,400
Accrued Payroll and Benefits	532,909	469,750
Accrued Annual and Compensatory Leave Liabilities	959,989	896,885
Federal Employees and Veterans Benefits	1,811,346	1,835,943
Environmental and Disposal Liabilities (Note 12)	75,881	76,789
Deferred Revenue	761,873	750,518
Seized Cash and Monetary Instruments (Note 14)	2,477,002	1,440,444
Contingent Liabilities (Note 16)	69,775	88,953
Radiation Exposure Compensation Act Liabilities (Note 24)	174,659	250,421
September 11 <sup>th</sup> Victim Compensation Fund Liabilities (Note 24)	4,316,410	3,174,391
United States Victims of State Sponsored Terrorism Act Liabilities (Note 24)	1,166,312	1,192,751
Other Liabilities (Note 15)	583,597	512,041
<b>Total Liabilities</b>	<b>\$ 21,013,045</b>	<b>\$ 18,936,783</b>
<b>NET POSITION</b>		
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	\$ 53,764	\$ 72,459
Unexpended Appropriations - All Other Funds	16,043,659	16,265,939
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	15,399,181	17,733,869
Cumulative Results of Operations - All Other Funds	3,258,996	4,522,001
<b>Total Net Position</b>	<b>\$ 34,755,600</b>	<b>\$ 38,594,268</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 55,768,645</b>	<b>\$ 57,531,051</b>

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

**U. S. Department of Justice**  
**Consolidated Statements of Net Cost**  
**For the Fiscal Year Ended September 30, 2019 and 2018**

**Dollars in Thousands**

	FY	Gross Costs			Less: Earned Revenues			Net Cost of Operations (Note 18)
		Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	
<b>Goal 1</b>	<b>2019</b>	\$ 1,853,460	\$ 5,386,700	\$ 7,240,160	\$ 249,068	\$ 13,179	\$ 262,247	\$ 6,977,913
	<b>2018</b>	\$ 1,705,356	\$ 4,588,607	\$ 6,293,963	\$ 274,870	\$ 10,703	\$ 285,573	\$ 6,008,390
<b>Goal 2</b>	<b>2019</b>	346,069	507,934	854,003	16,054	161	16,215	837,788
	<b>2018</b>	185,557	529,196	714,753	11,277	502	11,779	702,974
<b>Goal 3</b>	<b>2019</b>	5,360,442	23,501,747	28,862,189	811,908	1,021,891	1,833,799	27,028,390
	<b>2018</b>	5,414,347	19,602,649	25,016,996	1,027,121	1,014,167	2,041,288	22,975,708
<b>Goal 4</b>	<b>2019</b>	1,230,415	4,613,160	5,843,575	302,213	585,110	887,323	4,956,252
	<b>2018</b>	1,070,997	4,572,336	5,643,333	90,233	883,314	973,547	4,669,786
<b>Total</b>	<b>2019</b>	<u>\$ 8,790,386</u>	<u>\$ 34,009,541</u>	<u>\$ 42,799,927</u>	<u>\$ 1,379,243</u>	<u>\$ 1,620,341</u>	<u>\$ 2,999,584</u>	<u>\$ 39,800,343</u>
	<b>2018</b>	<u>\$ 8,376,257</u>	<u>\$ 29,292,788</u>	<u>\$ 37,669,045</u>	<u>\$ 1,403,501</u>	<u>\$ 1,908,686</u>	<u>\$ 3,312,187</u>	<u>\$ 34,356,858</u>

- Goal 1 Enhance National Security and Counter the Threat of Terrorism
- Goal 2 Secure the Borders and Enhance Immigration Enforcement and Adjudication
- Goal 3 Reduce Violent Crime and Promote Public Safety
- Goal 4 Promote Rule of Law, Integrity, and Good Government

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, 2019**

**Dollars in Thousands**

	2019			
	Funds from Dedicated Collections	All Other Funds	Eliminations	Total
<b>Unexpended Appropriations</b>				
<b>Beginning Balances</b>	\$ 72,459	\$ 16,265,939	\$ -	\$ 16,338,398
Adjustments				
Changes in Accounting Principles	207	(207)	-	-
<b>Beginning Balances, as Adjusted</b>	<u>72,666</u>	<u>16,265,732</u>	<u>-</u>	<u>16,338,398</u>
<b>Budgetary Financing Sources</b>				
Appropriations Received	24,015	31,330,693	-	31,354,708
Appropriations Transferred-In/Out	-	970,698	-	970,698
Other Adjustments	-	(168,329)	-	(168,329)
Appropriations Used	(42,917)	(32,355,135)	-	(32,398,052)
<b>Total Budgetary Financing Sources</b>	<u>(18,902)</u>	<u>(222,073)</u>	<u>-</u>	<u>(240,975)</u>
<b>Unexpended Appropriations</b>	<u>\$ 53,764</u>	<u>\$ 16,043,659</u>	<u>\$ -</u>	<u>\$ 16,097,423</u>
<b>Cumulative Results of Operations</b>				
<b>Beginning Balances</b>	\$ 17,733,869	\$ 4,522,001	\$ -	\$ 22,255,870
Adjustments				
Changes in Accounting Principles	(24)	24	-	-
<b>Beginning Balances, as Adjusted</b>	<u>17,733,845</u>	<u>4,522,025</u>	<u>-</u>	<u>22,255,870</u>
<b>Budgetary Financing Sources</b>				
Other Adjustments	(679,236)	(224,000)	-	(903,236)
Appropriations Used	42,917	32,355,135	-	32,398,052
Nonexchange Revenues	908,956	246	-	909,202
Donations and Forfeitures of Cash and Cash Equivalents	2,515,431	184	-	2,515,615
Transfers-In/Out Without Reimbursement	(504,500)	385,250	-	(119,250)
<b>Other Financing Sources</b>				
Donations and Forfeitures of Property	360,257	1	-	360,258
Transfers-In/Out Without Reimbursement	(2,061)	3,615	-	1,554
Imputed Financing (Note 19)	41,949	1,027,958	(18,549)	1,051,358
Other Financing Sources	(3)	(10,900)	-	(10,903)
<b>Total Financing Sources</b>	<u>2,683,710</u>	<u>33,537,489</u>	<u>(18,549)</u>	<u>36,202,650</u>
<b>Net Cost of Operations</b>	<u>(5,018,374)</u>	<u>(34,800,518)</u>	<u>18,549</u>	<u>(39,800,343)</u>
<b>Net Change</b>	<u>(2,334,664)</u>	<u>(1,263,029)</u>	<u>-</u>	<u>(3,597,693)</u>
<b>Cumulative Results of Operations</b>	<u>\$ 15,399,181</u>	<u>\$ 3,258,996</u>	<u>\$ -</u>	<u>\$ 18,658,177</u>
<b>Net Position</b>	<u>\$ 15,452,945</u>	<u>\$ 19,302,655</u>	<u>\$ -</u>	<u>\$ 34,755,600</u>

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, 2018

Dollars in Thousands

	2018			
	Funds from Dedicated Collections	All Other Funds	Eliminations	Total
<b>Unexpended Appropriations</b>				
<b>Beginning Balances</b>	\$ 74,314	\$ 15,483,266	\$ -	\$ 15,557,580
<b>Budgetary Financing Sources</b>				
Appropriations Received	32,054	30,403,384	-	30,435,438
Appropriations Transferred-In/Out	-	985,768	-	985,768
Other Adjustments	-	(141,532)	-	(141,532)
Appropriations Used	(33,909)	(30,464,947)	-	(30,498,856)
<b>Total Budgetary Financing Sources</b>	<b>(1,855)</b>	<b>782,673</b>	<b>-</b>	<b>780,818</b>
<b>Unexpended Appropriations</b>	<b>\$ 72,459</b>	<b>\$ 16,265,939</b>	<b>\$ -</b>	<b>\$ 16,338,398</b>
<b>Cumulative Results of Operations</b>				
<b>Beginning Balances</b>	\$ 20,038,128	\$ 3,682,261	\$ -	\$ 23,720,389
<b>Budgetary Financing Sources</b>				
Other Adjustments	(304,000)	(228,768)	-	(532,768)
Appropriations Used	33,909	30,464,947	-	30,498,856
Nonexchange Revenues	549,017	444,100	-	993,117
Donations and Forfeitures of Cash and Cash Equivalents	1,072,488	9,275	-	1,081,763
Transfers-In/Out Without Reimbursement	(492,000)	266,204	-	(225,796)
<b>Other Financing Sources</b>				
Donations and Forfeitures of Property	203,682	1	-	203,683
Transfers-In/Out Without Reimbursement	(3,880)	12,905	-	9,025
Imputed Financing (Note 19)	33,803	858,173	(18,440)	873,536
Other Financing Sources	-	(9,077)	-	(9,077)
<b>Total Financing Sources</b>	<b>1,093,019</b>	<b>31,817,760</b>	<b>(18,440)</b>	<b>32,892,339</b>
<b>Net Cost of Operations</b>	<b>(3,397,278)</b>	<b>(30,978,020)</b>	<b>18,440</b>	<b>(34,356,858)</b>
<b>Net Change</b>	<b>(2,304,259)</b>	<b>839,740</b>	<b>-</b>	<b>(1,464,519)</b>
<b>Cumulative Results of Operations</b>	<b>\$ 17,733,869</b>	<b>\$ 4,522,001</b>	<b>\$ -</b>	<b>\$ 22,255,870</b>
<b>Net Position</b>	<b>\$ 17,806,328</b>	<b>\$ 20,787,940</b>	<b>\$ -</b>	<b>\$ 38,594,268</b>

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

**U. S. Department of Justice**  
**Combined Statements of Budgetary Resources**  
**For the Fiscal Year Ended September 30, 2019 and 2018**

<b>Dollars in Thousands</b>	<b>2019</b>	<b>2018</b>
<b>Budgetary Resources</b>		
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	\$ 13,250,474	\$ 13,028,302
Appropriations (discretionary and mandatory)	38,005,066	37,640,790
Spending Authority from Offsetting Collections (discretionary and mandatory)	5,072,468	5,543,646
<b>Total Budgetary Resources</b>	<b><u>\$ 56,328,008</u></b>	<b><u>\$ 56,212,738</u></b>
<b>Status of Budgetary Resources</b>		
New Obligations and Upward Adjustments (Total)	\$ 45,704,768	\$ 44,172,778
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	7,524,859	10,243,853
Exempt from Apportionment, Unexpired Accounts	259,969	226,832
Unapportioned, Unexpired Accounts	1,913,400	680,004
Unexpired Unobligated Balance, End of Year	9,698,228	11,150,689
Expired Unobligated Balance, End of Year	925,012	889,271
Unobligated Balance - End of Year (Total)	<u>10,623,240</u>	<u>12,039,960</u>
<b>Total Status of Budgetary Resources</b>	<b><u>\$ 56,328,008</u></b>	<b><u>\$ 56,212,738</u></b>
<b>Outlays, Net</b>		
Outlays, Net (Total) (discretionary and mandatory)	\$ 38,436,298	\$ 35,374,822
Less: Distributed Offsetting Receipts	949,222	795,707
Agency Outlays, Net (discretionary and mandatory)	<b><u>\$ 37,487,076</u></b>	<b><u>\$ 34,579,115</u></b>

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

**U. S. Department of Justice**  
**Combined Statements of Custodial Activity**  
**For the Fiscal Year Ended September 30, 2019 and 2018**

<b>Dollars in Thousands</b>	<b>2019</b>	<b>2018</b>
<b>Total Custodial Revenue</b>		
<b>Sources of Cash Collections</b>		
Federal Debts, Fines, Penalties and Restitution	\$ 9,573,911	\$ 13,993,171
Fees and Licenses	65,394	61,371
Miscellaneous	472	413
Total Cash Collections	<u>9,639,777</u>	<u>14,054,955</u>
<b>Accrual Adjustments</b>	<u>2,056</u>	<u>2,913</u>
<b>Total Custodial Revenue (Note 21)</b>	<u>9,641,833</u>	<u>14,057,868</u>
<b>Disposition of Collections</b>		
Transferred to Federal Agencies		
Library of Congress	-	(94)
The Judiciary	(32,980)	-
U S Department of Agriculture	(85,376)	(41,549)
U S Department of Commerce	(8,565)	(7,166)
U S Department of the Interior	(531,327)	(281,347)
U S Department of Justice	(57,416)	(26,335)
U S Department of Labor	(2,838)	(4,017)
U S Postal Service	(23,001)	(3,993)
U S Department of State	(68)	(2,538)
U S Department of the Treasury	(1,261,004)	(877,450)
Office of Personnel Management	(6,842)	(2,649)
Federal Communications Commission	(567)	(580)
Social Security Administration	(720)	(1,126)
Federal Trade Commission	(6,178)	-
U S Nuclear Regulatory Commission	(1,266)	-
U S Department of Veterans Affairs	(135,737)	(48,055)
Equal Employment Opportunity Commission	(79)	(3)
General Services Administration	(3,973)	(50,901)
National Science Foundation	(2,078)	-
Securities and Exchange Commission	(3)	(181)
Federal Deposit Insurance Corporation	(9)	(64)
National Endowment For the Humanities	(11)	-
Railroad Retirement Board	(156)	(419)
Consumer Product Safety Commission	(24)	-
Tennessee Valley Authority	-	(3,526)
Environmental Protection Agency	(563,284)	(119,956)
U S Department of Transportation	(7,494)	(9,327)
U S Department of Homeland Security	(177,966)	(208,402)
Agency for International Development	(1,542)	(2,104)
Small Business Administration	(5,875)	(12,881)
U S Department of Health and Human Services	(1,225,960)	(807,686)
National Aeronautics and Space Administration	(1,855)	(556)
Export-Import Bank of the United States	(1,256)	(1,491)
U S Department of Housing and Urban Development	(82,164)	(271,315)
U S Department of Energy	(1,770)	(6,384)
U S Department of Education	(15,071)	(46,060)
Independent Agencies	-	(225,500)
Commodities Futures Trading Commission	(71)	-
Corporation of National & Community Services	(629)	-
Federal Reserve Board	(4)	-
Treasury General Fund	(4,386,492)	(11,008,533)
U S Department of Defense	(178,532)	(121,112)
Transferred to the Public	(396,116)	(306,206)
(Increase)/Decrease in Amounts Yet to be Transferred	(183,784)	871,079
Refunds and Other Payments	(8,967)	(6,807)
Retained by the Reporting Entity	<u>(242,783)</u>	<u>(422,634)</u>
<b>Total Disposition Of Collections</b>	<u>(9,641,833)</u>	<u>(14,057,868)</u>
<b>Net Custodial Activity</b>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

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

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**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, Inventory and Related Property, Other Assets, Federal Employee and Veteran Benefits and Other Liabilities, as defined by OMB Circular A-136, have been disaggregated on the Consolidated Balance Sheets. These include Forfeited Property, Net; Advances and Prepayments; Accrued Grant Liabilities; Accrued Federal Employees' Compensation Act (FECA) Liabilities; Custodial Liabilities; Accrued Payroll and Benefits; Accrued Annual and Compensatory Leave Liabilities; Deferred Revenue; Seized Cash and Monetary Instruments; Contingent Liabilities; Radiation Exposure Compensation Act (RECA) Liabilities; September 11<sup>th</sup> Victim Compensation Fund Liabilities; and United States Victims of State Sponsored Terrorism Act Liabilities (USVSST Fund).

**C. Basis of Consolidation**

The consolidated/combined financial statements of the Department include the accounts of the AFF/SADF, ATF, BOP, DEA, FBI, FPI, OBDs, OJP and USMS. All significant proprietary intra-departmental transactions and balances have been eliminated in consolidation. The Statements of Budgetary Resources and Statements of Custodial Activity are combined statements for FYs 2019 and 2018, and as such, intra-departmental transactions have not been eliminated.

**D. Basis of Accounting**

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

Custodial activity reported on the Combined Statements 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 may be necessary to adjust cash collections and refund disbursements.



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

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

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

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

**G. Investments**

Investments are market-based Treasury securities issued by the Bureau of Fiscal Service. When securities are purchased, the investment is recorded at face value (the value at maturity). The Department's intent is to hold investments to maturity, unless the invested funds are needed to sustain operations. No provision is made for unrealized gains or losses on these securities because, in the majority of cases, they are held to maturity. The market value of the investments is the current market value at the end of the reporting period. It is calculated by using the "End of Day" price listed in The FedInvest Price File, which can be found on the Bureau of Fiscal Service website. Investments are reported on the Consolidated Balance Sheets at their net value, the face value plus or minus any unamortized premium or discount. Premiums and discounts are amortized over the life of the Treasury security. The interest method is used for the amortization of premium and discount of Treasury notes and the straight-line method is used for Treasury bills. Amortization is based on the straight-line method over the term of the securities.

The AFF/SADF, the U.S. Trustee System Fund, the United States Victims of State Sponsored Terrorism Fund (USVSSTF) and the Federal Prison Commissary Fund are four Funds from Dedicated Collections that invest in Treasury securities. The Treasury does not set aside assets to pay future expenditures associated with funds from dedicated collections. Instead, the cash generated from Funds from Dedicated Collections is used by the Treasury for general government purposes. When these funds redeem their Treasury securities to make expenditures, the Treasury will finance the expenditures in the same manner that it finances all other expenditures.

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

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**G. Investments (continued)**

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

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

**H. Accounts Receivable**

Net accounts receivable includes reimbursement and refund receivables due from federal agencies and the public, less the allowance for doubtful accounts. All 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. Inventories are valued at the lower of average cost or market value (LCM) and include materials, labor and manufacturing overhead. Market value is calculated on the basis of the contractual or anticipated selling price, less allowance for administrative expenses. DOJ values its finished goods and sub-assembly items at a standard cost that is periodically adjusted to approximate actual cost. DOJ has established inventory allowances to account for LCM adjustments and obsolete items that may not be utilized in future periods.

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

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

**J. General Property, Plant and Equipment**

Capitalization of general property, plant and equipment (PP&E) occurs when the initial cost of acquiring or improving the asset meets the minimum threshold and the asset has an estimated useful life of two or more years. Land is always capitalized regardless of the acquisition costs. For projects funded by an appropriation, the Department established standard capitalization thresholds as shown below:

Type of Property	Capitalization Threshold
Real Property	\$ 250
Personal Property	\$ 50
Aircraft	\$ 100
Internal Use Software	\$ 5,000

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

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

**K. Advances and Prepayments**

Advances and prepayments, classified as assets on the Consolidated Balance Sheets, consist primarily of funds disbursed to grantees in excess of total expenditures made by those grantees to third parties, funds advanced to state and local participants in the DEA Domestic Cannabis Eradication and Suppression Program, and funds disbursed to finance operations that exceed the total expenditures incurred. Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of payment and are recognized as expenses when the goods and services are received.

**L. Forfeited and Seized Property**

Forfeited property is property for which the title has passed to the U.S. Government. The property is recorded at the estimated market value at the time of forfeiture and is adjusted at the time of disposal, or as needed by management. The value of the property is reduced by the estimated liens of record. The amount ultimately realized from the forfeiture and disposition of these assets could differ from the amounts initially reported. The proceeds from the sale of forfeited property are deposited in the AFF.

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

**L. Forfeited and Seized Property (continued)**

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

<b>Asset Type</b>	<b>Valuation Documentation</b>
Cash/Currency, Monetary Instruments	Copy of Check, Brinks Receipt, Electronic Funds Transfer, Wire Confirmation
Financial Instruments	Web-based, financial market, account statement, other source in accordance with DOJ policy
Vehicles	National Automobile Dealers Association or Kelly Blue Book value in accordance with DOJ policy
Real Property	Real Property Appraisal/Broker's Price Opinion
Other Valued Assets	Professional appraisal, Usedprice.com, other source in accordance with DOJ policy

Seized property is property that the government has taken possession of, in consequence of an alleged violation of public law. Seized property can include cash and monetary instruments, real property, and tangible personal property of others in the actual or constructive possession of the custodial agency. Most seized property is held by the USMS from the point of seizure until its disposition. In certain cases, the investigative agency will keep seized property in its custody if the intention is to place the property into official use after forfeiture or to use the property as evidence in a court proceeding. This property is valued at fair market value upon seizure, or, as soon as reasonably possible when market value could not be readily determined. Seized cash and monetary instruments are presented as assets with offsetting liabilities on the Consolidated Balance Sheets. Seized property other than cash and monetary instruments are only presented in the notes to the financial statements.

**M. Liabilities**

Liabilities represent the monies or other resources that are likely to be paid by the Department as the result of a transaction or event that has already occurred. However, no liability can be paid by the Department absent proper budget authority. Liabilities that are not funded by the current year appropriation are classified as liabilities not covered by budgetary resources in Note 11. Accrued payroll and benefits are accrued based on the number of days in a pay period earned but not paid to employees at the end of the fiscal year.

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

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**N. Accrued Grant Liabilities**

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

Estimates for the grant accrual contain assumptions that have an impact on the Consolidated financial statements. The key assumptions used in the grant accrual are: grantees have consistent spending patterns throughout the life of the grant, grantees will drawdown throughout the life of the grant, and the grant has a determined end date. The primary elements of these assumptions include, but are not limited to, type of grant that has been awarded, grant period, accounting basis used by the grantees, and the grant expenditure rate.

**O. Contingencies and Commitments**

The Department is involved in various administrative proceedings, legal actions, and claims. The Consolidated Balance Sheets include an estimated liability for those legal actions where management and the Chief Counsel consider adverse decisions “probable” and amounts are reasonably estimable. Legal actions where management and the Chief Counsel consider adverse decisions “probable” or “reasonably possible” and the amounts are reasonably estimable are disclosed in Note 16. However, there are cases where amounts have not been accrued or disclosed because the amounts of the potential loss cannot be estimated or the likelihood of an unfavorable outcome is considered “remote”.

**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.

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

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**R. Retirement Plan**

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

- 1) Employees hired before January 1, 1984, are covered by the Civil Service Retirement System (CSRS). The Department contributes 7% of the gross pay for regular employees and 7.5% for law enforcement officers.
- 2) Employees hired January 1, 1984 or later, are covered by the Federal Employees Retirement System (FERS).
  - a. Employees hired January 1, 1984 through December 31, 2012, are covered by the FERS. The Department contributes 13.7% of the gross pay for regular employees and 30.1% for law enforcement officers.
  - b. Employees hired January 1, 2013 through December 31, 2013, are covered by the Federal Employees Retirement System-Revised Annuity Employees (FERS-RAE). The Department contributes 11.9% of the gross pay for regular employees and 28.4% for law enforcement officers.
  - c. Employees hired January 1, 2014 or later are covered by the Federal Employees System-Further Revised Annuity Employees (FERS-FRAE). The Department contributes 11.9% of the gross pay for regular employees and 28.4% for law enforcement officers.

