

MISSION AND ORGANIZATIONAL STRUCTURE

Mission

More than two years have passed since the events of September 11, 2001. The events of that day changed and clarified the mission and responsibilities of the Department of Justice. On November 8, 2001, the Attorney General made clear the Department's responsibility: to prevent further loss of life to terrorism, and to protect the lives and liberty of Americans. At the same time, our Strategic Plan for Fiscal Years 2001-2006 was issued and outlined strategies to meet the counterterrorism mission.

During the past two years, the Department has displayed unrelenting resolve in preventing future attacks and devoting all resources necessary to eliminate terrorist networks and bring to justice those who kill Americans in the name of murderous ideologies. In addition to our primary mission, the Department of Justice continues its vigilance against non-terrorist crime in the United States by enforcing vigorously federal laws; deterring, investigating and prosecuting federal crimes, including gun, drug and civil rights violations; incarcerating offenders; partnering with state, local and community groups to prevent crime; and providing leadership and assistance in meeting the needs of crime victims.

Core Values

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

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

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

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

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

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 idea that focusing on mission, agreeing on goals, and reporting results are the keys to improved performance. 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 and monitoring the performance, and evaluating results. In this cycle, the Department's Strategic Plan provides the overarching framework for component and function-specific plans as well as annual performance plans, budgets, and reports.

Organizational Structure of the Department

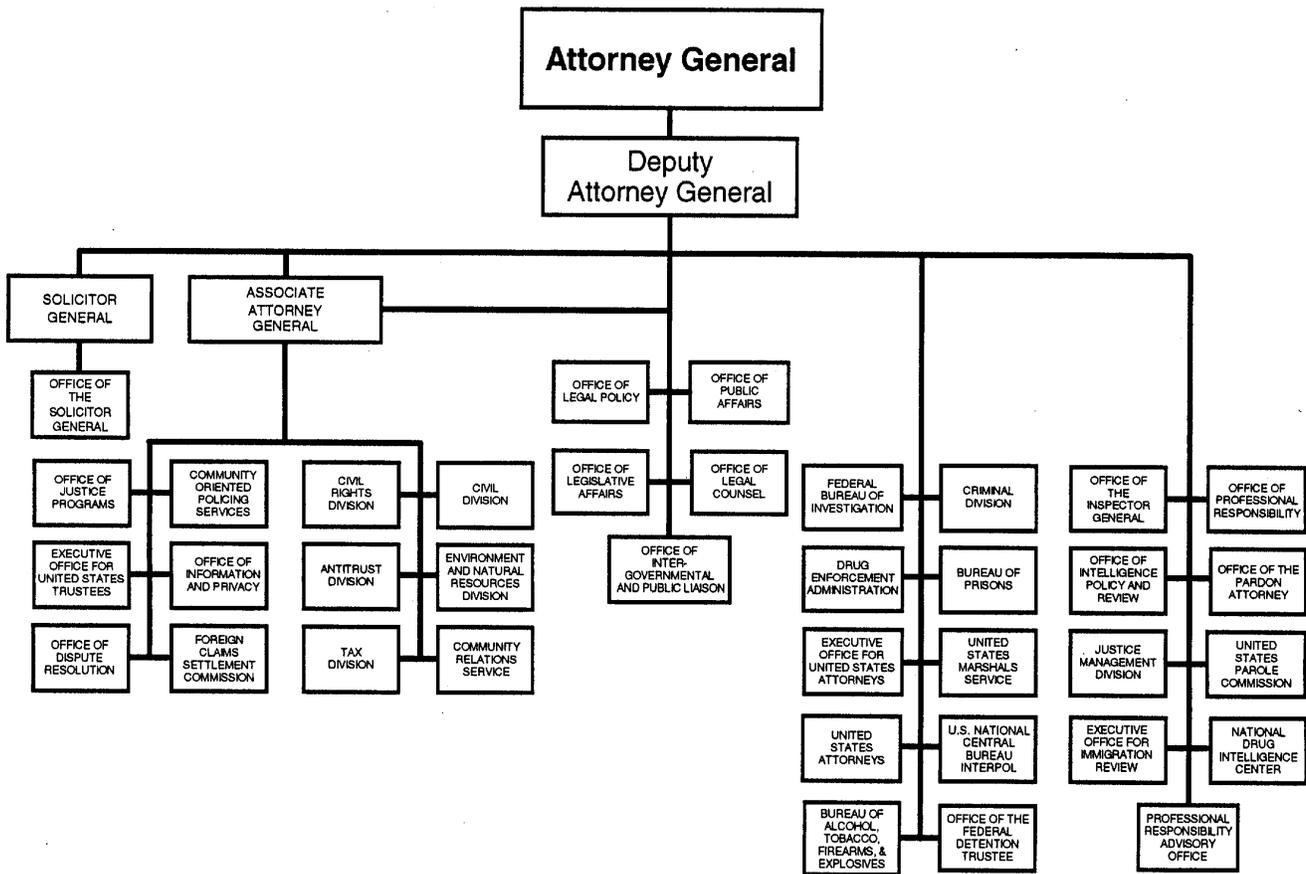
The Department is headed by the Attorney General of the United States. It is comprised of 39 separate component organizations. These include the U.S. Attorneys who prosecute offenders and represent the U.S. Government in court; the major investigative agencies, the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), which prevent and deter crime and arrest criminal suspects; the U.S. Marshals Service (USMS) which protects the federal judiciary, apprehends fugitives, and detains persons in federal custody; and the Bureau of Prisons (BOP) (including Federal Prison Industries and the National Institute of Corrections) which primarily confines convicted offenders. Litigating divisions enforce federal criminal and civil