All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For those employees covered by the FERS, FERS-RAE and FERS-FRAE, a TSP account is automatically established to which the Department is required to contribute an additional 1% of gross pay and match employee contributions up to 4%. No government contributions are made to the TSP accounts established by the CSRS employees. The Department does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to its employees. Such reporting is the responsibility of the Office of Personnel Management (OPM). Statement of Federal Financial Accounting Standards (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service. Refer to Note 19, Imputed Financing, for additional details.

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

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**S. Federal Employee Compensation Benefits**

The FECA provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The total FECA liability consists of an actuarial and an accrued portion as discussed below.

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

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

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

**T. Intragovernmental Activity**

Intragovernmental costs and exchange revenue represent transactions made between two reporting entities within the federal government. Costs and earned revenues with the public represent exchange transactions made between the reporting entity and a non-federal entity. With the exception of certain accruals, the classification of revenue or cost as "intragovernmental" or "with the public" 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 public and intragovernmental revenue with the costs incurred to produce public and intragovernmental revenue.

**U. Revenues and Other Financing Sources**

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

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

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**U. Revenues and Other Financing Sources (continued)**

Additional funding is obtained through exchange revenues, nonexchange revenues, and transfers-in. Appropriations Used are recognized as budgetary financing sources at the time the related program or administrative expenses are incurred. Exchange revenues are recognized when earned, for example, when goods have been delivered or services rendered.

Nonexchange revenues are resources that the Government demands or receives, for example, forfeiture revenue and fines and penalties.

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

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

The Department's deferred revenue includes licenses with DEA that are valid for multiple years. These monies are recorded as liabilities in the financial statements. Deferred revenue also includes forfeited property held for sale. When the property is sold, deferred revenue is reversed and forfeiture revenue in the amount of the gross proceeds of the sale is recorded.

**V. Funds from Dedicated Collections**

SFFAS No. 27, *Identifying and Reporting Funds from Dedicated Collections*, as amended by SFFAS No. 43, *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds* (SFFAS No. 27, as amended), defines 'Funds from Dedicated Collections' as being financed by specifically identified revenues, provided to the government by non-federal sources, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the Government's general revenues. The three required criteria for a fund from dedicated collections are:

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



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

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**V. Funds from Dedicated Collections (continued)**

- 2) Explicit authority for the funds to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and
- 3) A requirement to account for and report on the receipt, use, and retention of the revenues and other financing sources that distinguishes the fund from the federal government's general revenues.

The following funds meet the definition of a fund from dedicated collections: AFF, U.S. Trustee System Fund, Antitrust Division, U.S Victims of State Sponsored Terrorism Fund, Crime Victims Fund, Domestic Trafficking Victims Fund, Diversion Control Fee Account, and Federal Prison Commissary Fund.

**W. Allocation Transfer of Appropriation**

The Department is a party to allocation transfers with other federal agencies as a transferring (parent) entity and/or a receiving (child) entity. Allocation transfers are legal delegations by one department of its authority to obligate budget authority and outlay funds to another department. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations, and budget apportionments are derived. Two exceptions to this general rule affecting the Department include the funds transferred from the Judicial Branch to the USMS, and funds transferred from the Executive Office of the President to OJP. Per OMB's guidance, USMS and OJP report all activity relative to these allocation transfers in the respective financial statements. The activity related to these transfers, included as part of these financial statements, is highlighted below:

OJP, as the parent, transfers funds from the Crime Victims Fund to the Department of Health and Human Services (HHS). This transfer is required by 42 U.S.C. §10603a {Sec. 14-4A} for *Child Abuse Prevention and Treatment Grants*. Amounts made available by section §10601(d) (2) of this title, for the purposes of this section, are to be obligated and expended by the Secretary of HHS for grants under section §5106c of this title.

OJP receives, as a child entity, allocation transfers of appropriations from the Executive Office of the President. This transfer is authorized by P.L. 111-117 and P.L. 112-74. Per OMB guidance, OJP reports all budgetary and proprietary activity for *Do Right by Youth Pilot* transferred from the Executive Office of the President to OJP.

The Department also allocated funds from BOP, as the parent, to the Public Health Service (PHS), a primary division of the HHS. PHS provides a portion of medical treatment for federal inmates. The money is designated and expended for current year obligations of PHS staff salaries, benefits, and applicable relocation expenses.

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

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**W. Allocation Transfer of Appropriation (continued)**

USMS, as the child, receives allocation transfers of appropriation from the Administrative Office of the U.S. Courts (AOUSC). The allocation transfers are used for costs associated with protective guard services - Court Security Officers at United States courthouses and other facilities housing federal court operations. These costs include their salaries (paid through contracts), equipment, and supplies. This transfer is performed on a periodic basis.

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

**X. Tax Exempt Status**

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

**Y. Use of Estimates**

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

**Z. Reclassifications**

The FY 2018 financial statements were reclassified to conform to the FY 2019 Departmental financial statement presentation requirements. These reclassifications have no material effect on total assets, liabilities, net position, change in net position, budgetary resources, or custodial activity as previously reported.

**AA. Subsequent Events**

Subsequent events and transactions occurring after September 30, 2019 through the date of the auditors' opinion have been evaluated for potential recognition or disclosure in the financial statements. The date of the auditors' opinion also represents the date that the financial statements were available to be issued.

**BB. Classified Activities**

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

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

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**CC. Budget and Accrual Reconciliation**

SFFAS No. 53, *Budget and Accrual Reconciliation* (BAR) amends requirements for a reconciliation between budgetary and financial accounting information established by SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*. The BAR explains the relationship between the entity's net outlays on a budgetary basis and the net cost of operations during the reporting period. SFFAS No. 53 is effective for FY 2019, and is presented in Note 22, *Reconciliation of Net Cost to Net Outlays*.

**DD. Public- Private Partnerships**

SFFAS No. 49, *Public-Private Partnerships: Disclosure Requirements* establishes principles to ensure that disclosures about Public-Private Partnerships (P3) are presented in the reporting entity's general purpose federal financial reports (GPFRR). The principles guide financial reporting by establishing a P3 definition and identifying risk-based characteristics that need to exist before considering the P3 arrangement or transaction for disclosure. SFFAS No. 49 exempts certain arrangements or transactions from the P3 disclosure requirements. Such exempt arrangements or transactions are subject to existing disclosure requirements in other SFFASs applicable to such arrangements or transactions. For FY 2019, the Department identified one P3 relationship that met the SFFAS No. 47 disclosure requirements. Additional details regarding the P3 arrangements are provided in Note 25, *Public-Private Partnerships: Disclosure Requirements*.

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

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**Note 2. Non-Entity Assets**

As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Intragovernmental		
Fund Balance with Treasury	\$ 2,060,416	\$ 1,868,897
Investments	<u>150,000</u>	<u>1,323,500</u>
Total Intragovernmental	<u>2,210,416</u>	<u>3,192,397</u>
With the Public		
Cash and Other Monetary Assets	2,357,689	143,163
Accounts Receivable, Net	<u>10,154</u>	<u>7,949</u>
Total With the Public	<u>2,367,843</u>	<u>151,112</u>
Total Non-Entity Assets	4,578,259	3,343,509
Total Entity Assets	<u>51,190,386</u>	<u>54,187,542</u>
Total Assets	<u>\$ 55,768,645</u>	<u>\$ 57,531,051</u>

These notes are an integral part of these financial statements.

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

**Note 3. Fund Balance with Treasury**

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

As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Status of Fund Balances		
Unobligated Balance - Available	\$ 7,368,560	\$ 9,915,783
Unobligated Balance - Available in Subsequent Periods	416,268	554,902
Unobligated Balance - Unavailable	2,838,412	1,569,275
Obligated Balance not yet Disbursed	23,511,271	22,518,084
Non-Budgetary Fund Balance with Treasury	8,521,367	11,027,015
Budgetary Resources from Invested Balances	<u>(3,280,940)</u>	<u>(6,208,722)</u>
Total Status of Fund Balances	<u>\$ 39,374,938</u>	<u>\$ 39,376,337</u>

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

Unobligated Balance - Available in Subsequent Periods includes amounts apportioned for future fiscal years that are available for obligation in a subsequent period (apportioned as Category C).

Unobligated Balance - Unavailable includes amounts appropriated in prior fiscal years that are no longer available to fund new obligations, but can be used for upward adjustments for existing obligations. Other restricted funds include the collections of fees in excess of amounts budgeted for administering the Diversion Control Program. These collections may not be used until authorized by Congress.

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

For the fiscal years ended September 30, 2019 and 2018, the respective immaterial variances of \$4,402 and \$4,686 between Fund Balance with U.S. Treasury line item on the Balance Sheet and Total Status of Fund Balances on the note represent sequestered BOP balances.

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

**Note 4. Cash and Other Monetary Assets**

As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash		
Undeposited Collections	\$ 742	\$ 48
Imprest Funds	52,125	45,764
Seized Cash Deposited	2,255,494	46,643
Other	<u>33,287</u>	<u>31,337</u>
Total Cash	<u>2,341,648</u>	<u>123,792</u>
Other Monetary Assets		
Seized Monetary Instruments	<u>68,166</u>	<u>65,168</u>
Total Other Monetary Assets	<u>68,166</u>	<u>65,168</u>
Total Cash and Other Monetary Assets	<u>\$ 2,409,814</u>	<u>\$ 188,960</u>

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

**Note 5. Investments**

	<u>Cost</u>	<u>Amortized (Premium) Discount</u>	<u>Interest Receivable</u>	<u>Investments, Net</u>	<u>Market Value Disclosure</u>
As of September 30, 2019					
Intragovernmental					
Non-Marketable Securities					
Market Based	\$ 3,610,430	\$ 55,010	\$ 506	\$ 3,665,946	\$ 3,669,306
As of September 30, 2018					
Intragovernmental					
Non-Marketable Securities					
Market Based	\$ 7,639,765	\$ 79,349	\$ 1,152	\$ 7,720,266	\$ 7,486,654

These notes are an integral part of these financial statements.

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

**Note 6. Accounts Receivable, Net**

As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Intragovernmental		
Accounts Receivable	\$ 659,563	\$ 720,357
Total Intragovernmental	<u>659,563</u>	<u>720,357</u>
With the Public		
Accounts Receivable	187,083	192,327
Allowance for Uncollectible Accounts	<u>(18,156)</u>	<u>(10,598)</u>
Total With the Public	<u>168,927</u>	<u>181,729</u>
Total Accounts Receivable, Net	<u>\$ 828,490</u>	<u>\$ 902,086</u>

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

The accounts receivable with the public primarily consists of U.S. Victims of State Sponsored Terrorism Fund (USVSST Fund), OBDs U.S. Trustee Chapter 11 quarterly fees, FBI Non-Federal User Fee Program, and FBI National Name Check Program.

**Note 7. Inventory and Related Property, Net**

As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Inventory		
Raw Materials	\$ 56,597	\$ 63,618
Work in Process	19,772	24,122
Finished Goods	23,215	25,818
Inventory Purchased for Resale	19,486	19,011
Excess, Obsolete, and Unserviceable	13,347	11,318
Inventory Allowance	<u>(3,655)</u>	<u>(3,205)</u>
Operating Materials and Supplies		
Held for Current Use	<u>15,846</u>	<u>10,127</u>
Total Inventory and Related Property, Net	<u>\$ 144,608</u>	<u>\$ 150,809</u>

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

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**Note 8. Forfeited and Seized Property, Net**

**Analysis of Change in Forfeited Property:**

The number of items represents quantities calculated using many different units of measure. If necessary, the adjustments column includes property status and asset group changes that occurred during the current year for assets that were already on hand at the start of the year. Asset group changes occur primarily when cash is substituted for a different asset category.

**Method of Disposition of Forfeited Property:**

For the year ended September 30, 2019 and 2018, \$181,028 and \$93,513 of forfeited property were sold, \$4,102 and \$641 were destroyed or donated, \$5,683 and \$18,000 were returned to owners, and \$182,001 and \$113,856 were disposed of by other means, respectively. Other means of disposition include property transferred to other federal agencies for official use or equitable sharing, or property distributed to a state or local agency.



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

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

For the Fiscal Year Ended September 30, 2019

Forfeited Property Category		Beginning Balance	Adjustments (1)	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	455	184	848	(1,217)	270	-	270
	Value	\$ 12,390	\$ 1,248	\$ 204,507	\$ (186,011)	\$ 32,134	\$ -	\$ 32,134
Real Property	Number	303	(2)	327	(421)	207	-	207
	Value	\$ 106,543	\$ (10,519)	\$ 111,478	\$ (139,250)	\$ 68,252	\$ (1,876)	\$ 66,376
Personal Property	Number	2,894	107	3,371	(3,168)	3,204	-	3,204
	Value	\$ 38,757	\$ (1,228)	\$ 49,064	\$ (47,553)	\$ 39,040	\$ (776)	\$ 38,264
Non-Valued Firearms	Number	32,944	67	19,001	(8,633)	43,379	-	43,379
Total	Number	36,596	356	23,547	(13,439)	47,060	-	47,060
	Value	\$ 157,690	\$ (10,499)	\$ 365,049	\$ (372,814)	\$ 139,426	\$ (2,652)	\$ 136,774

For the Fiscal Year Ended September 30, 2018

Forfeited Property Category		Beginning Balance	Adjustments (1)	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	280	487	794	(1,106)	455	-	455
	Value	\$ 4,896	\$ 3,803	\$ 116,785	\$ (113,094)	\$ 12,390	\$ (26)	\$ 12,364
Real Property	Number	302	(9)	276	(266)	303	-	303
	Value	\$ 74,794	\$ 6,251	\$ 102,903	\$ (77,405)	\$ 106,543	\$ (10,557)	\$ 95,986
Personal Property	Number	2,723	153	3,374	(3,356)	2,894	-	2,894
	Value	\$ 34,010	\$ (5,410)	\$ 45,668	\$ (35,511)	\$ 38,757	\$ (811)	\$ 37,946
Non-Valued Firearms	Number	28,557	868	20,868	(17,349)	32,944	-	32,944
Total	Number	31,862	1,499	25,312	(22,077)	36,596	-	36,596
	Value	\$ 113,700	\$ 4,644	\$ 265,356	\$ (226,010)	\$ 157,690	\$ (11,394)	\$ 146,296

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

These notes are an integral part of these financial statements.

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

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

**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 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 drugs. The AFF/SADF reports property seized for forfeiture and the FBI, DEA, and ATF report property seized for evidence.

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

The DEA, FBI, and ATF have custody of 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 drugs have no value and are destroyed upon resolution of legal proceedings.

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

“Other” primarily consists of substances, both controlled and non-controlled as defined per the Controlled Substances Act, other than those discussed above. “Bulk Drug Evidence” is comprised of controlled substances housed by the DEA in secured storage facilities of which only a sample is taken for laboratory analysis. The actual bulk drug weight may vary from seizure weight due to changes in moisture content over time.

Unanalyzed drug evidence is qualitatively different from analyzed and bulk drug evidence because unanalyzed drug evidence includes the weight of packaging and drug categories are based on the determination of Special Agents instead of laboratory chemists. For these reasons, unanalyzed drug evidence is not reported by the Department. Seized drug evidence must be analyzed and confirmed through laboratory testing to be placed in one of the five categories of drug above.

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

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

“Disposals” occur when seized property is forfeited, returned to parties with a bona fide interest, or destroyed in accordance with federal guidelines.

**Method of Disposition of Seized Property:**

For the fiscal years ended September 30, 2019 and 2018, \$1,596,810 and \$1,111,380 of seized property were forfeited, \$150,132 and \$82,471 were returned to parties with a bonafide interest, and \$455,893 and \$14,858 were either released to a designated party or transferred to the appropriate federal entity under forfeiture or abandonment procedures. Non-valued property was primarily disposed of through destruction.

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

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

For the Fiscal Year Ended September 30, 2019

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
<b>Seized for Forfeiture</b>								
Seized Cash and Monetary Instruments	Number	11,319	603	9,711	(9,159)	12,474	-	12,474
	Value	\$ 1,385,747	\$ 86,793	\$ 2,938,082	\$ (1,990,336)	\$ 2,420,286	\$ (864,579)	\$ 1,555,707
Financial Instruments	Number	493	(38)	728	(600)	583	-	583
	Value	\$ 291,620	\$ (45,242)	\$ 116,530	\$ (92,025)	\$ 270,883	\$ (18,159)	\$ 252,724
Real Property	Number	103	3	72	(69)	109	-	109
	Value	\$ 37,065	\$ 1,706	\$ 100,729	\$ (27,121)	\$ 112,379	\$ (74,759)	\$ 37,620
Personal Property	Number	5,288	679	3,932	(4,299)	5,600	-	5,600
	Value	\$ 173,782	\$ (39,503)	\$ 76,310	\$ (73,625)	\$ 136,964	\$ (49,343)	\$ 87,621
Non-Valued Firearms	Number	26,218	3,110	23,297	(20,977)	31,648	-	31,648
	Value	\$ 26,218	\$ 3,110	\$ 23,297	\$ (20,977)	\$ 31,648	\$ -	\$ 31,648
Total	Number	43,421	4,357	37,740	(35,104)	50,414	-	50,414
	Value	\$ 1,888,214	\$ 3,754	\$ 3,231,651	\$ (2,183,107)	\$ 2,940,512	\$ (1,006,840)	\$ 1,933,672

For the Fiscal Year Ended September 30, 2018

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
<b>Seized for Forfeiture</b>								
Seized Cash and Monetary Instruments	Number	10,467	736	9,171	(9,055)	11,319	-	11,319
	Value	\$ 1,501,023	\$ 29,484	\$ 913,725	\$ (1,058,485)	\$ 1,385,747	\$ (240,175)	\$ 1,145,572
Financial Instruments	Number	671	(45)	388	(521)	493	-	493
	Value	\$ 202,666	\$ (8,007)	\$ 132,328	\$ (35,367)	\$ 291,620	\$ (30,703)	\$ 260,917
Real Property	Number	85	11	116	(109)	103	-	103
	Value	\$ 34,411	\$ (7,369)	\$ 47,982	\$ (37,959)	\$ 37,065	\$ (14,194)	\$ 22,871
Personal Property	Number	5,402	612	3,626	(4,352)	5,288	-	5,288
	Value	\$ 137,820	\$ (19,246)	\$ 123,461	\$ (68,253)	\$ 173,782	\$ (80,384)	\$ 93,398
Non-Valued Firearms	Number	26,981	931	21,668	(23,362)	26,218	-	26,218
	Value	\$ 26,981	\$ 931	\$ 21,668	\$ (23,362)	\$ 26,218	\$ -	\$ 26,218
Total	Number	43,606	2,245	34,969	(37,399)	43,421	-	43,421
	Value	\$ 1,875,920	\$ (5,138)	\$ 1,217,496	\$ (1,200,064)	\$ 1,888,214	\$ (365,456)	\$ 1,522,758

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

These notes are an integral part of these financial statements.

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

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

For the Fiscal Year Ended September 30, 2019

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance
<b>Seized for Evidence</b>						
Seized Monetary Instruments	Value	\$ 49,564	\$ (3,654)	\$ 17,530	\$ (10,066)	\$ 53,374
Personal Property	Number	350	8	74	(62)	370
	Value	\$ 6,167	\$ 8,679	\$ 1,364	\$ (9,662)	\$ 6,548
Non-Valued Firearms	Number	59,996	(1,742)	16,705	(8,404)	66,555
Drug Evidence						
Cocaine	KG	87,055	117	80,418	(90,712)	76,878
Heroin	KG	6,320	35	2,507	(945)	7,917
Marijuana	KG	8,287	26	557	(1,168)	7,702
Bulk Drug Evidence	KG	84,751	349	186,797	(153,112)	118,785
Methamphetamine	KG	23,566	3,499	11,782	(4,102)	34,745
Other	KG	14,023	(23)	2,520	(2,880)	13,640
Total Drug Evidence	KG	224,002	4,003	284,581	(252,919)	259,667

For the Fiscal Year Ended September 30, 2018

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance
<b>Seized for Evidence</b>						
Seized Monetary Instruments	Value	\$ 43,343	\$ (7,284)	\$ 20,836	\$ (7,331)	\$ 49,564
Personal Property	Number	328	(11)	95	(62)	350
	Value	\$ 5,298	\$ (627)	\$ 2,810	\$ (1,314)	\$ 6,167
Non-Valued Firearms	Number	55,879	(1,598)	15,948	(10,233)	59,996
Drug Evidence						
Cocaine	KG	74,448	449	111,581	(99,423)	87,055
Heroin	KG	5,851	22	1,769	(1,322)	6,320
Marijuana	KG	9,157	104	878	(1,852)	8,287
Bulk Drug Evidence	KG	108,538	(2,147)	227,811	(249,451)	84,751
Methamphetamine	KG	19,089	226	9,444	(5,193)	23,566
Other	KG	14,669	(64)	1,730	(2,312)	14,023
Total Drug Evidence	KG	231,752	(1,410)	353,213	(359,553)	224,002

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

These notes are an integral part of these financial statements.

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

**Note 9. General Property, Plant and Equipment, Net**

As of September 30, 2019

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	\$ 185,059	\$ -	\$ 185,059	N/A
Construction in Progress	681,139	-	681,139	N/A
Buildings, Improvements and Renovations	11,966,598	(6,829,111)	5,137,487	2-50 yrs
Other Structures and Facilities	1,210,511	(789,204)	421,307	10-50 yrs
Aircraft	632,074	(261,953)	370,121	5-30 yrs
Boats	14,249	(7,057)	7,192	5-25 yrs
Vehicles	392,504	(273,317)	119,187	2-25 yrs
Equipment	1,590,268	(1,048,453)	541,815	2-25 yrs
Assets Under Capital Lease	90,153	(88,050)	2,103	2-30 yrs
Leasehold Improvements	2,137,212	(1,452,795)	684,417	2-20 yrs
Internal Use Software	2,361,590	(1,920,918)	440,672	2-10 yrs
Internal Use Software in Development	123,135	-	123,135	N/A
Other General Property, Plant and Equipment	2,768	(653)	2,115	10-20 yrs
<b>Total</b>	<b>\$ 21,387,260</b>	<b>\$ (12,671,511)</b>	<b>\$ 8,715,749</b>	

These notes are an integral part of these financial statements.

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

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

As of September 30, 2018

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	\$ 184,715	\$ -	\$ 184,715	N/A
Construction in Progress	522,905	-	522,905	N/A
Buildings, Improvements and Renovations	11,680,306	(6,448,898)	5,231,408	2-50 yrs
Other Structures and Facilities	1,175,740	(748,206)	427,534	10-50 yrs
Aircraft	596,366	(239,839)	356,527	5-30 yrs
Boats	13,895	(6,419)	7,476	5-25 yrs
Vehicles	387,383	(271,686)	115,697	2-25 yrs
Equipment	1,514,730	(1,004,369)	510,361	2-25 yrs
Assets Under Capital Lease	90,247	(69,301)	20,946	2-30 yrs
Leasehold Improvements	1,975,528	(1,394,077)	581,451	2-20 yrs
Internal Use Software	2,239,729	(1,779,683)	460,046	2-10 yrs
Internal Use Software in Development	164,518	-	164,518	N/A
Other General Property, Plant and Equipment	3,237	(795)	2,442	10-20 yrs
<b>Total</b>	<u>\$ 20,549,299</u>	<u>\$ (11,963,273)</u>	<u>\$ 8,586,026</u>	

**Note 10. Other Assets**

As of September 30, 2019 and 2018

	2019	2018
Intragovernmental		
Advances and Prepayments	\$ 156,989	\$ 196,618
Other Intragovernmental Assets	93	84
Total Intragovernmental	<u>157,082</u>	<u>196,702</u>
Other Assets With the Public	3,534	1,910
Total Other Assets	<u>\$ 160,616</u>	<u>\$ 198,612</u>

These notes are an integral part of these financial statements.

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

**Note 11. Liabilities not Covered by Budgetary Resources**

As of September 30, 2019 and 2018

	2019	2018
Intragovernmental		
Accrued FECA Liabilities	\$ 276,181	\$ 273,786
Other Unfunded Employment Related Liabilities	652	894
Other	9,249	1,700
Total Intragovernmental	<u>286,082</u>	<u>276,380</u>
With the Public		
Federal Employee and Veteran Benefits	1,811,346	1,835,943
Accrued Annual and Compensatory Leave Liabilities	951,369	888,877
Environmental and Disposal Liabilities (Note 12)	75,881	76,789
Deferred Revenue	624,281	603,519
Contingent Liabilities (Note 16)	69,775	88,953
Capital Lease Liabilities (Note 13)	-	38
Radiation Exposure Compensation Act Liabilities (Note 24)	174,659	250,421
September 11th Victim Compensation Fund Liabilities (Note 24)	2,425,087	-
United States Victims of State Sponsored Terrorism Act Liabilities (Note 24)	-	25,696
Other	381,937	313,339
Total With the Public	<u>6,514,335</u>	<u>4,083,575</u>
Total Liabilities Not Covered by Budgetary Resources	6,800,417	4,359,955
Total Liabilities Covered by Budgetary Resources	9,573,422	11,144,009
Total Liabilities Not Requiring Budgetary Resources	4,639,206	3,432,819
Total Liabilities	<u>\$ 21,013,045</u>	<u>\$ 18,936,783</u>

Generally, liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. Liabilities covered by budgetary resources are liabilities that do not require appropriations and can be liquidated by the assets of the entities holding these liabilities. Such assets include civil and criminal debt collections, seized cash and monetary instruments, and revolving fund operations. Liabilities not requiring budgetary resources are liabilities that have not in the past required and will not in the future require the use of budgetary resources. Such as liabilities for clearing accounts, non-fiduciary deposit funds, custodial collections, and unearned revenue.



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

**Note 12. Environmental and Disposal Liabilities**

As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Firing Ranges		
Beginning Balance, Brought Forward	\$ 32,915	\$ 32,027
Inflation Adjustment	<u>665</u>	<u>888</u>
Total Firing Range Liability	<u>33,580</u>	<u>32,915</u>
Asbestos		
Beginning Balance, Brought Forward	\$ 43,874	\$ 43,334
Abatements	(1,549)	(704)
Inflation Adjustment	881	1,177
Future Funded Expenses	<u>(905)</u>	<u>67</u>
Total Asbestos Liability	<u>\$ 42,301</u>	<u>\$ 43,874</u>
Total Environmental and Disposal Liabilities	<u>\$ 75,881</u>	<u>\$ 76,789</u>

Per SFFAS No. 5, *Accounting for Liabilities of the Federal Government*; SFFAS No. 6, *Accounting for Property, Plant, and Equipment*; Technical Release No. 2 *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*; Technical Release No. 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*; and Technical Release No. 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*, federal agencies are required to recognize liabilities for environmental clean-up costs when the future outflow or sacrifice of resources is probable and reasonably estimable.

**Firing Ranges**

The BOP operates firing ranges on 65 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. As of September 30, 2018, BOP management determined their estimated clean-up liability to be \$30,612. In FY 2019, BOP management adjusted the estimated clean-up liability by the current U.S inflation rate as determine by Treasury and as such determined an estimated firing range clean-up liability of \$31,277, based on an inflation rate of 2 percent. In FY 2019, the liability cost for firing ranges increased by \$665.

The FBI-owned ranges in Quantico and El Toro contain possible contamination. The FBI completed a remedial investigation/feasibility study (RI/FS) for the Quantico ranges in March 2015 which is used to estimate the cost of cleanup for the Quantico ranges. The FBI has not conducted a RI/FS for the El Toro ranges. Technical Release No. 2, *Environmental Liabilities Guidance* then requires the agency to recognize the anticipated cost of conducting a future study, plus any other identifiable costs, as a future

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

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**Note 12. Environmental and Disposal Liabilities (continued)**

environmental and disposal liability. The FBI has estimated the cost of the RI/FS for El Toro based on the cost of the Quantico study, adjusted for range size. As of September 30, 2019 and 2018, the FBI reported the estimated firing range cleanup liability of \$2,303 based on the estimated costs for contamination remediation.

**Asbestos**

BOP conducted a review of 46 institutions that were built prior to 1980; the review provided an estimate of the extent of friable and non-friable Asbestos Containing Materials (ACM) remaining in each of the institutions as of October 30, 2009. As of September 30, 2018, BOP Management determined their estimated clean-up liability to be \$40,544. In FY 2019, BOP Management decreased the clean-up liability in the amount of \$1,549 for the abatement of asbestos at 9 locations. In addition, BOP Management increased the clean-up liability in the amount of \$880 by the current U.S. inflation rate of 2 percent as determined by Treasury. In FY 2019, BOP Management recorded a clean-up liability in the amount of \$39,875, a \$669 decrease in liability cost for asbestos from the previous year.

The FBI operates facilities in Quantico, Virginia that contain hazardous friable and non-friable asbestos. The facilities have a useful life of 70 years. The estimated total asbestos liability over the 70 year useful life is \$2,426, and is based on an environmental survey of the facilities that may be contaminated. This value, divided by the useful life and multiplied by the number of years in service, less any current year abatements and adjusted for inflation, is the estimated cleanup liability. As of September 30, 2019 and 2018, the FBI recognized the estimated cleanup liability of \$2,426 and \$3,330 respectively. The estimated asbestos cleanup liability is increased each quarter by recording future funded expenses for the asbestos clean-up costs. There are no other potentially responsible parties to the environmental liability and there are no unrecognized amounts to disclose as of September 30, 2019.

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

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**Note 13. Leases**

**Capital Leases**

DOJ enters into leasing agreements through leasing authority delegated by the General Services Administration (GSA). DOJ acquires use of various general facilities (buildings and plant material centers), equipment, and land with renewal options that range from 0 to 10 years and which are located mainly in urban areas. The portfolio includes leases with escalation clauses based on the Consumer Price Index (CPI), and amortization periods with a range of 8 to 25 years. The bulk of the Department's \$2.1 million of total assets under capital lease in FY 2019 disclosed in the table below represent a 25-year capital lease for a Federal Transfer Center in Oklahoma City. The lease agreement, which expires in FY 2020, calls for semi-annual payments of \$4.5 million for 20 years; the last five years (lease years 21 through 25) are land rental payments only. The Department's Bureau of Prisons paid the remaining total of \$38 in payments during the fiscal year ended September 30, 2019.

**Operating Leases**

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

During FY 2019, the Department's FBI has submitted requirements packages to the GSA for the Little Rock and Cleveland field offices, which are scheduled to expire within the next five years. The FBI is currently revising the packages for the Anchorage and Oklahoma City field offices. The FBI is relocating two field offices through FY 2022 with the potential for three additional relocations before FY 2024, and is currently reviewing the expiration for the Louisville, Albuquerque, Omaha, Jacksonville and Jackson field offices which expire within the next five years.

The table below shows the Department's total future lease payments by fiscal year for all federal and non-federal operating leases that have initial or remaining non-cancellable terms in excess of one year as of September 30, 2019.

**Expense Recognition of "Rent Holiday"**

In the execution of lease agreements, many times lessors offer incentives for the occupation of office space. These include months of free rent at the occupied space or a temporary space while the new office is being prepared for occupancy. When a rent holiday occurs at the beginning of the lease term or at the beginning of occupancy of the temporary space, a rent expense is accrued, even though no payment is due. For FYs 2019 and 2018, the Department did not incur accrued lease liability for rent holidays.

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

**Note 13. Leases (continued)**

As of September 30, 2019

**Intragovernmental**

Future Noncancelable Operating Lease Payments

<u>Fiscal Year</u>	<u>Land and Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
2020	\$ 392,309	-	\$ 392,309
2021	395,350	-	395,350
2022	379,664	-	379,664
2023	371,484	-	371,484
2024	354,330	-	354,330
After 2024	<u>3,158,147</u>	<u>-</u>	<u>3,158,147</u>
Total Future Noncancelable Operating Lease Payments	<u>\$ 5,051,284</u>	<u>\$ -</u>	<u>\$ 5,051,284</u>

Capital leases include a 25-year lease for a Federal Transfer Center in Oklahoma City, Oklahoma; and other machinery and equipment leases that expire over future periods.

**With The Public**

Capital Leases

	<u>2019</u>	<u>2018</u>
Summary of Assets Under Capital Lease		
Land and Buildings	\$ 89,652	\$ 89,652
Machinery and Equipment	501	595
Accumulated Amortization	<u>(88,050)</u>	<u>(69,301)</u>
Total Assets Under Capital Lease	<u>\$ 2,103</u>	<u>\$ 20,946</u>

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

**Note 13. Leases (continued)**

**With The Public**

Future Capital Lease Payments Due

<u>Fiscal Year</u>	<u>Land and Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
2020	\$ -	\$ 29	\$ 29
2021	-	4	4
2022	-	4	4
2023	-	-	-
2024	-	-	-
Total Future Capital Lease Payments	<u>\$ -</u>	<u>\$ 37</u>	<u>\$ 37</u>
Less: Imputed Interest	-	(1)	(1)
Less: Executory Costs	-	(17)	(17)
FY 2019 Net Capital Lease Liabilities	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 19</u>
FY 2018 Net Capital Lease Liabilities	<u>\$ 38</u>	<u>\$ 35</u>	<u>\$ 73</u>
		<u>2019</u>	<u>2018</u>
Net Capital Lease Liabilities Covered by Budgetary Resources		\$ 19	\$ 35
Net Capital Lease Liabilities not Covered by Budgetary Resources		\$ -	\$ 38

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

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

**Note 13. Leases (continued)**

**With The Public**

Future Noncancelable Operating Lease Payments

<u>Fiscal Year</u>	<u>Land and Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
2020	\$ 5,945	\$ 7,533	\$ 13,478
2021	5,589	51	5,640
2022	4,838	21	4,859
2023	4,337	21	4,358
2024	3,774	14	3,788
After 2024	5,669	-	5,669
Total Future Noncancelable Operating Lease Payments	<u>\$ 30,152</u>	<u>\$ 7,640</u>	<u>\$ 37,792</u>

**Note 14. Seized Cash and Monetary Instruments**

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

As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Investments	\$ 150,000	\$ 1,323,500
Seized Cash Deposited	2,255,494	46,643
Seized Monetary Instruments	68,166	65,168
Cash in Transit to SADP	3,342	5,133
Total Seized Cash and Monetary Instruments	<u>\$ 2,477,002</u>	<u>\$ 1,440,444</u>

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

**Note 15. Other Liabilities**

As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Intragovernmental		
Other Accrued Liabilities	\$ 66	\$ -
Employer Contributions and Payroll Taxes Payable	183,075	164,029
Other Post-Employment Benefits Due and Payable	1,649	1,305
Other Unfunded Employment Related Liabilities	652	893
Advances from Others	213,394	174,753
Liability for Clearing Accounts	58	(988)
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	2,204	2,433
Other Liabilities	<u>10,533</u>	<u>11,029</u>
Total Intragovernmental	<u>\$ 411,631</u>	<u>\$ 353,454</u>
With the Public		
Other Accrued Liabilities	\$ 13,839	\$ 16,319
Advances from Others	5,208	11,297
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	104,212	93,116
Liability for Clearing Accounts	83	78
Custodial Liabilities	60,885	57,096
Capital Leases Liabilities	19	73
Other Liabilities	<u>399,351</u>	<u>334,062</u>
Total With the Public	<u>\$ 583,597</u>	<u>\$ 512,041</u>
Total Other Liabilities	<u>\$ 995,228</u>	<u>\$ 865,495</u>

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

The majority of Intragovernmental Other Liabilities are composed of employer contributions payables, payroll taxes payables, other liabilities without related budgetary obligations, tenant allowances for operating leases, monies received from prisoner funds, and certain receipts of cash that are in suspense, clearing, deposit, or general fund accounts that are owed to the Treasury.

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

**Note 15. Other Liabilities (continued)**

Most of the Other Liabilities with the Public are composed of future funded energy savings performance contracts and utilities. In addition, Other Liabilities with the Public consists of project-generated proceeds from undercover operations. The proceeds not subject to forfeiture will be returned to the Department of Treasury General Fund at the conclusion of the project. The majority of Total Other Liabilities are current with the exception of a portion that consists of capital leases and those liabilities related to future employee related expenses, such as accrued retirement contributions, life insurance, and retiree health benefits.

**Note 16. Contingencies and Commitments**

As of September 30, 2019	<u>Accrued Liabilities</u>	<u>Estimated Range of Loss</u>	
		<u>Lower</u>	<u>Upper</u>
Legal Contingencies:			
Probable	\$ 69,775	\$ 69,775	\$ 100,804
Reasonably Possible		35,768	350,896
As of September 30, 2018	<u>Accrued Liabilities</u>	<u>Estimated Range of Loss</u>	
		<u>Lower</u>	<u>Upper</u>
Legal Contingencies:			
Probable	\$ 88,953	\$ 88,953	\$ 129,119
Reasonably Possible		43,892	148,515

These notes are an integral part of these financial statements.



**FY 2019 U. S. Department of Justice Annual Financial Statements**

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

**Note 17. Funds from Dedicated Collections**

Funds from Dedicated Collections are financed by specifically identified revenues and are required by statute to be used for designated activities or purposes, and must be accounted for separately from the Government's general revenues. See SFFAS No. 27, as amended, for the required criteria for funds from dedicated collections.

As of September 30, 2019

	Assets Forfeiture Fund	U S Trustee System Fund	Antitrust Division	United States VSSTF	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Funds from Dedicated Collections
<b>Balance Sheet</b>									
<b>Assets</b>									
Fund Balance with Treasury	\$ 2,081,223	\$ 170,439	\$ 34,662	\$ 139,199	\$ 14,309,505	\$ 2,167	\$ 222,540	\$ 83,539	\$ 17,043,274
Investments	2,104,142	42,921	-	1,039,681	-	-	-	-	3,186,744
Other Assets	157,089	106,190	640	8,553	59,663	-	9,498	24,279	365,912
<b>Total Assets</b>	<b>\$ 4,342,454</b>	<b>\$ 319,550</b>	<b>\$ 35,302</b>	<b>\$ 1,187,433</b>	<b>\$ 14,369,168</b>	<b>\$ 2,167</b>	<b>\$ 232,038</b>	<b>\$ 107,818</b>	<b>\$ 20,595,930</b>
<b>Liabilities</b>									
Accounts Payable	\$ 2,691,017	\$ 16,956	\$ 10,410	\$ 550	\$ 43,835	\$ -	\$ 10,884	\$ 11,466	\$ 2,785,118
Other Liabilities	145,932	15,772	4,101	1,166,340	366,018	-	647,853	11,851	2,357,867
<b>Total Liabilities</b>	<b>\$ 2,836,949</b>	<b>\$ 32,728</b>	<b>\$ 14,511</b>	<b>\$ 1,166,890</b>	<b>\$ 409,853</b>	<b>\$ -</b>	<b>\$ 658,737</b>	<b>\$ 23,317</b>	<b>\$ 5,142,985</b>
<b>Net Position</b>									
Unexpended Appropriations	\$ -	\$ 53,764		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,764
Cumulative Results of Operations	1,505,505	233,058	20,791	20,543	13,959,315	2,167	(426,699)	84,501	15,399,181
<b>Total Net Position</b>	<b>\$ 1,505,505</b>	<b>\$ 286,822</b>	<b>\$ 20,791</b>	<b>\$ 20,543</b>	<b>\$ 13,959,315</b>	<b>\$ 2,167</b>	<b>\$ (426,699)</b>	<b>\$ 84,501</b>	<b>\$ 15,452,945</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,342,454</b>	<b>\$ 319,550</b>	<b>\$ 35,302</b>	<b>\$ 1,187,433</b>	<b>\$ 14,369,168</b>	<b>\$ 2,167</b>	<b>\$ 232,038</b>	<b>\$ 107,818</b>	<b>\$ 20,595,930</b>

For the Fiscal Year Ended September 30, 2019

	Assets Forfeiture Fund	U S Trustee System Fund	Antitrust Division	United States VSSTF	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Funds from Dedicated Collections
<b>Statement of Net Cost</b>									
Gross Cost of Operations	\$ 1,591,348	\$ 245,863	\$ 143,658	\$ 1,040,386	\$ 2,385,191	\$ -	\$ 504,289	\$ 344,762	\$ 6,255,497
Less: Earned Revenues	19,123	334,149	129,601	-	-	-	406,650	347,600	1,237,123
<b>Net Cost of Operations</b>	<b>\$ 1,572,225</b>	<b>\$ (88,286)</b>	<b>\$ 14,057</b>	<b>\$ 1,040,386</b>	<b>\$ 2,385,191</b>	<b>\$ -</b>	<b>\$ 97,639</b>	<b>\$ (2,838)</b>	<b>\$ 5,018,374</b>
<b>Statement of Changes in Net Position</b>									
Net Position Beginning of Period	\$ 1,523,558	\$ 199,368	\$ (687)	\$ 183	\$ 16,353,569	\$ 1,268	\$ (345,914)	\$ 75,166	\$ 17,806,511
Budgetary Financing Sources	1,192,810	(16,260)	35,534	1,060,746	(9,063)	899	-	-	2,264,666
Other Financing Sources	361,362	15,429	-	-	-	-	16,854	6,497	400,142
<b>Total Financing Sources</b>	<b>1,554,172</b>	<b>(831)</b>	<b>35,534</b>	<b>1,060,746</b>	<b>(9,063)</b>	<b>899</b>	<b>16,854</b>	<b>6,497</b>	<b>2,664,808</b>
Net Cost of Operations	(1,572,225)	88,286	(14,057)	(1,040,386)	(2,385,191)	-	(97,639)	2,838	(5,018,374)
Net Change	(18,053)	87,455	21,477	20,360	(2,394,254)	899	(80,785)	9,335	(2,353,566)
<b>Net Position End of Period</b>	<b>\$ 1,505,505</b>	<b>\$ 286,823</b>	<b>\$ 20,790</b>	<b>\$ 20,543</b>	<b>\$ 13,959,315</b>	<b>\$ 2,167</b>	<b>\$ (426,699)</b>	<b>\$ 84,501</b>	<b>\$ 15,452,945</b>

These notes are an integral part of these financial statements.