laws, including civil rights, tax, antitrust, environmental, and civil justice statutes. The Office of Justice Programs (OJP) and the Office of Community Oriented Policing Services (COPS) provide leadership and assistance to state, tribal, and local governments. Other major departmental components include the National Drug Intelligence Center (NDIC), the U.S. Trustees (UST), the Justice Management Division (JMD), the Executive Office for Immigration Review (EOIR), the Community Relations Service (CRS), and the Office of the Inspector General (OIG). Although headquartered in Washington, D.C., the Department

conducts much of its work in offices located throughout the country and overseas.

The organizational chart below includes the effects of the Homeland Security Act of 2002 (P.L. 107-296), signed by the President on November 25, 2002. This Act transferred the functions of the former INS and other functions from within FBI and OJP to the new Department of Homeland Security, and most functions of the Department of Treasury's Bureau of Alcohol, Tobacco, and Firearms to the Department of Justice.

U.S. DEPARTMENT OF JUSTICE



Approved by: *John Ashcroft* Date: March 1, 2003
 JOHN D. ASHCROFT
 Attorney General

Financial Structure

The Department's financial reporting structure is comprised of the following principal components (a complete listing is included in Appendix B):

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

PERFORMANCE INFORMATION

Department of Justice performance information is presented on the following pages. The information is organized by strategic goal and strategic objective and is consistent with the Department's Government Performance and Results Act (GPRA) performance plans and reports.

The Homeland Security Act of 2002 (P.L. 107-296), transferred INS and other functions from within FBI and OJP from DOJ to the Department of Homeland Security on February 28, 2003. Also as a result of the provisions of the Act, the law enforcement functions of the Treasury Department's Bureau of Alcohol,

Tobacco and Firearms (ATF) transferred to DOJ on January 24, 2003. Although these transfers occurred mid-year, DOJ will be reporting annual performance information for functions of ATF that were transferred in FY 2003. Similarly, the Department of Homeland Security is responsible for reporting the annual performance of the functions it received.

A complete FY 2003 performance report, which contains data validation and verification information for each measure presented, is included in Part II of this document. The eight strategic goals are also listed in Table 2.

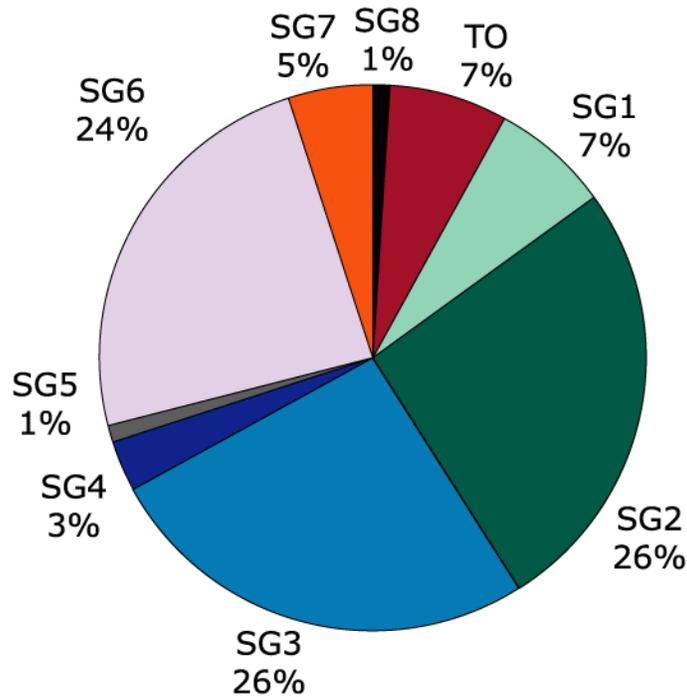
**Table 1. Source of DOJ Resources
(Dollars in Thousands)**