**FY 2019 U. S. Department of Justice Annual Financial Statements**

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

**Note 17. Funds from Dedicated Collections (continued)**

As of September 30, 2018

	Assets Forfeiture Fund	U S Trustee System Fund	Antitrust Division	United States VSSTF	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Funds from Dedicated Collections
<b>Balance Sheet</b>									
<b>Assets</b>									
Fund Balance with Treasury	\$ 156,642	\$ 127,166	\$ 24,714	\$ -	\$ 16,632,646	\$ 1,268	\$ 285,802	\$ 86,435	\$ 17,314,673
Investments	4,931,211	-	-	-	-	-	-	-	4,931,211
Other Assets	162,057	93,535	1,329	-	27,182	-	8,067	25,124	317,294
Total Assets	<u>\$ 5,249,910</u>	<u>\$ 220,701</u>	<u>\$ 26,043</u>	<u>\$ -</u>	<u>\$ 16,659,828</u>	<u>\$ 1,268</u>	<u>\$ 293,869</u>	<u>\$ 111,559</u>	<u>\$ 22,563,178</u>
<b>Liabilities</b>									
Accounts Payable	\$ 3,568,945	\$ 4,124	\$ 13,788	\$ -	\$ 53,318	\$ -	\$ 11,774	\$ 24,901	\$ 3,676,850
Other Liabilities	157,407	17,209	12,942	-	252,941	-	628,009	11,492	1,080,000
Total Liabilities	<u>\$ 3,726,352</u>	<u>\$ 21,333</u>	<u>\$ 26,730</u>	<u>\$ -</u>	<u>\$ 306,259</u>	<u>\$ -</u>	<u>\$ 639,783</u>	<u>\$ 36,393</u>	<u>\$ 4,756,850</u>
<b>Net Position</b>									
Unexpended Appropriations	\$ -	\$ 65,283	\$ 7,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,459
Cumulative Results of Operations	1,523,558	134,085	(7,863)	-	16,353,569	1,268	(345,914)	75,166	17,733,869
Total Net Position	<u>\$ 1,523,558</u>	<u>\$ 199,368</u>	<u>\$ (687)</u>	<u>\$ -</u>	<u>\$ 16,353,569</u>	<u>\$ 1,268</u>	<u>\$ (345,914)</u>	<u>\$ 75,166</u>	<u>\$ 17,806,328</u>
Total Liabilities and Net Position	<u>\$ 5,249,910</u>	<u>\$ 220,701</u>	<u>\$ 26,043</u>	<u>\$ -</u>	<u>\$ 16,659,828</u>	<u>\$ 1,268</u>	<u>\$ 293,869</u>	<u>\$ 111,559</u>	<u>\$ 22,563,178</u>

For the Fiscal Year Ended September 30, 2018

	Assets Forfeiture Fund	U S Trustee System Fund	Antitrust Division	United States VSSTF	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Funds from Dedicated Collections
<b>Statement of Net Cost</b>									
Gross Cost of Operations	\$ 1,508,143	\$ 214,812	\$ 171,516	\$ -	\$ 1,928,590	\$ -	\$ 449,476	\$ 350,104	\$ 4,622,641
Less: Earned Revenues	22,253	323,016	133,688	-	-	-	393,581	352,825	1,225,363
Net Cost of Operations	<u>\$ 1,485,890</u>	<u>\$ (108,204)</u>	<u>\$ 37,828</u>	<u>\$ -</u>	<u>\$ 1,928,590</u>	<u>\$ -</u>	<u>\$ 55,895</u>	<u>\$ (2,721)</u>	<u>\$ 3,397,278</u>
<b>Statement of Changes in Net Position</b>									
Net Position Beginning of Period	\$ 1,935,830	\$ 80,290	\$ 1,529	\$ -	\$ 18,329,326	\$ 483	\$ (302,136)	\$ 67,120	\$ 20,112,442
Budgetary Financing Sources	871,365	522	32,054	-	(47,167)	785	-	-	857,559
Other Financing Sources	202,253	10,352	3,558	-	-	-	12,117	5,325	233,605
Total Financing Sources	1,073,618	10,874	35,612	-	(47,167)	785	12,117	5,325	1,091,164
Net Cost of Operations	(1,485,890)	108,204	(37,828)	\$ -	(1,928,590)	-	(55,895)	2,721	(3,397,278)
Net Change	(412,272)	119,078	(2,216)	-	(1,975,757)	785	(43,778)	8,046	(2,306,114)
Net Position End of Period	<u>\$ 1,523,558</u>	<u>\$ 199,368</u>	<u>\$ (687)</u>	<u>\$ -</u>	<u>\$ 16,353,569</u>	<u>\$ 1,268</u>	<u>\$ (345,914)</u>	<u>\$ 75,166</u>	<u>\$ 17,806,328</u>

78 These notes are an integral part of these financial statements.

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

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**Note 17. Funds from Dedicated Collections (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, victim payments, equitable sharing and costs associated with accomplishing the legal forfeiture of the property. Authorities of the fund have been amended by various public laws enacted since 1984. Under current law, authority to use the fund for certain investigative expenses shall be specified in annual appropriation acts. Expenses necessary to seize, detain, inventory, safeguard, maintain, advertise or sell property under seizure are funded through a permanent, indefinite appropriation. In addition, beginning in FY 1993, other general expenses of managing and operating the Asset Forfeiture Program are paid from the permanent, indefinite portion of the fund. Once all expenses are covered, the balance is maintained to meet ongoing expenses of the program. Excess unobligated balances may also be allocated by the Attorney General in accordance with 28 U.S.C. §524(c)(8)(E).

The United States Trustees (UST) supervises the administration of bankruptcy cases and private trustees in the Federal Bankruptcy Courts. The Bankruptcy Judges, UST, and Family Farmer Bankruptcy Act of 1986 (Public Law 99-554) expanded the pilot trustee program to a 21 region, nationwide program encompassing 88 judicial districts. The UST System Fund collects user fees assessed against debtors, which offset the annual appropriation.

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

The Justice for United States Victims of State Sponsored Terrorism Act (the "Act"), 34 U.S.C. § 20144 (formerly codified as 42 U.S.C. § 10609), provides for the establishment and administration of the USVSST Fund to provide compensation to certain U.S. persons who were injured in acts of international state sponsored terrorism. The USVSST Fund may compensate eligible United States persons who (1) hold a final judgment issued by a United States district court awarding the applicant compensatory damages arising from acts of international terrorism for which a foreign state sponsor of terrorism was found not immune from the jurisdiction of the courts of the United States under the Foreign Sovereign Immunities Act; (2) were taken and held hostage from the United States Embassy in Tehran, Iran, during the period beginning November 4, 1979, and ending January 20, 1981, or are spouses and children of these hostages, if identified as a member of the proposed class in case number 1:00-CV-03110 (EGS) of the United States District Court for the District of Columbia; or (3) are the personal representative of a deceased individual in either of those two categories. Prior to FY 2019, the USVSSTF had multiple funding sources and the Department had the discretion to report the USVSSTF program as either Funds from Dedicated Collections or All Other Funds. In FY 2019, the program has been funded solely by revenue collect from Non-federal sources.

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

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**Note 17. Funds from Dedicated Collections (continued)**

Therefore, in accordance with SFFAS No 43, which states, “*Funds that are financed by specifically identified revenues, provided to the government by non-federal sources, which remain available over time, are considered funds from dedicated collections*”, the Department reported the USVSSTF activity as Funds from Dedicated Collections. This is a change in accounting principle as noted on the face of the Statement of changes in Net Position.

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

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

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

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

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

Note 18. Net Cost of Operations by Suborganization

For the Fiscal Year Ended September 30, 2019

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Goal 1: Enhance National Security and Counter the Threat of Terrorism</b>											
Gross Cost	\$ 79,567	\$ 442,182	\$ -	\$ 18,390	\$ 5,197,740	\$ -	\$ 1,537,330	\$ -	\$ -	\$ (35,049)	\$ 7,240,160
Less Earned Revenues	-	-	-	370	261,208	-	35,718	-	-	(35,049)	262,247
Net Cost of Operations	79,567	442,182	-	18,020	4,936,532	-	1,501,612	-	-	-	6,977,913
<b>Goal 2: Secure the Borders and Enhance Immigration Enforcement and Adjudication</b>											
Gross Cost	-	-	-	-	-	-	856,769	-	-	(2,766)	854,003
Less Earned Revenues	-	-	-	-	-	-	18,981	-	-	(2,766)	16,215
Net Cost of Operations	-	-	-	-	-	-	837,788	-	-	-	837,788
<b>Goal 3: Reduce Violent Crime and Promote Public Safety</b>											
Gross Cost	1,432,214	984,213	8,036,112	2,841,000	2,728,756	663,998	4,691,636	4,267,344	3,691,832	(474,916)	28,862,189
Less Earned Revenues	19,123	59,592	373,243	459,025	641,626	660,366	(3,894)	29,810	51,275	(456,367)	1,833,799
Net Cost of Operations	1,413,091	924,621	7,662,869	2,381,975	2,087,130	3,632	4,695,530	4,237,534	3,640,557	(18,549)	27,028,390
<b>Goal 4: Promote Rule of Law, Integrity, and Good Government</b>											
Gross Cost	79,567	-	-	-	2,848,172	-	3,353,660	-	-	(437,824)	5,843,575
Less Earned Revenues	-	-	-	-	89,447	-	1,235,700	-	-	(437,824)	887,323
Net Cost of Operations	79,567	-	-	-	2,758,725	-	2,117,960	-	-	-	4,956,252
<b>Net Cost of Operations</b>	<b>\$ 1,572,225</b>	<b>\$ 1,366,803</b>	<b>\$ 7,662,869</b>	<b>\$ 2,399,995</b>	<b>\$ 9,782,387</b>	<b>\$ 3,632</b>	<b>\$ 9,152,890</b>	<b>\$ 4,237,534</b>	<b>\$ 3,640,557</b>	<b>\$ (18,549)</b>	<b>\$ 39,800,343</b>

For the Fiscal Year Ended September 30, 2018

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Goal 1: Enhance National Security and Counter the Threat of Terrorism</b>											
Gross Cost	\$ 75,407	\$ 453,768	\$ -	\$ 17,253	\$ 5,051,842	\$ -	\$ 719,747	\$ -	\$ -	\$ (24,054)	\$ 6,293,963
Less Earned Revenues	-	-	-	331	265,567	-	43,729	-	-	(24,054)	285,573
Net Cost of Operations	75,407	453,768	-	16,922	4,786,275	-	676,018	-	-	-	6,008,390
<b>Goal 2: Secure the Borders and Enhance Immigration Enforcement and Adjudication</b>											
Gross Cost	-	-	-	-	-	-	717,917	-	-	(3,164)	714,753
Less Earned Revenues	-	-	-	-	-	-	14,943	-	-	(3,164)	11,779
Net Cost of Operations	-	-	-	-	-	-	702,974	-	-	-	702,974
<b>Goal 3: Reduce Violent Crime and Promote Public Safety</b>											
Gross Cost	1,357,329	964,257	7,904,656	2,950,417	2,533,000	664,728	2,514,418	3,362,650	3,428,040	(662,499)	25,016,996
Less Earned Revenues	22,253	87,193	388,204	651,103	590,045	655,612	213,507	20,482	56,948	(644,059)	2,041,288
Net Cost of Operations	1,335,076	877,064	7,516,452	2,299,314	1,942,955	9,116	2,300,911	3,342,168	3,371,092	(18,440)	22,975,708
<b>Goal 4: Promote Rule of Law, Integrity, and Good Government</b>											
Gross Cost	75,407	-	-	-	2,759,069	-	3,341,058	-	-	(532,201)	5,643,333
Less Earned Revenues	-	-	-	-	69,304	-	1,436,444	-	-	(532,201)	973,547
Net Cost of Operations	75,407	-	-	-	2,689,765	-	1,904,614	-	-	-	4,669,786
<b>Net Cost of Operations</b>	<b>\$ 1,485,890</b>	<b>\$ 1,330,832</b>	<b>\$ 7,516,452</b>	<b>\$ 2,316,236</b>	<b>\$ 9,418,995</b>	<b>\$ 9,116</b>	<b>\$ 5,584,517</b>	<b>\$ 3,342,168</b>	<b>\$ 3,371,092</b>	<b>\$ (18,440)</b>	<b>\$ 34,356,858</b>

Note 19. Imputed Financing

Imputed Inter-Departmental Financing Sources are the unreimbursed (i.e., non-reimbursed and under-reimbursed) portion of the full costs of goods and services received by the Department from a providing entity that is not part of the Department. In accordance with SFFAS No. 4, *Managerial cost Accounting Standards and Concepts*, Federal Financial Accounting Standards Interpretation No.6, *Accounting for Imputed Intra-Departmental Costs: An Interpretation of SFFAS No. 4* and SFFAS No. 55, *Amending Inter-Entity Cost Provisions*, the material imputed inter-departmental financing sources currently recognized by the Department include business-type activities, the cost of benefits for the Federal Employees Health Benefits Program (FEHB), the Federal Employees' Group Life Insurance Program (FGLI), and the Federal Pension plans that are paid by other federal entities, and any un-reimbursed payments made from the Treasury Judgment Fund on behalf of the Department.

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

**Note 19. Imputed Financing (continued)**

Business-type activities are significantly self-sustaining activities that finance their accounting cycle of operations through collections of exchange revenues. The Treasury Judgment Fund was established by the Congress and funded at 31 U.S.C. §1304 to pay in whole or in part the court judgments and settlement agreements negotiated by the Department on behalf of agencies, as well as certain types of administrative awards. Interpretation of Federal Financial Accounting Standards Interpretation No. 2, *Accounting for Treasury Judgment Fund Transactions*, requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable and the amount can be estimated and will be paid by the Treasury Judgment Fund.

SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, requires that employing agencies recognize the cost of pensions and other retirement benefits during their employees' active years of service. SFFAS No. 5 requires OPM to provide cost factors necessary to calculate the cost. OPM actuaries calculate the value of pension benefits expected to be paid in the future, and then determine the total funds to be contributed by and for covered employees, such that the amount calculated would be sufficient to fund the projected pension benefits. The cost factors are as follows:

	Category	Cost Factor (%)
Civil Service Retirement System (CSRS)	Regular Employees	38.4%
	Regular Employees Offset	28.8%
	Law Enforcement Officers	62.3%
	Law Enforcement Officers Offset	53.4%
Federal Employees Retirement System (FERS)	Regular Employees	16.9%
	Regular Employees – Revised Annuity Employees (RAE)	17.3%
	Regular Employees – Further Revised Annuity Employees (FRAE)	17.6%
	Law Enforcement Officers	34.9%
	Law Enforcement Officers – RAE	35.4%
	Law Enforcement Officers – FRAE	35.6%

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

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

**Note 19. Imputed Financing (continued)**

For the Fiscal Year Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Imputed Inter-Departmental Financing		
U.S. Treasury Judgment Fund	\$ 17,292	\$ 23,132
Health Insurance	712,323	715,386
Life Insurance	2,228	2,192
Pension	319,515	132,826
Total Imputed Inter-Departmental	<u>\$ 1,051,358</u>	<u>\$ 873,536</u>

Imputed Intra-Departmental Financing Sources as defined in SFFAS No. 4, *Managerial Cost Accounting Standards and Concepts*, are the unreimbursed portion of the full costs of goods and services received by a Department component from a providing entity that is part of the Department. Recognition is required for those transactions determined to be material to the receiving entity. The determination of whether the cost is material requires considerable judgment based on the specific facts and circumstances of each type of good or service provided. SFFAS No. 4 also states that costs for broad and general support need not be recognized by the receiving entity, unless such services form a vital and integral part of the operations or output of the receiving entity. Costs are considered broad and general if they are provided to many, if not all, reporting components and not specifically related to the receiving entity's output. The FPI's imputed costs relates to OPM employee benefits and unreimbursed costs for BOP warehouse space used in the production of goods by the FPI and for managerial and operational services BOP provided to FPI. These imputed costs have been eliminated from the consolidated financial statements. For FYs 2019 and 2018, the FPI imputed costs were \$18,549 and \$18,440, respectively.

**Note 20. Information Related to the Statement of Budgetary Resources**

**Net Adjustments to Unobligated Balance, Brought Forward, October 1:**

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

**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.

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

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

**Status of Undelivered Orders (continued)**

As of September 30, 2019

	2019	2018
<b>Intragovernmental</b>		
UDO Obligations Unpaid	\$ 794,919	\$ 76,868
UDO Obligations Prepaid/Advanced	198,444	159,486
Total Intragovernmental	<u>\$ 993,363</u>	<u>\$ 236,354</u>
<b>With The Public</b>		
UDO Obligations Unpaid	\$ 11,983,024	11,467,944
UDO Obligations Prepaid/Advanced	362,175	289,901
Total With the Public	<u>\$ 12,345,199</u>	<u>\$ 11,757,845</u>
Total UDO	<u>\$ 13,338,562</u>	<u>\$ 11,994,199</u>

**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, 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' RECA program beginning FY 2006.



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

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**Note 20. 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 Trust Fund is a self-sustaining trust revolving fund account that is funded through sales of goods and services, rather than annual or no-year appropriations.
- The Public Safety Officers' Benefits Act of 1976 (the "PSOB Act") is generally codified at 42 U.S.C. § 46 Subchapter XII.

OJP's PSOB appropriation supports one mandatory and two discretionary programs that provide benefits to public safety officers who are severely injured in the line of duty and to the families and survivors of public safety officers mortally injured in the line of duty. The PSOB Program offers three types of benefits:

- 1) Death Benefits, a one-time financial benefit to survivors of public safety officers whose deaths resulted from injuries sustained in the line of duty. Under the Hometown Heroes Survivors Benefit Act of 2003, survivors of public safety officers who die of a heart attack or stroke within 24 hours of stressful, non-routine public safety activities may also qualify for death benefits.
  - 2) Disability Benefits, a one-time financial benefit to public safety officers permanently disabled by catastrophic injuries sustained in the line of duty.
  - 3) Education Benefits, which provide financial support for higher education expenses (such as tuition and fees, books, supplies, and room and board) to the eligible spouses and children of public safety officers killed or permanently disabled in the line of duty.
- 28 U.S.C § 599 reauthorizes the Independent Counsel Reauthorization Act of 2016 for a five-year period. The Act also amends the time period in which individuals who held certain positions are subject to preliminary investigations by the Department of Justice from 1 year to 8 years after leaving office. The preliminary investigation is conducted to determine if the appointment of an independent counsel for further investigation and possible prosecution is necessary.
  - On July 29, 2019, President Trump signed into law H.R. 1327, The Never Forget the Heroes: James Zadroga, Ray Pfeifer, and Luis Alvarez Permanent Authorization of the September 11th Victim Compensation Fund, Public Law No. 116-34 ("VCF Permanent Authorization Act"). The Permanent Authorization Act extends the VCF's claim filing deadline to October 1, 2090, and appropriates such funds as may be necessary to pay all approved claims in each fiscal year from fiscal year 2019 through fiscal year 2092.

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

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

**Legal Arrangements Affecting Use of Unobligated Balances:**

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

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

The reconciliation as of September 30, 2018 is presented below. The reconciliation as of September 30, 2019 is not presented, because the submission of the Budget of the United States (Budget) for FY 2021, which presents the execution of the FY 2019 Budget, occurs after publication of these financial statements. The Department of Justice Budget Appendix can be found on the OMB website and will be available in early February 2020.

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

For the Fiscal Year Ended September 30, 2018  
(Dollars in Millions)

	Total Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Agency Outlays, Net
Statement of Budgetary Resources (SBR)	\$ 56,213	\$ 44,173	\$ 796	\$ 34,579
Funds not Reported in the Budget				
Expired Funds: ATF, BOP, DEA, FBI, OBDs, & USMS	(1,051)	(173)	-	-
USMS Court Security Funds	(520)	(496)	-	(485)
Distributed Offsetting Receipts	-	-	3	59
Special and Trust Fund Receipts	-	-	-	739
Other	(29)	(31)	-	(5)
Budget of the United States Government	<u>\$ 54,613</u>	<u>\$ 43,473</u>	<u>\$ 799</u>	<u>\$ 34,887</u>

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

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

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**Note 21. Custodial Revenues**

The Department collects for Federal debts, fines, penalties and restitution; fees and licenses, and other non-exchange miscellaneous collections. Accrual adjustments may be necessary to adjust cash collections and refund disbursements. For example, collections are refunded to the applicants who withdraw from the process or are rejected by the Licensing Center. If payments are not processed before the quarter end, an accrual is established. These activities are recognized as non-exchange custodial revenue and reported on the Statement of Custodial Activity (SCA) using the modified cash accounting basis. The sources of custodial revenue as presented on the SCA are described below.

OBDs' Office of Debt Collection Management (DCM) is the primary source of collections for the Department, and civil litigated matters (e.g., student loan defaults, financial and health care fraud). The DCM also processes certain payments on criminal debts as an accommodation for the BOP and the Clerks of the U.S. District Courts. The BOP aggregates collections of inmate criminal debt by correction facility, and the DCM sorts the collections by judicial district and disburses payments to the respective Clerks of the U.S. Court. The DCM may accept wire transfers or other payments on a criminal debt, in rare cases, if a Clerk of the U.S. Court is unable to do so. In addition, other negligible custodial collections occur for interest, fines, and penalties.

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

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

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

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

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

For the above-related activities, funds for which the Department has no authority to use are transmitted to the Treasury General Fund at the end of the fiscal year.

As of September 30, 2019 and 2018, the Department reported total custodial revenue on the SCA in the amounts of \$9,641,833 and \$14,057,868, respectively. The custodial revenue represented \$9,639,777 and \$14,054,955 in custodial collections and \$2,056 and \$2,913 in accrual adjustments. The custodial collections that have yet to be disbursed are included in the assets and liabilities sections on the balance

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

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**Note 21. Custodial Revenues (continued)**

sheet. As of September 30, 2019 and 2018, the assets and liabilities related to custodial activity were \$1,968,297 and \$1,784,513, respectively. As of September 30, 2019 and 2018, the total funds returned to the Treasury General Fund were \$(4,386,492) and \$(11,008,533).

**Note 22. Reconciliation of Net Costs to Net Outlays**

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

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

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

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

**Note 22. Reconciliation of Net Costs to Net Outlays (continued)**

	<u>Intra- governmental</u>	<u>With the Public</u>	<u>Total FY 2019</u>
<b>NET COST</b>	\$ 7,411,143	\$ 32,389,200	\$ 39,800,343
<b>Components of Net Cost That Are Not Part of Net Outlays:</b>			
Property, Plant, and equipment depreciation	\$ -	\$ (896,350)	\$ (896,350)
Property, plant, and equipment disposal and revaluation	-	(15,524)	(15,524)
Other	-	210,912	210,912
<b>Increase/(decrease) in assets</b>			
Accounts Receivable	(117,510)	(5,466)	(122,976)
Investments	626	-	626
Other Assets	(40,753)	120,336	79,583
<b>(Increase)/decrease in liabilities</b>			
Accounts Payable	(102,423)	874,575	772,152
Salaries and Benefits	(19,351)	(64,848)	(84,199)
Environmental and Disposal Liabilities	-	908	908
Other Liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	(49,512)	(1,440,585)	(1,490,097)
<b>Other financing sources</b>			
Federal Employee retirement benefit costs paid by OPM and imputed to the agency	(1,051,358)	-	(1,051,358)
Transfers out (in) without reimbursement	(394,791)	-	(394,791)
<b>Total Components fo Net Cost That are Not Part of Net Outlays</b>	<u>\$ (1,775,072)</u>	<u>\$ (1,216,042)</u>	<u>\$ (2,991,114)</u>
<b>Component of Net Outlays That Are Not Part of Net Cost:</b>			
Acquisition of capital assets	78,286	479,279	557,565
Acquisition of inventory	216	(12,360)	(12,144)
Acquisition of other assets	58,722	116,514	175,236
Other	(59,632)	15,152	(44,480)
<b>Total Component of Net Outlays That Are Not Part of Net Cost</b>	<u>\$ 77,592</u>	<u>\$ 598,585</u>	<u>\$ 676,177</u>
<b>Other Temporary Timing Difference</b>	<u>\$ 1,670</u>	<u>\$ -</u>	<u>\$ 1,670</u>
<b>AGENCY OUTLAYS</b>	<u>\$ 5,715,333</u>	<u>\$ 31,771,743</u>	<u>\$ 37,487,076</u>

These notes are an integral part of these financial statements.

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

**Note 23. Reclassification of Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position for FR Compilation Process**

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

FY 2019 U.S. Department of Justice Balance Sheet		Line Items Used to Prepare the FY 2019 Government-wide Balance Sheet	
Financial Statement Line	Amounts	Amounts	Reclassified Financial Statement Line
<b>ASSETS:</b>			<b>ASSETS:</b>
<b>Intragovernmental Assets:</b>			<b>Intragovernmental Assets:</b>
FBWT	\$ 39,379,340	\$ 39,379,340	FBWT
Investments, Net	3,665,946	3,665,440	Federal Investments
		506	Interest Receivable – Investments
Accounts Receivable, Net	659,563	436,804	Accounts Receivable
		222,778	Transfers Receivable
Other assets	157,082	156,971	Advances to Others and Prepayments
		92	Other assets
<b>Total Intra-Governmental Assets</b>	<b>\$ 43,861,931</b>	<b>\$ 43,861,931</b>	<b>Total Intra-Governmental Assets</b>
<b>Non-Federal Assets</b>			<b>Non-Federal Assets</b>
Cash and Other Monetary Assets	\$ 2,409,814	\$ 2,409,814	Cash and Other Monetary Assets
Accounts Receivable, Net	168,927	168,927	Accounts and Taxes Receivable, Net
Inventory and Related Property, Net	144,608	281,383	Inventory and Related Property, Net
General PP&E, Net	8,715,749	8,715,749	PP&E, Net
Other – Forfeited Property	136,774		Other Assets
Other – Advances and Prepayments	327,308	330,841	Advances and Prepayments
Other Assets	3,534		
<b>Total Non-Federal Assets</b>	<b>\$ 11,906,714</b>	<b>\$ 11,906,714</b>	<b>Total Non-Federal Assets</b>
<b>Total Assets</b>	<b>\$ 55,768,645</b>	<b>\$ 55,768,645</b>	<b>Total Assets</b>

These notes are an integral part of these financial statements.

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

**Note 23. Reclassification of Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position for FR Compilation Process (continued)**

LIABILITIES			LIABILITIES
<b>Intragovernmental Liabilities:</b>			<b>Intragovernmental Liabilities:</b>
Accounts Payable	\$ 402,790	\$ 413,388	Accounts Payable
Other – Advances and Deferred Revenue		213,395	Advances from Others and Deferred Credits
Other – Accrued FECA	279,206		
Other – Custodial Liability	1,907,412	1,906,490	Liability to the GF for Custodial and Other Non-Entity Assets
Other Liabilities	411,631	435,762	Benefit Program Contributions Payable
		3,127	Other liabilities
		28,877	Other liabilities
<b>Total Intra-Governmental Liabilities</b>	<b>\$ 3,001,039</b>	<b>\$ 3,001,039</b>	<b>Total Intra-Governmental Liabilities</b>
<b>Non-Federal Liabilities</b>			<b>Non-Federal Liabilities</b>
Accounts Payable	4,238,855	4,238,854	Accounts Payable
Federal Employee and Veteran Benefits	1,811,346	1,832,925	Federal Employee and Veteran Benefits Payable
Environmental and Disposal Liabilities	75,881	75,881	Environmental and Disposal Liabilities
Accrued Payroll and Benefits	532,909	11,864,346	Other Liabilities
Accrued Annual and Compensatory Leave Liab	959,989		
Contingent Liabilities	69,775		
Deferred Revenue	761,873		
Other - Accrued Grant Liabilities	843,398		
Seized Cash and Monetary Instruments	2,477,002		
Radiation Exposure Compensation Act Liabilities	174,659		
September 11th VCF Liabilities	4,316,410		
VSSST Act Liabilities	1,166,312		
Other Liabilities	583,597		
<b>Total Non-Federal Liabilities</b>	<b>\$ 18,012,006</b>		
<b>Total Liabilities</b>	<b>\$ 21,013,045</b>	<b>\$ 21,013,045</b>	<b>Total Liabilities</b>
<b>NET POSITION</b>			<b>NET POSITION</b>
Unexpended Appropriations – Funds from Dedicated Collections	53,764	53,764	Net Position – Funds from Dedicated Collections
Unexpended Appropriations – All Other Funds	16,043,659	16,043,659	Net Position – Funds Other than those from Dedicated Collections
Cumulative Results of Operations – Funds from Dedicated Collections	15,399,181	15,399,181	Net Position – Funds from Dedicated Collections
Cumulative Results of Operations – All Other Funds	3,258,996	3,258,996	Net Position – Funds Other than those from Dedicated Collections
Total Net Position	\$ 34,755,600	\$ 34,755,600	Total Net Position
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 55,768,645</b>	<b>\$ 55,768,645</b>	<b>Total Liabilities &amp; Net Position</b>

These notes are an integral part of these financial statements.

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

**Note 23. Reclassification of Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position for FR Compilation Process (continued)**

FY 2019 U.S. Department of Justice Statement of Net Cost		Line Items Used to Prepare the FY 2019 Government-wide Statement of Net Cost	
Financial Statement Line	Amounts	Amounts	Reclassified Financial Statement Line
Gross Costs	\$ 42,799,927	\$ 34,009,543	Non-Federal Costs
		3,751,785	Benefit Program Costs
		1,051,359	Imputed Costs
		3,332,863	Buy/Sell Costs
		137,258	Purchase of Assets
		67	Borrowing and Other Interest Expense
		654,310	Other Expenses (w/o Reciprocals)
		(137,258)	Purchase of Assets Offset
<b>Total Gross Costs</b>	<b>\$ 42,799,927</b>	<b>\$ 42,799,927</b>	<b>Total Gross Costs</b>
Earned Revenue	\$ 2,999,584	\$ 1,620,341	Non-Federal Earned Revenue
		1,239,426	Buy/Sell Revenue
		10,232	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
		129,585	Collections Transferred in to a TAS Other than the General Fund - Exchange
<b>Total Earned Revenue</b>	<b>\$ 2,999,584</b>	<b>\$ 2,999,584</b>	<b>Total Earned Revenue</b>
<b>Net Cost of Operations</b>	<b>\$ 39,800,343</b>	<b>\$ 39,800,343</b>	<b>Net Cost of Operations</b>
<b>Statement of Custodial Activity - Exchange</b>			
Exchange Custodial Collections from the SCA	\$ 19,470	\$ 19,470	Miscellaneous Earned Revenues
Disposition of Exchange Custodial Collections from the SCA	(19,470)	(17,406)	Custodial Collections for Others Transferred to the General Fund
		(2,064)	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund
<b>Total Disposition of Exchange Custodial Collection</b>	<b>\$ (19,470)</b>	<b>\$ (19,470)</b>	<b>Total Reclassified Disposition of Custodial Collections</b>



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

**Note 23. Reclassification of Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position for FR Compilation Process (continued)**

FY 2019 U.S. Department of Justice Statement of Changes in Net Position		Line Items Used to Prepare the FY 2019 Government-wide Statement of Operations and Changes in the Net Position	
Financial Statement Line	Amounts	Amounts	Reclassified Financial Statement Line
<b>UNEXPENDED APPROPRIATIONS</b>			<b>UNEXPENDED APPROPRIATIONS</b>
<b>Unexpended Appropriations, Beginning Balance</b>	<b>\$16,338,398</b>	<b>\$16,338,398</b>	<b>Net Position, Beginning of Period</b>
Appropriations Received	31,354,708	31,354,708	Appropriations received as adjusted
Other Adjustments	(168,329)	(168,329)	Appropriations received as adjusted
Appropriations Transferred In/Out	970,698	1,069,872	Non-expenditure transfers-in of unexpended appropriations and financing sources
		(99,174)	Non-expenditure transfers-out of unexpended appropriations and financing sources
Total Appropriations Transferred In/Out	970,698	970,698	Total Reclassified Appropriations Transferred In/Out
Appropriations Used	(32,398,052)	(32,398,052)	Appropriations used
<b>Total Unexpended Appropriations</b>	<b>\$16,097,423</b>	<b>\$16,097,423</b>	<b>Net Position, End of Period</b>
<b>CUMULATIVE RESULTS OF OPERATIONS</b>			<b>CUMULATIVE RESULTS OF OPERATIONS</b>
<b>Cumulative Results, Beginning Balance</b>	<b>\$22,255,870</b>	<b>\$22,255,870</b>	<b>Net Position, Beginning of Period</b>
Other Adjustments	(903,236)	(903,236)	Collections for others transferred to the General Fund of the U S Government
Appropriations Used	32,398,052	32,398,052	Appropriations Expended
Non-Exchange Revenues	909,202	497,066	Other Taxes and Receipts
		169,030	Federal Securities Interest Revenue, including Associated Gains/Losses
		11	Borrowings and Other Interest Revenue
		243,095	Collections transferred into a TAS Other Than the General Fund of the U S Government
Total Non-Exchange Revenues	909,202	909,202	Total Reclassified Non-Exchange Revenues
Donations and Forfeitures of Cash and Cash Equivalents	2,515,615	2,515,615	Other Taxes and Receipts
Transfers In/Out w/o Reimbursement – Budgetary	(119,250)	983,638	Non-expenditure transfers-in of unexpended appropriations and financing sources
		(1,410,301)	Non-expenditure transfers-out of unexpended appropriations and financing sources
		307,413	Expenditure transfers-in of financing sources
Total Transfers-In/Out w/o Reimbursement – Budgetary	(119,250)	(119,250)	Total Reclassified Transfers-In/Out w/o Reimbursement – Budgetary
Donations and Forfeitures of Property	360,258	360,258	Other Taxes and Receipts (Non-Federal)
Transfers In/Out Without Reimbursement	1,554	4,076,739	Transfers-in without reimbursement
		(4,075,185)	Transfers-out without reimbursement
Imputed Financing	1,051,358	1,051,358	Imputed financing sources
Other Financing Sources	(10,903)	(10,342)	Non-entity collections transferred to the General Fund of the U S Government
		(561)	Accrual for non-entity amounts to be collected and transferred to the General Fund of the U S Government
<b>Total Financing Sources</b>	<b>\$36,202,650</b>	<b>\$36,202,650</b>	<b>Total Financing Sources</b>
<b>Net Cost of Operations</b>	<b>(39,800,343)</b>	<b>(39,800,343)</b>	<b>Net Cost of Operations</b>
<b>Net Change</b>	<b>(3,597,693)</b>	<b>(3,597,693)</b>	<b>Net Change</b>
<b>Ending Balance – Cumulative Results of Operations</b>	<b>\$18,658,177</b>	<b>\$18,658,177</b>	<b>Net Position – Ending Balance Cumulative Results</b>
<b>Total Net Position</b>	<b>\$34,755,600</b>	<b>\$34,755,600</b>	<b>Total Net Position</b>
<b>Statement of Custodial Activity - Non-Exchange</b>			<b>Non-Exchange Statement of Custodial Activity</b>
<b>Non-Exchange Custodial Collections from the SCA</b>	<b>\$ 9,622,363</b>	<b>\$ 9,622,363</b>	<b>Other Taxes and Receipts</b>
Total Reclassified Non-Exchange Custodial Collections	\$ 9,622,363	\$ 9,622,363	Total Reclassified Non-Exchange Custodial Collections
Disposition of Non-Exchange Custodial Collections from the SCA	(9,622,363)	(4,666,474)	Custodial Collections Transferred to a TAS Other than the General Fund
		(181,720)	Accrual for Custodial Collections Yet to be Transferred to a TAS Other than the General Fund
		(4,369,086)	Non-Entity Custodial Collections Transferred to the General Fund
		(405,083)	Other Taxes and Receipts
<b>Total Disposition of Non-Exchange Custodial Collections</b>	<b>\$ (9,622,363)</b>	<b>\$ (9,622,363)</b>	<b>Total Reclassified Disposition of Non-Exchange Custodial Collections</b>

These notes are an integral part of these financial statements.

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

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**Note 24. Compensation Funds**

**Radiation Exposure Compensation Act**

On October 15, 1990, Congress passed the Radiation Exposure Compensation Act (RECA), 42 U.S.C. § 2210 note (2012), providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the Department and published in the Federal Register on April 10, 1992, establishing procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the Federal Register on March 22, 1999, served to greater assist claimants in establishing entitlement to an award.

On July 10, 2000, the Radiation Exposure Compensation Act Amendments of 2000, P.L. 106-245, was enacted. Some of the widespread changes include new claimant populations, additional compensable diseases, lower radiation exposure thresholds, modified medical documentation requirements, and removal of certain disease restrictions. Pursuant to the 2000 Amendments, the Department was directed to issue implementing regulations. The Department published two related rulemakings in the Federal Register to implement the legislation.

Subsequent action by Congress required modification to those rulemakings. Therefore, the Department published a “final” rule in the Federal Register on March 23, 2004, which went into effect on April 22, 2004.

There are now five categories of claimants: uranium miners, uranium millers, ore transporters, downwinders, and onsite participants. Each category requires similar eligibility criteria: if claimants can demonstrate that they contracted a compensable disease after working or residing in a designated location for a specified period of time, they qualify for compensation.

The enactment of two pieces of legislation changed the funding sources for RECA claimants. The National Defense Authorization Act for FY 2005 requires that RECA Section 5 claimants (uranium miners, millers, and ore transporters) be paid out of the Department of Labor’s (Labor) Energy Employees Occupational Illness Compensation Fund. The RECA Section 5 liability of \$316,993 as of March 30, 2004, was transferred to Labor during FY 2005. The RECA Fund began exclusively paying RECA Section 4 claimants (downwinders and on-site participants) in FY 2005. The Consolidated Appropriations Act for 2005, contains language that made funding for the RECA Trust Fund mandatory and indefinite beginning in FY 2006.

The OBDs recognized liabilities of \$174,659 and \$250,421 for estimated future benefits payable by the Department as of September 30, 2019 and 2018, respectively, from FY 2019 through FY 2023. The estimated liability is based on activity between FYs 2007-2018. Key factors in determining future liability include trends in the number of claims filed, trends in the percentage of claims adjudicated, and trends in the percentage of claims approved. In FY 2019, based on the approach used in FY 2018, DOJ refined the approach for selecting the adjudication rate assumptions.

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

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**Note 24. Compensation Funds (continued)**

**United States Victims of State Sponsored Terrorism Fund**

The Consolidated Appropriations Act of 2016, Public Law 114-113 (“Justice for United States Victims of State Sponsored Terrorism Act”), codified at 34 U.S.C. § 20144 (formerly codified at 42 U.S.C. § 10609) (2015) (the “Act”), established the U.S. Victims of State Sponsored Terrorism Fund (“USVSST Fund”) to provide compensation to individuals harmed as a result of an international act of terrorism by a state sponsor of terrorism. The USVSST Fund awards compensation to victims who have final judgments issued under the Foreign Sovereign Immunities Act by U.S. district courts against a state sponsor of terrorism, as well as to hostages held at the U.S. Embassy in Tehran, Iran from November 4, 1979 through January 20, 1981, and their spouses and children.

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

As of September 30, 2019 and September 30, 2018, the USVSST Fund recognized liabilities for future claims amounted to \$1.166 billion and \$1.193 billion, respectively.

**September 11th Victim Compensation Fund**

On December 18, 2015, the James Zadroga 9/11 Health and Compensation Act of 2010 was reauthorized (Reauthorized Zadroga Act, Public Law 114-113), extending the September 11th Victim Compensation Fund (VCF) for 5 years. The Reauthorized Zadroga Act extended the time for individuals to submit new claims – as well as amendments on existing claims – until December 18, 2020, and increased total funding by an additional \$4,600,000. The additional funding became available in October 2016. The Reauthorized Zadroga Act also made changes to the method in which the fund calculates awards for claimants receiving award determination letters dated on or after December 17, 2015. This included limiting the amount of non-economic loss that could be awarded, eliminating claims for future out-of-pocket medical expenses, and capping the gross annual income level that can be used when calculating future economic loss.

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

The VCF meets the criteria of a government-acknowledged event as defined by FASAB SFFAS No.5. The OBDs recognized liabilities of \$4.316 billion and \$3.174 billion for estimated future benefits payable by the Department as of September 30, 2019 and 2018. In accordance with SFFAS No. 5 the September 30, 2019 liability for non-exchange transactions is based on actual claims submitted by September 30, 2019.

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

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**Note 24. Compensation Funds (continued)**

The Department recognizes there are uncertainties that will influence future claims submitted beyond those submitted by September 30, 2019 including:

- Determining the ultimate number of individuals impacted by the events of September 11, 2001, and the number that will seek treatment and file a claim seeking compensation for injury or death.
- Determining the number of individuals who will die as a result of a 9/11-related illness.
- Determining the future cancer incidence rates in the affected population.
- Future conditions approved by the WTC Health program: the WTC Health Program conducts ongoing research into conditions that may be presumptively tied to an individual's exposure. Should new conditions be added to the WTC Health Program's list of conditions, these same conditions will be added to the VCF's list of conditions eligible for compensation. The WTC Health Program is currently conducting research in several areas, including autoimmune disorders and cardiac disease. The addition of one or more new conditions could open the VCF to claims from an entirely new population of individuals or amendments from current claimants suffering from a new condition or a loss tied to a new condition.
- Ability to amend a claim at any point until October 1, 2090: the VCF allows a claimant to amend a claim at any time if the individual is certified for a new condition, suffers a new loss (such as a new disability), or dies of an eligible condition after previously being compensated on a personal injury claim.

**Note 25. Public-Private Partnerships**

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

The average length of an ESPC is 17 years, but may not exceed 25 years. Term length depends on the scope of work performed by the ESCO and the nature of energy upgrades required by the institution. Annual payments made to the ESCO are tied to the energy savings guaranteed for the project and validated by the ESCO through the annual measurement and verification activity plan. Unless otherwise stipulated in the payment schedules or amended by a procurement action, payments are applied to principal, interest expense, and operational expense. By contrast, Note 11 includes only liabilities related to principal payments.

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

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**Note 25. Public-Private Partnerships (continued)**

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

The schedule of current and future payments as of September 30, 2019, is presented in the following table.

<b>Current Period</b>	
2019	\$ 33,863
Total Current ESPC Payments	<u>33,863</u>
<b>Future Period</b>	
2020	104,803
2021	38,840
2022	39,885
After 2022	627,989
Total Future ESPC Payments	<u>\$ 811,517</u>
Total Current and Future ESPC Payments	<u><u>\$ 845,380</u></u>

# U.S. DEPARTMENT OF JUSTICE

## REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



**U. S. Department of Justice**  
**Combining Statement of Budgetary Resources**  
**For the Fiscal Year Ended September 30, 2019**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
<b>Budgetary Resources</b>										
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	\$ 1,272,275	\$ 225,049	\$ 1,027,361	\$ 597,614	\$ 2,498,401	\$ 177,127	\$ 6,237,712	\$ 903,809	\$ 311,126	\$ 13,250,474
Appropriations (discretionary and mandatory)	1,498,726	1,316,999	7,542,400	2,709,531	9,455,067	-	6,958,889	4,909,901	3,613,553	38,003,066
Spending Authority from Offsetting Collections (discretionary and mandatory)	19,021	66,737	379,792	35,601	1,151,339	717,578	2,337,382	282,875	82,143	5,072,468
<b>Total Budgetary Resources</b>	<b>\$ 2,790,022</b>	<b>\$ 1,608,785</b>	<b>\$ 8,949,553</b>	<b>\$ 3,342,746</b>	<b>\$ 13,104,807</b>	<b>\$ 894,705</b>	<b>\$ 15,533,983</b>	<b>\$ 6,096,585</b>	<b>\$ 4,006,822</b>	<b>\$ 56,328,008</b>
<b>Status of Budgetary Resources</b>										
New Obligations and Upward Adjustments (Total)	\$ 1,618,355	\$ 1,414,019	\$ 7,755,047	\$ 2,896,820	\$ 11,028,402	\$ 683,081	\$ 10,788,563	\$ 5,667,422	\$ 3,853,059	\$ 45,704,768
Unobligated Balance, End of Year										
Apportioned, Unexpired Accounts	394,334	182,031	809,529	425,384	1,768,373	-	3,432,896	386,468	125,844	7,524,859
Exempt from Apportionment, Unexpired Accounts	-	-	48,345	-	-	211,624	-	-	-	259,969
Unapportioned, Unexpired Accounts	777,333	-	-	-	25,410	-	1,067,962	42,695	-	1,913,400
Unexpired Unobligated Balance, End of Year	1,171,667	182,031	857,874	425,384	1,793,783	211,624	4,500,858	429,163	125,844	9,698,228
Expired Unobligated Balance, End of Year	-	12,735	336,632	20,542	282,622	-	244,562	-	27,919	925,012
Unobligated Balance - End of Year (Total)	1,171,667	194,766	1,194,506	445,926	2,076,405	211,624	4,745,420	429,163	153,763	10,623,240
<b>Total Status of Budgetary Resources</b>	<b>\$ 2,790,022</b>	<b>\$ 1,608,785</b>	<b>\$ 8,949,553</b>	<b>\$ 3,342,746</b>	<b>\$ 13,104,807</b>	<b>\$ 894,705</b>	<b>\$ 15,533,983</b>	<b>\$ 6,096,585</b>	<b>\$ 4,006,822</b>	<b>\$ 56,328,008</b>
<b>Outlays, Net</b>										
Outlays, Net (Total) (discretionary and mandatory)	\$ 2,408,564	\$ 1,319,709	\$ 7,158,542	\$ 2,703,522	\$ 9,353,329	\$ (66,603)	\$ 8,015,911	\$ 3,923,377	\$ 3,619,947	\$ 38,436,298
Less Distributed Offsetting Receipts	180,142	276	1,448	426,620	5	-	340,569	-	162	949,222
Agency Outlays, Net (discretionary and mandatory)	<b>\$ 2,228,422</b>	<b>\$ 1,319,433</b>	<b>\$ 7,157,094</b>	<b>\$ 2,276,902</b>	<b>\$ 9,353,324</b>	<b>\$ (66,603)</b>	<b>\$ 7,675,342</b>	<b>\$ 3,923,377</b>	<b>\$ 3,619,785</b>	<b>\$ 37,487,076</b>

**U. S. Department of Justice  
Combining Statement of Budgetary Resources  
For the Fiscal Year Ended September 30, 2018**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
<b>Budgetary Resources</b>										
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	\$ 1,390,425	\$ 229,664	\$ 794,050	\$ 631,050	\$ 2,357,815	\$ 175,867	\$ 6,633,882	\$ 558,904	\$ 256,645	\$ 13,028,302
Appropriations (discretionary and mandatory)	1,353,853	1,301,023	7,325,571	2,642,199	9,267,056	-	6,304,821	6,030,459	3,415,808	37,640,790
Spending Authority from Offsetting Collections (discretionary and mandatory)	16,857	67,815	378,241	242,599	1,084,008	655,075	2,743,015	263,426	92,610	5,543,646
<b>Total Budgetary Resources</b>	<b>\$ 2,761,135</b>	<b>\$ 1,598,502</b>	<b>\$ 8,497,862</b>	<b>\$ 3,515,848</b>	<b>\$ 12,708,879</b>	<b>\$ 830,942</b>	<b>\$ 15,681,718</b>	<b>\$ 6,852,789</b>	<b>\$ 3,765,063</b>	<b>\$ 56,212,738</b>
<b>Status of Budgetary Resources</b>										
New Obligations and Upward Adjustments (Total)	\$ 1,560,266	\$ 1,396,655	\$ 7,494,105	\$ 3,059,411	\$ 10,408,254	\$ 653,815	\$ 9,832,697	\$ 6,166,883	\$ 3,600,692	\$ 44,172,778
Unobligated Balance, End of Year										
Apportioned, Unexpired Accounts	1,188,275	187,066	806,464	438,002	1,813,520	-	4,991,152	685,319	134,055	10,243,853
Exempt from Apportionment, Unexpired Accounts	-	-	49,705	-	-	177,127	-	-	-	226,832
Unapportioned, Unexpired Accounts	12,594	4	-	363	11,305	-	651,364	587	3,787	680,004
Unexpired Unobligated Balance, End of Year	1,200,869	187,070	856,169	438,365	1,824,825	177,127	5,642,516	685,906	137,842	11,150,689
Expired Unobligated Balance, End of Year	-	14,777	147,588	18,072	475,800	-	206,505	-	26,529	889,271
Unobligated Balance - End of Year (Total)	1,200,869	201,847	1,003,757	456,437	2,300,625	177,127	5,849,021	685,906	164,371	12,039,960
<b>Total Status of Budgetary Resources</b>	<b>\$ 2,761,135</b>	<b>\$ 1,598,502</b>	<b>\$ 8,497,862</b>	<b>\$ 3,515,848</b>	<b>\$ 12,708,879</b>	<b>\$ 830,942</b>	<b>\$ 15,681,718</b>	<b>\$ 6,852,789</b>	<b>\$ 3,765,063</b>	<b>\$ 56,212,738</b>
<b>Outlays, Net</b>										
Outlays, Net (Total) (discretionary and mandatory)	\$ 2,607,980	\$ 1,264,053	\$ 6,784,879	\$ 2,595,656	\$ 8,795,237	\$ 35,710	\$ 6,806,826	\$ 3,197,526	\$ 3,286,955	\$ 35,374,822
Less Distributed Offsetting Receipts	62,064	292	1,686	411,566	(9,734)	-	329,551	-	282	795,707
Agency Outlays, Net (discretionary and mandatory)	<b>\$ 2,545,916</b>	<b>\$ 1,263,761</b>	<b>\$ 6,783,193</b>	<b>\$ 2,184,090</b>	<b>\$ 8,804,971</b>	<b>\$ 35,710</b>	<b>\$ 6,477,275</b>	<b>\$ 3,197,526</b>	<b>\$ 3,286,673</b>	<b>\$ 34,579,115</b>



# U.S. DEPARTMENT OF JUSTICE

## REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION (UNAUDITED)





**U.S. Department of Justice  
Office of Justice Programs  
Required Supplementary Stewardship Information  
Consolidated Stewardship Investments For the Fiscal Years  
Ended September 30, 2019, 2018, 2017, 2016, and 2015**

The Bureau of Justice Assistance administers the Tribal Justice Systems Infrastructure Program (TJSIP)<sup>1</sup> and the Violent Offender Incarceration and Truth-In-Sentencing (VOI/TIS) incentive grant programs. Both programs provide grants for the purposes of building and expanding correctional facilities and jails to increase secure confinement space for violent offenders and implementing correctional alternatives to reduce reliance on incarceration. VOI/TIS funds are available to any of the 50 United States, the District of Columbia, Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, the Northern Mariana Islands, and recognized Tribal governments; while TJSIP funds are available to tribes within the 50 states. The Tribal Law and Order Act of 2010 (Public Law 111-211) expanded the TJSIP grant program scope to include multi-purpose justice centers. The facilities built or expanded with these funds constitute non-federal physical property. Upon completion, the Bureau of Indian Affairs of the Department of Interior, and/or tribal grantees are responsible for supporting, operating, and maintaining the correctional facilities.

The TJSIP strategy broadly addresses tribal justice systems and lends support to tribes that:

- Are interested in establishing/enhancing (tribal/non-tribal) multi-agency cooperation and collaborations;
- Are committed to conducting community-wide assessment for purpose of developing a comprehensive master plan that encompasses the design, use, capacity, and cost of adult and/or juvenile justice sanctions and services;
- Wish to explore an array of detention and correctional building options, including prototypical or quasi-prototypical concepts/designs for local correctional facilities, multipurpose justice centers, and regional facilities; and
- Are interested in learning about/applying community-based alternatives to help control and prevent jail overcrowding due to growing problems involving alcohol, substance abuse, and methamphetamine.

TJSIP and VOI/TIS funds from fiscal years 2015 through September 30, 2019, are as follows:

Dollars in Thousands	2019	2018	2017	2016	2015
Recipients of Non-Federal Physical Property:					
Grants to Indian Tribes	\$ 3,214	\$ 8,229	\$ 4,721	\$ 8,572	\$ 16,118
Grants to States	-	(300)	-	-	(84)
Total Non-Federal Physical Property	<u>\$ 3,214</u>	<u>\$ 7,929</u>	<u>\$ 4,721</u>	<u>\$ 8,572</u>	<u>\$ 16,034</u>

<sup>1</sup> The TJSIP was previously known as Correctional Systems and Correctional Alternatives for Tribal Lands (CSCATL)

# U.S. DEPARTMENT OF JUSTICE

## OTHER INFORMATION (UNAUDITED)



**U. S. Department of Justice  
Consolidating Balance Sheet  
As of September 30, 2019**

	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBIDs	COIP	USMS	Eliminations	Consolidated
<b>ASSETS</b>											
Intrigovernmental											
Fund Balance with Treasury	2,081,223	416,172	2,461,827	1,098,533	5,001,862	57,509	8,437,052	18,824,282	1,000,880	-	39,379,440
Investments	2,254,142	-	-	-	-	329,202	1,082,602	-	-	-	3,665,946
Accounts Receivable	18,662	28,584	2,473	6,525	425,127	34,178	598,770	9,048	10,128	(473,932)	659,563
Other Assets	-	334	9,356	28,059	31,297	-	1,830	88,847	1,023	(3,664)	157,082
<b>Total Intrigovernmental</b>	<b>4,354,027</b>	<b>445,090</b>	<b>2,473,656</b>	<b>1,133,117</b>	<b>5,438,286</b>	<b>420,889</b>	<b>10,120,254</b>	<b>18,922,177</b>	<b>1,012,031</b>	<b>(477,596)</b>	<b>43,801,931</b>
Cash and Other Monetary Assets	2,270,206	11,274	402	26,487	101,374	51	51	-	-	-	2,409,814
Accounts Receivable, Net	185	106	4,065	12,735	38,463	4,914	113,012	793	316	-	160,488
Investment Property, Net	-	-	19,486	12,738	-	109,276	-	-	3,108	-	132,599
Enforced Property, Net	136,774	-	-	-	-	-	-	-	-	-	136,774
General Property, Plant and Equipment, Net	1,467	173,785	4,783,808	2,061,658	2,863,828	54,872	164,293	10,229	402,809	-	8,715,749
Advances and Prepayments	-	1,166	4,616	817	68,469	1,943	76	250,221	184	-	327,508
Other Assets	-	-	-	-	29	3,319	-	-	-	-	3,334
<b>Total Assets</b>	<b>6,762,740</b>	<b>631,422</b>	<b>7,286,031</b>	<b>1,440,832</b>	<b>8,530,449</b>	<b>595,213</b>	<b>10,397,686</b>	<b>19,183,420</b>	<b>1,418,448</b>	<b>(477,596)</b>	<b>55,768,645</b>
<b>LIABILITIES</b>											
Intrigovernmental											
Accounts Payable	95,322	31,451	98,898	64,951	171,214	3,454	314,310	66,223	29,257	(472,290)	402,790
Accrued FECA Liabilities	-	20,526	173,557	22,415	35,328	1,754	8,053	17	17,556	-	279,206
Contingent Liabilities	-	1,668	-	6,685	13,697	150,872	1,898,698	5,204	9,967	(5,306)	1,907,121
Other Liabilities	519	9,781	64,034	16,585	133,899	38,798	38,798	-	-	-	301,631
<b>Total Intrigovernmental</b>	<b>95,841</b>	<b>61,759</b>	<b>336,489</b>	<b>110,916</b>	<b>332,548</b>	<b>150,880</b>	<b>2,256,978</b>	<b>71,444</b>	<b>56,780</b>	<b>(477,596)</b>	<b>3,001,059</b>
Accounts Payable	2,595,695	32,028	404,468	85,898	404,718	41,339	279,157	74,229	321,323	-	4,238,855
Accrued Grant Liabilities	-	-	-	-	-	-	83,753	759,645	-	-	843,398
Accrued Payroll and Benefits	1,960	26,705	129,976	41,504	178,065	5,051	117,135	4,177	28,336	-	532,909
Accrued Annual and Compensatory Leave Liabilities	3,337	64,549	189,304	110,687	348,240	5,038	183,257	7,385	48,192	-	959,989
Federal Employee and Veteran Benefits	-	132,228	1,115,065	155,232	223,158	22,496	51,769	181	111,217	-	1,811,346
Environmental and Disposal Liabilities	-	-	71,152	-	4,729	-	-	-	-	-	75,881
Deferred Revenue	136,774	-	818	624,281	-	-	-	-	-	-	761,873
Seized Cash and Monetary Instruments	-	3,803	-	563	49,008	600	3,300	-	-	-	2,477,002
Contingent Liabilities	2,423,628	1,200	-	35,300	15,840	-	174,659	-	-	-	69,775
Radiation Exposure Compensation Act Liabilities	-	-	-	-	-	-	4,316,410	-	-	-	174,659
September 11th Victim Compensation Fund Liabilities	-	-	-	-	-	-	1,166,312	-	-	-	4,316,410
United States Victims of State Sponsored Terrorism Act Liabilities	-	-	-	-	-	-	32,465	-	-	-	1,166,312
Other Liabilities	-	584	467,175	21,094	26,764	19	32,465	-	15,496	-	583,597
<b>Total Liabilities</b>	<b>5,257,235</b>	<b>322,856</b>	<b>2,727,982</b>	<b>1,185,475</b>	<b>1,582,870</b>	<b>230,623</b>	<b>8,685,195</b>	<b>917,061</b>	<b>581,344</b>	<b>(477,596)</b>	<b>21,013,045</b>
<b>NET POSITION</b>											
Unexpended Appropriations - Funds from Dedicated Collections	-	-	-	-	-	-	53,764	-	-	-	53,764
Unexpended Appropriations - All Other Funds	1,505,505	181,537	1,640,246	527,031	3,730,758	-	5,121,617	4,296,876	545,594	-	16,043,659
Cumulative Results of Operations - Funds from Dedicated Collections	-	127,029	84,501	(426,699)	-	-	274,392	15,961,482	-	-	15,999,181
Cumulative Results of Operations - All Other Funds	-	-	2,833,302	153,025	3,216,821	364,590	(3,737,282)	8,001	291,510	-	3,238,996
<b>Total Net Position</b>	<b>1,505,505</b>	<b>308,566</b>	<b>4,538,049</b>	<b>253,357</b>	<b>6,947,579</b>	<b>364,590</b>	<b>1,712,491</b>	<b>18,266,459</b>	<b>837,104</b>	<b>-</b>	<b>34,755,600</b>
<b>Total Liabilities and Net Position</b>	<b>6,762,740</b>	<b>631,422</b>	<b>7,286,031</b>	<b>1,440,832</b>	<b>8,530,449</b>	<b>595,213</b>	<b>10,397,686</b>	<b>19,183,420</b>	<b>1,418,448</b>	<b>(477,596)</b>	<b>55,768,645</b>

**U. S. Department of Justice  
Consolidating Balance Sheet  
As of September 30, 2018**

	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDS	COIP	USMS	Eliminations	Consolidated
<b>ASSETS</b>											
Intrigovernmental											
Fund Balance with Treasury	\$ 156,642	\$ 419,370	\$ 2,087,125	\$ 1,092,007	\$ 4,922,248	\$ 14,996	\$ 9,127,632	\$ 20,618,019	\$ 942,984	\$ -	\$ 39,381,023
Investments	6,254,711	-	-	-	-	305,535	1,160,020	-	-	-	7,720,266
Accounts Receivable	13,993	39,633	6,280	42,051	412,866	27,613	686,688	11,965	8,246	(528,978)	720,357
Other Assets	-	-	444	20,739	24,870	1,377	1,347	138,656	-	(4,155)	196,702
Total Intrigovernmental	6,425,346	459,447	2,107,183	1,154,797	5,359,984	348,144	10,975,687	20,788,640	952,253	(533,133)	48,018,348
Cash and Other Monetary Assets	62,247	9,747	408	24,820	91,687	-	51	-	-	-	188,960
Accounts Receivable, Net	-	165	9,863	5,141	33,246	5,373	125,023	1,741	1,177	-	181,729
Inventory and Related Property, Net	-	-	19,011	7,270	-	121,671	-	-	2,857	-	150,809
Foreclosed Property, Net	146,206	-	-	-	-	-	-	-	-	-	146,206
General Property, Plant and Equipment, Net	1,767	158,332	4,887,582	252,062	2,743,307	51,066	124,442	8,949	358,529	-	8,586,026
Other Assets	-	643	4,769	464	77,217	1,724	86	167,398	-	-	256,973
Total Assets	\$ 6,635,657	\$ 628,335	\$ 7,028,816	\$ 1,444,534	\$ 8,305,441	\$ 534,384	\$ 11,225,289	\$ 20,946,728	\$ 1,315,000	\$ (533,133)	\$ 57,531,051
<b>LIABILITIES</b>											
Intrigovernmental											
Accounts Payable	\$ 67,420	\$ 45,560	\$ 136,620	\$ 76,370	\$ 204,477	\$ 4,033	\$ 166,267	\$ 32,557	\$ 48,357	\$ (527,702)	\$ 243,959
Accounts Receivable	-	20,502	170,690	23,896	34,090	1,674	8,590	16	171,132	-	276,690
Custodial Liabilities	-	1	-	4,848	1,592	-	1,720,976	-	-	-	1,722,417
Other Liabilities	471	8,710	50,912	15,423	116,259	112,242	37,729	8,103	9,036	(5,431)	353,554
Total Intrigovernmental	67,891	74,773	348,222	120,637	356,418	117,949	1,933,562	40,676	74,525	(533,133)	2,601,520
Accounts Payable	3,501,525	30,338	346,516	77,158	387,293	42,490	342,614	76,126	301,917	-	5,105,977
Accrued Grant Liabilities	-	-	-	-	-	-	90,763	449,637	-	-	540,400
Accrued Payroll and Benefits	2,343	24,117	113,487	42,390	158,674	3,805	96,606	24,270	4,058	-	469,750
Accrued Annual and Compensatory Leave Liabilities	3,164	54,832	176,553	104,995	314,545	4,548	184,365	7,853	46,030	-	896,885
Federal Employee and Veteran Benefits	-	135,493	1,134,980	161,279	217,008	21,297	58,199	184	107,403	-	1,835,943
Environmental and Disposal Liabilities	-	-	71,156	-	5,633	-	-	-	-	-	76,789
Deferred Revenue	146,296	-	703	603,519	-	-	-	-	-	-	750,518
Seized Cash and Monetary Instruments	1,390,880	-	2,708	471	46,385	-	-	-	-	-	1,440,444
Contingent Liabilities	-	-	44,599	36,185	5,169	500	2,500	-	-	-	88,953
Radiation Exposure Compensation Act Liabilities	-	-	-	-	-	-	-	-	-	-	250,421
September 11th Victim Compensation Fund Liabilities	-	-	-	-	-	-	3,174,391	-	-	-	3,174,391
United States Victims of State Sponsored Terrorism Act Liabilities	-	-	-	-	-	-	1,192,751	-	-	-	1,192,751
Other Liabilities	-	1,073	398,922	20,827	24,277	35	55,781	-	13,126	-	512,041
Total Liabilities	\$ 5,112,099	\$ 323,334	\$ 2,658,138	\$ 1,167,581	\$ 1,515,402	\$ 190,624	\$ 7,379,953	\$ 578,534	\$ 867,271	\$ (533,133)	\$ 18,936,783
<b>NET POSITION</b>											
Unexpended Appropriations - Funds from Dedicated Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,459	\$ -	\$ -	\$ -	\$ 72,459
Unexpended Appropriations - All Other Funds	1,523,558	181,691	1,341,274	452,154	3,518,062	-	6,270,555	4,006,370	495,833	-	16,265,059
Cumulative Results of Operations - Funds from Dedicated Collections	-	123,310	751,666	(345,914)	3,271,977	343,760	126,222	16,354,837	-	-	17,733,069
Cumulative Results of Operations - All Other Funds	-	-	2,977,238	170,733	3,271,977	-	(2,623,900)	6,987	-	-	4,522,001
Total Net Position	\$ 1,523,558	\$ 305,001	\$ 4,993,678	\$ 276,973	\$ 6,790,039	\$ 343,760	\$ 3,845,336	\$ 20,368,194	\$ 747,729	\$ -	\$ 38,594,268
Total Liabilities and Net Position	\$ 6,635,657	\$ 628,335	\$ 7,028,816	\$ 1,444,534	\$ 8,305,441	\$ 534,384	\$ 11,225,289	\$ 20,946,728	\$ 1,315,000	\$ (533,133)	\$ 57,531,051

**U. S. Department of Justice**  
**Consolidating Statement of Net Cost**  
**For the Fiscal Year Ended September 30, 2019**

	ATF	BOP	DEA	FBI	FPI	OBDs	OIP	USMS	Eliminations	Consolidated
<b>Goal 1: Enhance National Security and Counter the Threat of Terrorism</b>										
Gross Cost - Intragovernmental	\$ 9,316	\$	\$ 5,795	\$ 1,532,557	\$	\$ 196,896	\$	\$	\$ (35,049)	\$ 1,853,460
Gross Cost - With the Public	70,251		12,595	3,665,183		1,340,434				5,386,700
Subtotal Gross Costs	79,567		18,390	5,197,740		1,537,330			(35,049)	7,240,160
Earned Revenues - Intragovernmental	-		370	248,504		35,243			(35,049)	249,068
Earned Revenues - With the Public	-		-	12,704		475				13,179
Subtotal Earned Revenues	-		370	261,208		35,718			(35,049)	262,247
Subtotal Net Cost of Operations	\$ 79,567	\$ 442,182	\$ 18,020	\$ 4,936,532	\$	\$ 1,501,612	\$	\$	\$	\$ 6,977,913
<b>Goal 2: Secure the Borders and Enhance Immigration Enforcement and Adjudication</b>										
Gross Cost - Intragovernmental	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross Cost - With the Public	-		-	-	-	348,835	-	-	(2,766)	\$ 346,069
Subtotal Gross Costs	-		-	-	-	507,934	-	-	(2,766)	854,003
Earned Revenues - Intragovernmental	-		-	-	-	188,200	-	-	(2,766)	16,054
Earned Revenues - With the Public	-		-	-	-	161	-	-	(2,766)	161
Subtotal Earned Revenues	-		-	-	-	188,200	-	-	(2,766)	16,215
Subtotal Net Cost of Operations	\$	\$	\$	\$	\$	\$ 837,788	\$	\$	\$	\$ 837,788
<b>Goal 3: Reduce Violent Crime and Promote Public Safety</b>										
Gross Cost - Intragovernmental	\$ 167,694	\$ 320,393	\$ 1,914,520	\$ 1,091,716	\$ 643,562	\$ 137,968	\$ 296,491	\$ 641,097	\$ (474,916)	\$ 5,360,442
Gross Cost - With the Public	1,264,520	663,520	6,121,592	1,749,284	2,085,194	526,030	4,069,719	3,970,853	3,050,735	23,501,747
Subtotal Gross Costs	1,432,214	984,213	8,036,112	2,841,000	2,728,756	663,998	4,691,636	3,691,832	(474,916)	28,862,189
Earned Revenues - Intragovernmental	19,123	59,177	3,728	44,369	458,539	604,724	2,028	46,777	(456,367)	811,908
Earned Revenues - With the Public	19,123	415	369,515	414,656	183,087	55,642	(5,922)	4,498	-	1,021,891
Subtotal Earned Revenues	38,246	59,592	373,243	459,025	641,626	660,366	(3,894)	51,275	(456,367)	1,833,799
Subtotal Net Cost of Operations	\$ 1,413,091	\$ 924,621	\$ 7,662,869	\$ 2,381,975	\$ 2,087,130	\$ 3,632	\$ 4,695,530	\$ 3,640,557	\$ (18,549)	\$ 27,028,390
<b>Goal 4: Promote Rule of Law, Integrity, and Good Government</b>										
Gross Cost - Intragovernmental	\$ 9,316	\$	\$	\$ 827,926	\$	\$ 830,997	\$	\$	\$ (437,824)	\$ 1,230,415
Gross Cost - With the Public	70,251		-	2,020,246	-	2,522,663	-	-	-	4,613,160
Subtotal Gross Costs	79,567		-	2,848,172	-	3,353,660	-	-	(437,824)	5,843,575
Earned Revenues - Intragovernmental	-		-	85,287	-	654,750	-	-	(437,824)	302,213
Earned Revenues - With the Public	-		-	4,160	-	580,950	-	-	-	585,110
Subtotal Earned Revenues	-		-	89,447	-	1,235,700	-	-	(437,824)	887,323
Subtotal Net Cost of Operations	\$ 79,567	\$	\$	\$ 2,758,725	\$	\$ 2,117,960	\$	\$	\$	\$ 4,956,252
<b>Total Net Cost of Operations</b>	<b>\$ 1,572,225</b>	<b>\$ 1,366,803</b>	<b>\$ 7,662,869</b>	<b>\$ 2,399,995</b>	<b>\$ 9,782,387</b>	<b>\$ 3,632</b>	<b>\$ 9,152,890</b>	<b>\$ 3,640,557</b>	<b>\$ (18,549)</b>	<b>\$ 39,800,343</b>

U. S. Department of Justice  
Consolidating Statement of Net Cost  
For the Fiscal Year Ended September 30, 2018

Dollars in Thousand	AFJP/SADP	ATF	BOP	DEA	FBI	FPI	OBDs	OIP	USMS	Elimination	Consolidated
<b>Goal 1: Enhance National Security and Counter the Threat of Terrorism</b>											
Gross Cost - Intragovernmental	\$ 10,828	\$ -	\$ 4,607	\$ 1,473,521	\$ -	\$ -	\$ 88,576	\$ -	\$ -	\$ -	\$ 1,705,356
Gross Cost - With the Public	64,579	-	12,646	3,578,321	-	-	631,171	-	-	-	4,588,607
Subtotal Gross Costs	75,407	-	17,253	5,051,842	-	-	719,747	-	-	-	6,293,963
Earned Revenues - Intragovernmental	-	-	331	255,272	-	-	43,321	-	-	-	274,870
Earned Revenues - With the Public	-	-	-	10,295	-	-	408	-	-	-	10,703
Subtotal Earned Revenues	-	-	331	265,567	-	-	43,729	-	-	-	285,272
Subtotal Net Cost of Operations	\$ 75,407	\$ 453,768	\$ -	\$ 16,922	\$ 4,786,275	\$ -	\$ 676,018	\$ -	\$ -	\$ -	\$ 6,008,390
<b>Goal 2: Secure the Borders and Enhance Immigration Enforcement and Adjudication</b>											
Gross Cost - Intragovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,721	\$ -	\$ -	\$ -	\$ 188,557
Gross Cost - With the Public	-	-	-	-	-	-	529,196	-	-	-	529,196
Subtotal Gross Costs	-	-	-	-	-	-	717,917	-	-	-	714,753
Earned Revenues - Intragovernmental	-	-	-	-	-	-	14,441	-	-	-	11,277
Earned Revenues - With the Public	-	-	-	-	-	-	502	-	-	-	502
Subtotal Earned Revenues	-	-	-	-	-	-	14,943	-	-	-	11,779
Subtotal Net Cost of Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,974	\$ -	\$ -	\$ -	\$ 702,974
<b>Goal 3: Reduce Violent Crime and Promote Public Safety</b>											
Gross Cost - Intragovernmental	\$ 194,905	\$ 322,739	\$ 1,926,536	\$ 1,046,364	\$ 596,183	\$ 172,078	\$ 964,896	\$ 216,652	\$ 636,593	\$ (662,499)	\$ 5,414,347
Gross Cost - With the Public	1,162,424	641,518	5,978,120	1,994,153	1,936,617	492,650	1,599,522	3,145,998	2,791,447	-	19,602,649
Subtotal Gross Costs	1,357,329	964,257	7,904,656	2,990,417	2,533,000	664,728	2,514,418	3,362,650	3,428,040	(662,499)	25,016,996
Earned Revenues - Intragovernmental	22,253	86,309	14,906	248,724	435,535	606,334	182,311	20,482	54,326	(644,059)	1,027,121
Earned Revenues - With the Public	-	884	373,298	402,379	154,510	49,278	31,196	2,622	2,622	-	1,014,167
Subtotal Earned Revenues	22,253	87,193	388,204	651,103	590,045	655,612	213,507	20,482	56,948	(644,059)	2,041,288
Subtotal Net Cost of Operations	\$ 1,335,076	\$ 877,064	\$ 7,516,452	\$ 2,299,314	\$ 1,942,955	\$ 91,116	\$ 2,300,911	\$ 3,342,168	\$ 3,371,092	\$ (18,440)	\$ 22,975,708
<b>Goal 4: Promote Rule of Law, Integrity, and Good Government</b>											
Gross Cost - Intragovernmental	\$ 10,828	\$ -	\$ -	\$ -	\$ 853,289	\$ -	\$ 739,081	\$ -	\$ -	\$ -	\$ 1,070,997
Gross Cost - With the Public	64,579	-	-	-	1,905,780	-	2,601,977	-	-	-	4,572,336
Subtotal Gross Costs	75,407	-	-	-	2,759,069	-	3,341,058	-	-	-	5,643,333
Earned Revenues - Intragovernmental	-	-	-	-	65,792	-	556,642	-	-	-	602,233
Earned Revenues - With the Public	-	-	-	-	3,512	-	879,802	-	-	-	883,314
Subtotal Earned Revenues	-	-	-	-	69,304	-	1,436,444	-	-	-	973,547
Subtotal Net Cost of Operations	\$ 75,407	\$ -	\$ -	\$ -	\$ 2,689,765	\$ -	\$ 1,904,614	\$ -	\$ -	\$ -	\$ 4,669,786
<b>Total Net Cost of Operations</b>	<b>\$ 1,485,890</b>	<b>\$ 1,330,832</b>	<b>\$ 7,516,452</b>	<b>\$ 2,316,236</b>	<b>\$ 9,418,995</b>	<b>\$ 91,116</b>	<b>\$ 5,584,517</b>	<b>\$ 3,342,168</b>	<b>\$ 3,371,092</b>	<b>\$ (18,440)</b>	<b>\$ 34,356,858</b>

U. S. Department of Justice  
Consolidating Statement of Changes in Net Position  
For the Fiscal Year Ended September 30, 2019

	AF/SA/DF	ATF	BOP	DEA	FBI	FPI	OBDS	OIP	USMS	Eliminations	Consolidated
<b>Unexpended Appropriations</b>											
Beginning Balances											
Funds from Dedicated Collections											
All Other Funds		181,691	1,341,274	482,154	3,518,062		6,270,558	4,006,370	495,833		72,489
Adjustments											
Changes in Accounting Principles							207				207
Funds from Dedicated Collections							(207)				(207)
All Other Funds											
<b>Beginning Balances, as Adjusted</b>											
Funds from Dedicated Collections											
All Other Funds		181,691	1,341,274	482,154	3,518,062		6,270,348	4,006,370	495,833		72,489
<b>Budgetary Financing Sources</b>											
Appropriations Received											
Funds from Dedicated Collections											
All Other Funds		1,316,678	7,542,400	2,267,000	9,577,137		24,015	2,243,800	3,081,733		24,015
Appropriations Transferred-In/Out											
All Other Funds		163	(15,946)	15,787	(6,415)		410,746	(27,975)	594,338		970,698
Other Adjustments											
All Other Funds			(105)	(102)	(51,737)		(38,215)	(78,020)	(150)		(168,329)
Appropriations Used											
Funds from Dedicated Collections											
All Other Funds		(1,316,995)	(7,227,377)	(2,207,808)	(9,306,289)		(42,917)	(1,847,299)	(3,626,160)		(42,917)
<b>Total Budgetary Financing Sources</b>											
Funds from Dedicated Collections											
All Other Funds		(154)	298,972	74,877	212,696		(1,148,731)	290,506	49,761		(18,902)
<b>Net Change</b>											
Funds from Dedicated Collections											
All Other Funds		(154)	298,972	74,877	212,696		(1,148,731)	290,506	49,761		(18,902)
<b>Ending Balances</b>											
Funds from Dedicated Collections											
All Other Funds		181,537	1,640,246	527,031	3,730,758		5,121,617	4,296,876	545,594		53,764
<b>Total All Funds</b>		181,537	1,640,246	527,031	3,730,758		5,175,381	4,296,876	545,594		16,043,659
											16,097,423



**U. S. Department of Justice**  
**Consolidating Statement of Changes in Net Position - Continued**  
**For the Fiscal Year Ended September 30, 2019**

	AFF/SADE	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Cumulative Results of Operations</b>											
<b>Beginning Balances</b>	\$ 1,533,558	\$ -	\$ 75,166	\$ (345,914)	\$ 3,271,977	\$ -	\$ 126,222	\$ 1,634,487	\$ -	\$ -	\$ 1,733,860
<b>Funds from Dedicated Collections</b>		123,310	2,977,238	170,733	3,271,977	343,760	(2,623,900)	6,987	251,896	-	4,522,001
<b>All Other Funds</b>	-	-	-	-	-	-	(24)	-	-	-	(24)
<b>Changes in Accounting Principles</b>							24	-	-	-	24
<b>Funds from Dedicated Collections</b>											
<b>All Other Funds</b>											
<b>Beginning Balances, as Adjusted</b>											
<b>Funds from Dedicated Collections</b>	1,533,558	123,310	2,977,238	170,733	3,271,977	343,760	(2,623,876)	6,987	251,896	-	1,733,845
<b>All Other Funds</b>	-	-	-	-	-	-	-	-	-	-	4,522,025
<b>Budgetary Financing Sources</b>											
<b>Other Adjustments</b>											
<b>Funds from Dedicated Collections</b>	(674,000)	-	-	-	-	-	(5,236)	-	-	-	(679,236)
<b>All Other Funds</b>	-	-	-	(73,000)	-	-	(151,000)	-	-	-	(224,000)
<b>Appropriations Used</b>											
<b>Funds from Dedicated Collections</b>	-	-	-	-	-	-	42,917	-	-	-	42,917
<b>All Other Funds</b>	-	1,316,995	7,227,377	2,207,808	9,306,289	-	6,823,207	1,847,299	3,626,160	-	32,355,135
<b>Nonexchange Revenues</b>											
<b>Funds from Dedicated Collections</b>	156,615	-	-	-	-	-	25,605	496,336	-	-	908,956
<b>All Other Funds</b>	-	-	-	-	-	-	42	204	-	-	246
<b>Donations and Forfeitures of Cash and Cash Equivalents</b>											
<b>Funds from Dedicated Collections</b>	1,710,195	-	-	-	-	-	805,236	-	-	-	2,515,431
<b>All Other Funds</b>	-	-	-	-	-	-	184	-	-	-	184
<b>Transfers-In-Out Without Reimbursement</b>											
<b>Funds from Dedicated Collections</b>	-	-	-	-	-	-	-	(504,500)	-	-	(504,500)
<b>All Other Funds</b>	-	-	-	-	132,875	-	252,825	-	(450)	-	385,250
<b>Other Financing Sources</b>											
<b>Donations and Forfeitures of Property</b>											
<b>Funds from Dedicated Collections</b>	360,257	-	-	-	-	-	-	-	-	-	360,257
<b>All Other Funds</b>	-	-	1	-	-	-	-	-	-	-	1
<b>Transfers-In-Out Without Reimbursement</b>											
<b>Funds from Dedicated Collections</b>	(2,061)	-	-	-	-	-	(34,384)	-	-	-	(2,061)
<b>All Other Funds</b>	-	1,706	-	5,737	25,616	-	4,940	-	-	-	3,615
<b>Imputed Financing (Note 19)</b>											
<b>Funds from Dedicated Collections</b>	3,166	-	6,497	16,854	345,916	24,462	15,432	5,854	49,521	(18,549)	1,009,409
<b>All Other Funds</b>	-	51,821	294,593	73,103	-	-	182,888	-	-	-	41,949
<b>Other Financing Sources</b>											
<b>Funds from Dedicated Collections</b>	-	-	-	-	(10,465)	-	(3)	-	-	-	(3)
<b>All Other Funds</b>	-	-	-	-	-	-	(435)	-	-	-	(10,902)
<b>Total Financing Sources</b>	1,554,172	1,370,522	6,497	16,854	9,727,231	24,462	1,114,351	(8,164)	3,680,171	(18,549)	2,683,710
<b>Funds from Dedicated Collections</b>	-	-	-	-	-	-	7,073,327	1,853,357	-	-	33,518,940
<b>All Other Funds</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cost of Operations</b>											
<b>Funds from Dedicated Collections</b>	(1,572,225)	-	2,838	(97,639)	(9,782,387)	(3,632)	(966,157)	(2,385,191)	-	-	(5,018,374)
<b>All Other Funds</b>	-	(1,366,803)	(7,665,707)	(2,302,336)	(2,302,336)	-	(8,186,733)	(1,823,343)	(3,640,557)	18,549	(34,381,962)
<b>Net Change</b>	(18,053)	3,719	9,335	(80,785)	(55,156)	20,830	148,194	(2,393,355)	39,614	-	(2,334,664)
<b>Funds from Dedicated Collections</b>	-	-	-	-	-	-	(1,113,406)	1,014	-	-	(1,263,022)
<b>All Other Funds</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Balances</b>	1,505,505	1,270,029	84,501	(426,699)	3,216,821	364,590	274,392	13,961,482	291,510	-	15,399,181
<b>Funds from Dedicated Collections</b>	-	-	-	-	-	-	-	-	-	-	-
<b>All Other Funds</b>	-	1,270,029	84,501	(426,699)	3,216,821	364,590	274,392	13,961,482	291,510	-	15,399,181
<b>Total All Funds</b>	\$ 1,505,505	\$ 1,270,029	\$ 2,917,803	\$ (271,674)	\$ 3,216,821	\$ 364,590	\$ (3,462,890)	\$ 13,969,483	\$ 291,510	\$ -	\$ 18,658,177
<b>Net Position - Funds from Dedicated Collections</b>	1,505,505	308,566	84,501	(426,699)	6,947,579	364,590	3,281,156	13,961,482	837,104	-	15,452,945
<b>Net Position - All Other Funds</b>	-	308,566	4,473,548	682,056	6,947,579	364,590	1,384,335	4,304,877	837,104	-	19,302,655
<b>Net Position - Total</b>	\$ 1,505,505	\$ 308,566	\$ 4,558,049	\$ 255,357	\$ 6,947,579	\$ 364,590	\$ 1,712,491	\$ 18,266,359	\$ 837,104	\$ -	\$ 34,755,600

U. S. Department of Justice  
 Consolidating Statement of Changes in Net Position  
 For the Fiscal Year Ended September 30, 2018

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Unexpended Appropriations</b>											
Beginning Balances											
Funds from Dedicated Collections											
All Other Funds	\$ -	\$ 156,725	\$ 949,020	\$ 370,869	\$ 3,123,968	\$ -	\$ 74,314	\$ 3,248,099	\$ 458,552	\$ -	\$ 74,314
<b>Budgetary Financing Sources</b>											
Appropriations Received											
Dedicated Collections											
All Other Funds											
Appropriations Transferred-In/Out											
All Other Funds											
Other Adjustments											
All Other Funds											
Appropriations Used											
Dedicated Collections											
All Other Funds											
Funds from Dedicated Collections											
All Other Funds											
<b>Total Budgetary Financing Sources</b>											
Funds from Dedicated Collections											
All Other Funds											
<b>Net Change</b>											
Funds from Dedicated Collections											
All Other Funds											
<b>Ending Balances</b>											
Funds from Dedicated Collections											
All Other Funds											
<b>Total All Funds</b>											

U. S. Department of Justice  
Consolidating Statement of Changes in Net Position - Continued  
For the Fiscal Year Ended September 30, 2018

Dollars in Thousands	AFF/SAIF	ATF	BOP	DEA	FBI	FPI	OBDs	OIP	USMS	Eliminations	Consolidated
<b>Cumulative Results of Operations</b>											
Beginning Balances											
Funds from Dedicated Collections			67,120	(302,156)	3,397,051			18,329,809	7,505		20,038,128
All Other Funds	1,935,830	135,108	3,299,473	223,642		329,803	(3,926,320)	7,533	215,971		3,682,261
<b>Budgetary Financing Sources</b>											
Other Adjustments											
Funds from Dedicated Collections	(304,000)				(74,000)						(304,000)
All Other Funds							(154,768)				(228,768)
Appropriations Used											
Funds from Dedicated Collections		1,275,913	6,926,784	2,149,942	8,945,726		33,909	1,407,749	3,367,217		33,909
All Other Funds							6,391,616				30,464,947
Net Change	102,877						522	445,618			549,017
Funds from Dedicated Collections								126			444,100
All Other Funds	1,072,488						9,275				1,072,488
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections											
All Other Funds											9,275
Transfers-In/Out Without Reimbursement								(492,000)			(492,000)
Funds from Dedicated Collections					137,454						286,204
All Other Funds							129,704		(954)		
<b>Other Financing Sources</b>											
Donations and Forfeitures of Property											
Funds from Dedicated Collections	203,682										203,682
All Other Funds											1
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(3,880)		7,150	(3,248)	12,722		(4,404)		64		(3,880)
All Other Funds		621									12,905
Impairment (Note 19)											
Funds from Dedicated Collections	2,451		5,325	12,117			13,910				33,803
All Other Funds		42,500	263,003	60,738	281,096	23,073	141,916	5,157	40,690	(18,440)	839,733
Other Financing Sources											
All Other Funds					(9,077)						(9,077)
<b>Total Financing Sources</b>	1,073,618	1,319,034	5,325	12,117	9,293,921	23,073	48,341	(46,382)	3,407,017	(18,440)	1,093,019
Funds from Dedicated Collections			7,196,938	2,207,432			6,957,313	1,413,032			31,999,320
All Other Funds	(1,485,890)	(1,330,832)	2,721	(55,895)	(9,418,995)	(9,116)	70,376	(1,928,590)	(3,371,092)	18,440	(3,397,278)
<b>Net Cost of Operations</b>											
Funds from Dedicated Collections			(7,519,173)	(2,260,341)			(5,654,893)	(1,413,578)			(30,959,580)
All Other Funds	(412,272)	(11,798)	8,046	(43,778)	(125,074)	13,957	118,717	(1,974,972)	35,925		(2,304,259)
Net Change			(322,253)	(32,309)			(5,536,176)	(3,387,653)			(33,263,839)
Funds from Dedicated Collections											
All Other Funds											
<b>Ending Balances</b>	1,523,558	123,310	75,166	(345,914)	3,271,977	343,760	126,222	16,354,437	251,896		17,733,869
Funds from Dedicated Collections			2,977,238	170,733	3,271,977	343,760	(2,623,900)	6,987			4,522,001
All Other Funds	1,523,558	123,310	3,062,404	(75,181)			(2,697,676)	16,361,824	251,896		22,211,868
<b>Net Position - Funds from Dedicated Collections</b>											
Net Position - All Other Funds	305,001	305,001	4,318,512	622,887	6,790,039	343,760	3,646,655	16,354,437	247,729		20,987,940
Net Position - Total	1,523,558	305,001	4,323,678	2,667,933	6,790,039	343,760	3,646,655	20,987,940	247,729		20,987,940
								20,987,940			20,987,940
											38,994,268

U. S. Department of Justice  
 Combining Statement of Custodial Activity  
 For the Fiscal Year Ended September 30, 2019

	AF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
<b>Total Custodial Revenue</b>										
Sources of Cash Collections										
Federal Debts, Fines, Penalties and Restitution		133		30,684	2,244					9,573,911
Fees and Licenses		50,394		15,000						65,394
Miscellaneous		276	34						162	472
<b>Total Cash Collections</b>		<b>50,803</b>	<b>34</b>	<b>45,684</b>	<b>2,244</b>				<b>162</b>	<b>9,639,777</b>
Accrual Adjustments		(8)		1,847	217					2,056
<b>Total Custodial Revenue</b>		<b>50,795</b>	<b>34</b>	<b>47,531</b>	<b>2,461</b>				<b>162</b>	<b>9,641,833</b>
<b>Disposition of Collections</b>										
Transferred to Federal Agencies										
The Judiciary							(32,980)			(32,980)
U.S. Department of Agriculture							(85,376)			(85,376)
U.S. Department of Commerce							(8,565)			(8,565)
U.S. Department of the Interior							(531,327)			(531,327)
U.S. Department of Justice							(57,416)			(57,416)
U.S. Department of Labor							(2,838)			(2,838)
U.S. Postal Service							(23,001)			(23,001)
U.S. Department of State							(68)			(68)
U.S. Department of the Treasury							(1,261,004)			(1,261,004)
Office of Personnel Management							(6,842)			(6,842)
Federal Communications Commission							(567)			(567)
Social Security Administration							(720)			(720)
Federal Trade Commission							(6,178)			(6,178)
U.S. Nuclear Regulatory Commission							(1,266)			(1,266)
U.S. Department of Veterans Affairs							(135,737)			(135,737)
Equal Employment Opportunity Commission							(79)			(79)
General Services Administration							(3,973)			(3,973)
National Science Foundation							(2,078)			(2,078)
Securities and Exchange Commission							(3)			(3)
Federal Deposit Insurance Corporation							(11)			(11)
National Endowment For the Humanities							(156)			(156)
Railroad Retirement Board							(24)			(24)
Consumer Product Safety Commission							(563,284)			(563,284)
Environmental Protection Agency							(7,494)			(7,494)
U.S. Department of Homeland Security							(177,966)			(177,966)
Agency for International Development							(1,542)			(1,542)
Small Business Administration							(5,875)			(5,875)
U.S. Department of Health and Human Services							(1,225,960)			(1,225,960)
National Aeronautics and Space Administration							(1,855)			(1,855)
Export-Import Bank of the United States							(1,256)			(1,256)
U.S. Department of Housing and Urban Development							(82,164)			(82,164)
U.S. Department of Energy							(1,770)			(1,770)
U.S. Department of Education							(15,071)			(15,071)
Commodities Futures Trading Commission							(71)			(71)
Corporation of National & Community Services							(629)			(629)
Federal Reserve Board							(4)			(4)
Treasury General Fund		(49,133)	(34)	(45,684)	(2,244)		(4,289,235)		(162)	(4,386,492)
U.S. Department of Defense							(178,532)			(178,532)
Transferred to the Public							(396,116)			(396,116)
(Increase)/Decrease in Amounts Yet to be Transferred							(181,720)			(183,784)
Refunds and Other Payments							(7,305)			(8,967)
Retained by the Reporting Entity		(1,662)		(1,847)	(217)		(242,783)			(242,783)
<b>Total Disposition of Collections</b>		<b>(50,795)</b>	<b>(34)</b>	<b>(47,531)</b>	<b>(2,461)</b>		<b>(9,540,850)</b>		<b>(162)</b>	<b>(9,641,833)</b>
<b>Net Custodial Activity</b>										

U. S. Department of Justice  
 Combining Statement of Custodial Activity  
 For the Fiscal Year Ended September 30, 2018

	AIF/SAIDE	AIF	ROP	DEA	FBI	FPI	OJBs	OJP	USMS	Combined
<b>Total Custodial Revenue</b>										
Sources of Cash Collections										
Federal Debts, Fines, Penalties and Restitution	\$ -	\$ 197	\$ -	\$ 11,200	\$ 2,831	\$ -	\$ 13,978,943	\$ -	\$ -	\$ 13,993,171
Grants	-	46,371	-	15,000	-	-	-	-	-	61,371
Miscellaneous	-	95	36	-	-	-	-	-	282	413
<b>Total Cash Collections</b>	\$ -	\$ 46,663	\$ 36	\$ 26,200	\$ 2,831	\$ -	\$ 13,978,943	\$ -	\$ 282	\$ 14,054,955
Accrual Adjustments	-	121	-	2,199	593	-	-	-	-	2,913
<b>Total Custodial Revenue</b>	\$ -	\$ 46,784	\$ 36	\$ 28,399	\$ 3,424	\$ -	\$ 13,978,943	\$ -	\$ 282	\$ 14,057,868
<b>Disposition of Collections</b>										
Transferred to Federal Agencies										
Library of Congress	-	-	-	-	-	-	(94)	-	-	(94)
U.S. Department of Agriculture	-	-	-	-	-	-	(41,549)	-	-	(41,549)
U.S. Department of Commerce	-	-	-	-	-	-	(7,166)	-	-	(7,166)
U.S. Department of the Interior	-	-	-	-	-	-	(28,134)	-	-	(28,134)
U.S. Department of Justice	-	-	-	-	-	-	(2,831)	-	-	(2,831)
U.S. Department of Labor	-	-	-	-	-	-	(4,017)	-	-	(4,017)
U.S. Postal Service	-	-	-	-	-	-	(3,993)	-	-	(3,993)
U.S. Department of State	-	-	-	-	-	-	(2,538)	-	-	(2,538)
U.S. Department of the Treasury	-	-	-	-	-	-	(877,450)	-	-	(877,450)
Office of Personnel Management	-	-	-	-	-	-	(2,649)	-	-	(2,649)
Federal Communications Commission	-	-	-	-	-	-	(580)	-	-	(580)
Social Security Administration	-	-	-	-	-	-	(11,236)	-	-	(11,236)
U.S. Department of Veterans Affairs	-	-	-	-	-	-	(48,075)	-	-	(48,075)
U.S. Department of Health and Human Services	-	-	-	-	-	-	(3,000)	-	-	(3,000)
U.S. Patent and Trademark Office	-	-	-	-	-	-	(50,901)	-	-	(50,901)
General Services Administration	-	-	-	-	-	-	(181)	-	-	(181)
Securities and Exchange Commission	-	-	-	-	-	-	(64)	-	-	(64)
Federal Deposit Insurance Corporation	-	-	-	-	-	-	(419)	-	-	(419)
Railroad Retirement Board	-	-	-	-	-	-	(3,526)	-	-	(3,526)
Tennessee Valley Authority	-	-	-	-	-	-	(19,956)	-	-	(19,956)
Environmental Protection Agency	-	-	-	-	-	-	(9,327)	-	-	(9,327)
U.S. Department of Transportation	-	-	-	-	-	-	(2,164)	-	-	(2,164)
U.S. Department of Energy	-	-	-	-	-	-	(2,164)	-	-	(2,164)
U.S. Department of Health and Human Services	-	-	-	-	-	-	(12,881)	-	-	(12,881)
Agency for International Development	-	-	-	-	-	-	(807,686)	-	-	(807,686)
Small Business Administration	-	-	-	-	-	-	(556)	-	-	(556)
U.S. Department of Health and Human Services	-	-	-	-	-	-	(1,491)	-	-	(1,491)
National Aeronautics and Space Administration	-	-	-	-	-	-	(271,315)	-	-	(271,315)
Export-Import Bank of the United States	-	-	-	-	-	-	(63,84)	-	-	(63,84)
U.S. Department of Housing and Urban Development	-	-	-	-	-	-	(225,500)	-	-	(225,500)
U.S. Department of Energy	-	-	-	-	-	-	(225,500)	-	-	(225,500)
Department of Education	-	-	-	-	-	-	(6,384)	-	-	(6,384)
Department of Justice	-	-	-	-	-	-	(1,491)	-	-	(1,491)
Treasury General Fund	-	(45,468)	(36)	(26,200)	(2,831)	-	(10,933,716)	(282)	-	(11,008,533)
U.S. Department of Defense	-	-	-	-	-	-	(12,112)	-	-	(12,112)
Transferred to the Public	-	-	-	-	-	-	(306,206)	-	-	(306,206)
(Increase)/Decrease in Amounts Yet to be Transferred	-	-	-	(2,199)	(593)	-	873,871	-	-	871,079
Refunds and Other Payments	-	(1,316)	-	-	-	-	(5,491)	-	-	(6,807)
Retained by the Reporting Entity	-	-	-	-	-	-	(422,654)	-	-	(422,654)
<b>Total Disposition of Collections</b>	\$ -	\$ (46,784)	\$ (36)	\$ (28,399)	\$ (3,424)	\$ -	\$ (13,978,943)	\$ (282)	\$ -	\$ (14,057,868)
<b>Net Custodial Activity</b>										

## Fraud Reduction Report

In FY 2019, the Department continued its progress in implementing financial and administrative controls established pursuant to the Fraud Reduction and Data Analytics Act of 2015 (FRDA), the fraud risk principle in the Standards for Internal Control in the Government, and OMB Circular A-123 with respect to leading practices for managing fraud risk.<sup>1</sup> In addition, the Department continued its progress in identifying risks and vulnerabilities to fraud and establishing strategies, procedures, and other steps to curb fraud. A summary of the Department's fraud reduction efforts undertaken in FY 2019 follow.

The Department's efforts focused on further developing the fraud reduction framework the Department has been implementing since the enactment of FRDA and developing a Fraud Risk Profile. The Department developed the profile by leveraging information and knowledge gained in previous years and conducting a facilitated session using a collaboration software tool to gather DOJ components' knowledge and insight related to risks and vulnerabilities to fraud, current and planned financial and administrative control activities to mitigate fraud risks, and risk ratings. The efforts to develop the Fraud Risk Profile focused on six key areas:

- human resources (payroll, time and attendance, and awards),
- disbursements (beneficiary payments, purchase cards, and embezzlement),
- grants (grants management, disbursements, and awards),
- acquisitions (large contracts and purchase cards),
- travel (travel cards, requests, and receipts), and
- property (physical and intangible property).

The session increased collaboration and promoted a robust dialogue on existing and emerging fraud risks; strategies, procedures, and other steps to curb fraud; and risk ratings. The session was attended by the Department's Senior Assessment Team or their representatives, which was valuable because of the attendees' detailed insight into their respective component's OMB Circular A-123 assessment as it relates to fraud and assessment of the fraud risk profile principle in the Standards for Internal Control in the Government. Based on the analyses of risks, vulnerabilities, and control activities that occurred to develop the Fraud Risk Profile, the Department identified no instances where immediate action was needed to address high residual risk.

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<sup>1</sup> Leading practice materials leveraged included the Chief Financial Officers Council *Antifraud Playbook*, Association of Government Accountants *Fraud Prevention Toolkit*, and industry materials from the Association of Certified Fraud Examiners.

**U.S. Department of Justice**  
**Reduce the Footprint**  
**For the Fiscal Year Ended September 30, 2019**

Under the leadership of the Attorney General, the Department continued its efforts during FY 2019 to reduce its real property footprint and monitor space utilization across the Department. The 2018 actual SF is 47,270,255 compared to the FY 2015 Baseline of 47,362,747, representing a reduction of 92,492 SF. While unique mission related requirements in the pipeline for organizations such as the FBI, USMS, and the EOIR are projected to increase the Department's overall real estate footprint, the majority of the Department components have maintained or reduced their footprint. Difficult mission related challenges come with the various law enforcement and litigation assignments of the Department to protect federal courthouses, house and secure prisoners awaiting trial, and continue to enforce drug trafficking, immigration laws, and other direct mission activities.

One of the primary focuses of the Department is to apply more stringent utilization rate requirements as leases expire. Over time, new build out standards and mobile workplace initiatives will increasingly provide space reductions. With adequate funding, these types of projects will allow the Department to continue reducing the overall footprint.

Information for the Department is displayed below:

**Reduce the Footprint**

Reduce the Footprint Baseline Comparison

For the Fiscal Year Ended September 30, 2019			
	FY 2015 Baseline	FY 2018	Change
Square Footage (SF in millions)	47,362,747	47,270,255	-0.2%

Reporting of Operation and Maintenance Costs - Owned and Direct Lease Buildings

For the Fiscal Year Ended September 30, 2019			
	FY 2015 Reported Cost	FY 2018	Change
Operation and Maintenance Costs (\$ in millions)	50,305,398	33,868,093	-32.7%

**U.S. Department of Justice**  
**Civil Monetary Penalty Adjustment for Inflation**  
**For the Fiscal Year Ended September 30, 2019**

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended, requires agencies to make regular and consistent inflationary adjustments of civil monetary penalties to maintain their deterrent effect. To improve compliance with the Act, and in response to multiple audits and recommendations, agencies should report annually in the Other Information section the most recent inflationary adjustments to civil monetary penalties to ensure penalty adjustments are both timely and accurate.

**Bureau of Alcohol, Tobacco, Firearms, and Explosives**

Bureau of Alcohol, Tobacco, Firearms and Explosives						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
18 U.S.C. 922(j)(5)	Brady Law - Nat'l Instant Criminal Check System; PL 103-159, sec. 102(b)  Transfer of firearm without checking NICS	1993	2018	\$ 8,465	Alcohol, Tobacco, Firearms, and Explosives (ATF)	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
18 U.S.C. 924(p)	Child Safety Lock Act; PL 109-92, sec. 5(c)(2)(B)  Secure gun storage or safety device, violation	2005	2018	\$ 3,096	Alcohol, Tobacco, Firearms, and Explosives (ATF)	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>

**Civil Division**

Civil Division						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
12 USC 1833a(b)(1)	Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA)  Violation	1989	2018	\$ 1,963,870	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
12 U.S.C. 1833a(b)(2)	FIRREA  Violation (continuing)	1989	2018	\$ 1,963,870	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
12 U.S.C. 1833a(b)(2)	FIRREA  Violation (continuing)	1989	2018	\$ 9,819,351	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
22 U.S.C. 2399b(a)(3)(A)	Foreign Assistance Act  Fraudulent Claim for Assistance	1968	2018	\$ 5,704	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
31 U.S.C. 3729(a)	False Claims Act  Violations	1986	2018	Min \$11,181 - Max \$22,363	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
31 U.S.C. 3802(a)(1)	Program Fraud Civil Remedies Act  Violations Involving False Claim (per claim)	1986	2018	\$ 11,181	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
31 U.S.C. 3802(a)(2)	Program Fraud Civil Remedies Act  Violation Involving False Statement (per statement)	1986	2018	\$ 11,181	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>



## Civil Division (continued)

Civil Division						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
40 U.S.C. 123(a)(1)(A)	Federal Property and Administrative Services Act Violation Involving Surplus Government Property (per act)	1949	2018	\$ 5,704	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
41 U.S.C. 8706(a)(1)(B)	Anti-Kickback Act Violation Involving Kickbacks (per occurrence)	1986	2018	\$ 22,363	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
18 U.S.C. 2723(b)	Driver's Privacy Protection Act of 1994 Prohibition on Release and Use of Certain Personal Information from State Motor Vehicle Records - Substantial Non-compliance (per violation)	1994	2018	\$ 8,249	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
18 U.S.C. 216(b)	Ethics Reform Act of 1989 Penalties for Conflict of Interest Crimes	1989	2018	\$ 98,194	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
41 U.S.C. 2105(b)	Office of Federal Procurement Policy Act Violation by an individual	1988	2018	\$ 102,606	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
41 U.S.C. 2105(b)	Office of Federal Procurement Policy Act Violation by an organization	1988	2018	\$ 1,026,054	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
42 U.S.C. 5157(d)	Disaster Relief Act Violation	1974	2018	\$ 12,964	Civil Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>

## Civil Rights Division

Civil Rights Division (excluding immigration-related penalties)						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
18 U.S.C. 248(c)(2)(B)(i)	Freedom of Access to Clinic Entrances Act of 1994 Nonviolent physical obstruction, first order	1994	2018	\$ 16,499	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
18 U.S.C. 248(c)(2)(B)(ii)	Freedom of Access to Clinic Entrances Act of 1994 Nonviolent physical obstruction, subsequent order	1994	2018	\$ 24,748	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
18 U.S.C. 248(c)(2)(B)(i)	Freedom of Access to Clinic Entrances Act of 1994 Other violation, first order	1994	2018	\$ 24,748	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
18 U.S.C. 248(c)(2)(B)(ii)	Freedom of Access to Clinic Entrances Act of 1994 Other violation, subsequent order	1994	2018	\$ 41,248	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
42 U.S.C. 3614(d)(1)(C)(i)	Fair Housing Act of 1968, as amended in 1988; PL 100-430 First violation	1988	2018	\$ 102,606	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
42 U.S.C. 3614(d)(1)(C)(i)	Fair Housing Act of 1968, as amended in 1988; PL 100-430 Subsequent violation	1988	2018	\$ 205,211	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>

## Civil Rights Division (continued)

Civil Rights Division (excluding immigration-related penalties)						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
42 U.S.C. 12188(b)(2)(C)(i)	Americans With Disabilities Act; PL 101-336  Public accommodations for individuals with disabilities, first order	1990	2018	\$ 92,383	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
42 U.S.C. 12188(b)(2)(C)(ii)	Americans With Disabilities Act; PL 101-336  Public accommodations for individuals with disabilities, subsequent order	1990	2018	\$ 184,767	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
50 U.S.C. App. 597(b)(3)	Servicemembers Civil Relief Act  First violation	2010	2018	\$ 62,029	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
50 U.S.C. App. 597(b)(3)	Servicemembers Civil Relief Act  Subsequent violation	2010	2018	\$ 124,058	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>

## Criminal Division

Criminal Division						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
18 U.S.C. 983(h)(1)	Civil Asset Forfeiture Reform Act of 2000; PL 106-105  Penalty for Frivolous Assertion of Claim	2000	2018	Min \$355 - Max \$7,088	Criminal Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
18 U.S.C. 1956(b)	Money Laundering Control Act of 1986; PL 99-570, Title I, Subtitle H  Violation	1986	2018	\$ 22,363	Criminal Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>

## Drug Enforcement Administration

Drug Enforcement Administration						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
21 U.S.C. 844(a)	Anti-Drug Abuse Act of 1988  Possession of small amounts of controlled substances	1988	2018	\$ 20,521	Drug Enforcement Administration	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
21 U.S.C. 961(1)	Controlled Substance Import Export Act  Drug abuse, import or export	1970	2018	\$ 71,301	Drug Enforcement Administration	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
21 U.S.C. 842(c)(1)(A)	Controlled Substances Act, PL 90-513  Violations of 842(a)(5) and (10) - Prohibited acts re controlled substances	1970	2018	\$ 64,820	Drug Enforcement Administration	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>
21 U.S.C. 842(c)(1)(B)	Controlled Substances Act, PL 90-513  Violations of 842(a) - other than (5) and (10) - Prohibited acts re controlled substances; PL 105-277	1998	2018	\$ 15,040	Drug Enforcement Administration	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf/2018-01464.pdf</a>

## Drug Enforcement Administration (continued)

Drug Enforcement Administration						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
21 U.S.C. 842(c)(1)(C)	Controlled Substances Act, PL 90-513  Violation of 825(e) by importer, exporter, manufacturer, or distributor - False labeling of anabolic steroids; PL 113-260	2014	2018	\$ 519,439	Drug Enforcement Administration	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
21 U.S.C. 842(c)(1)(D)	Controlled Substances Act, PL 90-513  Violation of 825(e) at the retail level - False labeling of anabolic steroids; PL 113-260	2014	2018	\$ 1,039	Drug Enforcement Administration	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
21 U.S.C. 842(c)(2)(C)	Controlled Substances Act, PL 90-513  Violation of 842(a)(11) by a business - Distribution of laboratory supply with reckless disregard; PL 104-237	1996	2018	\$ 389,550	Drug Enforcement Administration	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
21 U.S.C. 856(d)	Illicit Drug Anti-Proliferation Act of 2003  Maintaining drug-involved premises; PL 108-21	2003	2018	\$ 333,328	Drug Enforcement Administration	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>

## Executive Office for Immigration Review

Immigration-Related Penalties						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
8 U.S.C. 1324a(e)(4)(A)(i)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, first order	1986	2018	Min \$559 - Max \$4,473	Executive Office for Immigration Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324a(e)(4)(A)(i)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, second order	1986	2018	Min \$4,473 - Max \$11,181	Executive Office for Immigration Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324a(e)(4)(A)(ii)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, subsequent order	1986	2018	Min \$6,709 - Max \$22,363	Executive Office for Immigration Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324a(e)(5)	Immigration Reform and Control Act of 1986 Paperwork violation	1986	2018	Min \$224 - Max \$2,236	Executive Office for Immigration Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324a (note)	Immigration Reform and Control Act of 1986; PL 104-208, sec. 403(a)(4)(C)(i)  Violation relating to participating employer's failure to notify DHS of final nonconfirmation of employee's employment eligibility	1996	2018	Min \$779 - Max \$1,558	Executive Office for Immigration Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324a(g)(2)	Immigration Reform and Control Act of 1986; PL 99-603  Violation/prohibition of indemnity bonds	1986	2018	\$ 2,236	Executive Office for Immigration Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324b(g)(2)(B)(iv)(I)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Unfair immigration-related employment practices, first order	1990	2018	Min \$461 - Max \$3,695	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324b(g)(2)(B)(iv)(II)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Unfair immigration-related employment practices, second order	1990	2018	Min \$3,695 - Max \$9,239	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324b(g)(2)(B)(iv)(III)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Unfair immigration-related employment practices, subsequent order	1990	2018	Min \$5,543 - Max \$18,447	Civil Rights Division	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>

## Executive Office for Immigration Review (continued)

Immigration-Related Penalties						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
8 U.S.C. 1324b(g)(2)(B)(iv)(IV)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Unfair immigration-related employment practices, document abuse	1990	2018	Min \$185 - Max \$1,848	Civl Rights Divis on	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324c(d)(3)(A)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Document fraud, first order -- for violations described in USC 1324c(a)(1)-(4)	1990	2018	Min \$461 - Max \$3,695	Executive Office for Immigrat on Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324c(d)(3)(B)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Document fraud, subsequent order -- for violations described in USC 1324c(a)(1)-(4)	1990	2018	Min \$3,695 - Max \$9,239	Executive Office for Immigrat on Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324c(d)(3)(A)	Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5)  Document fraud, first order -- for violations described in USC 1324c(a)(5)-(6)	1996	2018	Min \$390 - Max \$3,116	Executive Office for Immigrat on Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>
8 U.S.C. 1324c(d)(3)(B)	Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5)  Document fraud, subsequent order -- for violations described in USC 1324c(a)(5)-(6)	1996	2018	Min \$3,116 - Max \$7,791	Executive Office for Immigrat on Review	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>

## Federal Bureau of Investigation

Federal Bureau of Investigation						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
49 U.S.C. 30505(a)	National Motor Vehicle Title Identification System; PL 103-272(1)(e)	1994	2018	\$ 1,650	Federal Bureau of Investigation	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>

## Office of Justice Programs

Office of Justice Programs						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
42 U.S.C. 3789g(d)	Omnibus Crime State and Local CHRI Systems - Right to Privacy Violat on and Safe Streets Act  State and Local CHRI Systems - Right to Privacy Violation	1979	2018	\$ 28,520	Office of Justice Programs	Federal Register / Vol. 83, No. 19 / Monday, January 29, 2018 / Rules and Regulations  <a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-29/pdf2018-01464.pdf</a>

# U.S. DEPARTMENT OF JUSTICE

## APPENDIX (UNAUDITED)



## OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

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

### Recommendations for the Department:

1. **Assess reconciliation, financial reporting review, and other monitoring controls, and identify those areas where component management could increase the rigor and precision of those controls. (Updated)**

Resolved. The Department concurred with the recommendation. The Department stated in its response that it will enhance its internal control reviews over month and quarter-end component financial reporting and operations. In addition, it will continue to assess processes to identify areas where Offices, Boards and Divisions component management can increase the rigor and precision of financial management transaction processing. Lastly, it plans to expand overall financial management, budget execution and reimbursable activity training for Department components.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that management has sufficiently implemented monitoring controls over Department components.

2. **Enhance the Department's level of supervisory review over journal entries, with an emphasis on a more robust review of underlying data and the general ledger accounts affected by the journal entry. (Repeat)**

Closed. Because this is a repeat, we are closing this recommendation and tracking the status of corrective action through recommendation No. 4 of the FY 2018 Audit of the U.S. Department of Justice Annual Financial Statements (OIG Report No. 19-02).

3. **Enhance controls over conversion activities to ensure converted information in Unified Financial Management System (UFMS) has the necessary attributes and indicators. (New)**

Resolved. The Department concurred with the recommendation. The Department stated in its response that it will enhance and document its processes and procedures; ensure that the reconciliation, review, and

approval process for the conversion of funds in UFMS is complete, accurate and timely. In addition, the Department will continue to ensure that the correct designation is applied to the converted funds in UFMS and all discrepancies are identified, researched and resolved timely. Lastly, it plans to review previously converted funds in UFMS to further validate the integrity of the conversions.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that management has sufficiently enhanced controls over conversion activities to ensure converted information in UFMS has the necessary attributes and indicators.

**4. Revise its training processes associated with the implementation of new accounting standards. (New)**

Resolved. The Department concurred with the recommendation. The Department stated in its response that it will review, upon issuance, all changes to OMB A-136, *Financial Reporting Requirements* that would require updates to the Departmental Financial Statement Requirements and Preparation Guide. In addition, the Department will ensure implementation of new accounting standards are highlighted in the Department's Financial Statement Working Group meetings and are incorporated in the quarterly financial statements in a timely manner.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that the Department has sufficiently revised its training processes associated with the implementation of new accounting standards.



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