Source	FY 2003	FY 2002
Exchange Revenue:	\$2,793,320	\$3,492,571
Budgetary Financing Sources:		
Appropriations Received	\$27,437,374	24,922,185
Appropriations Transferred In/Out	(4,856,266)	353,705
Non-exchange Revenues	380,831	607,375
Donations and Forfeitures of Cash and Cash Equivalents	414,017	355,659
Transfers In/Out Without Reimbursement	118,484	158,643
Other Adjustments and Other Budgetary Financing Sources	(2,283,485)	(811,048)
Other Financing Sources:		
Donations and Forfeitures of Property	72,947	68,333
Transfers In/Out Without Reimbursement	(18,204)	(36,163)
Imputed Financing From Costs Absorbed by Others	632,683	584,871
Total	\$24,691,701	\$29,696,131

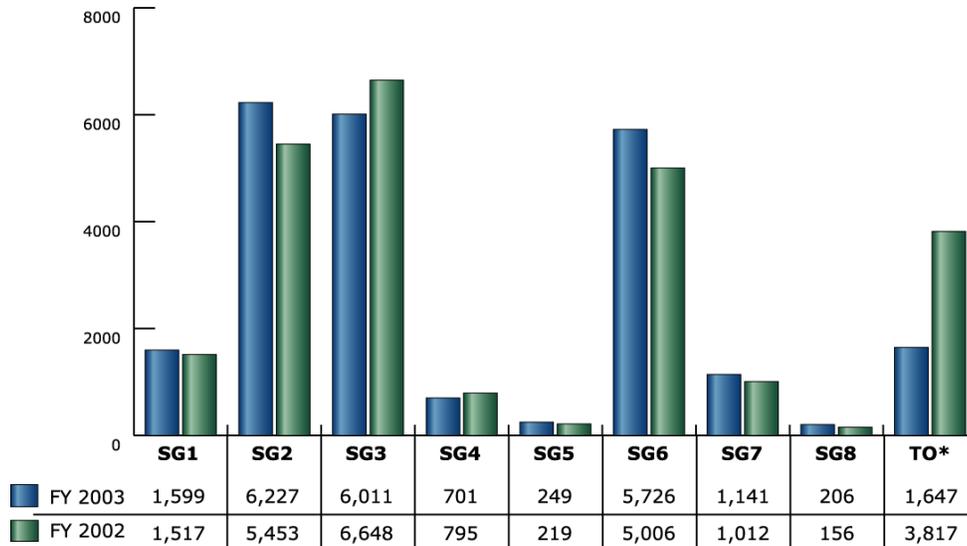
**Table 2. How DOJ Resources are Spent (Net of Earned Revenue)
(Dollars in Thousands)**

Strategic Goal (SG)	FY 2003	FY 2002	% Change
SG 1. Protect America Against the Threat of Terrorism	\$1,599,235	\$1,516,645	5.45%
SG 2. Enforce Federal Criminal Laws	6,226,457	5,453,250	14.18%
SG 3. Prevent and Reduce Crime and Violence by Assisting State, Tribal, Local, and Community-Based Programs	6,010,466	6,647,709	-9.59%
SG 4. Protect the Rights and Interests of the American People by Legal Representation, Enforcement of Federal Laws, and Defense of U.S. Interests	701,120	794,969	-11.81%
SG 5. Fairly and Effectively Administer the Immigration and Naturalization Laws of the United States	248,706	219,080	13.52%
SG 6. Protect American Society by Providing for the Safe, Secure and Humane Confinement of Persons in Federal Custody	5,726,348	5,006,077	14.39%
SG 7. Protect the Federal Judiciary and Provide Critical Support to the Federal Justice System to Ensure It Operates Effectively	1,140,710	1,011,712	12.75%
SG 8. Ensure Professionalism, Excellence, Accountability, and Integrity in Management and Conduct of the Department of Justice Activities and Programs	206,397	156,611	31.79%
Transferred Operations (TO) Pursuant to P.L. 107-296	1,647,093	3,816,662	-56.84%
Net Cost of Operations	\$23,506,532	\$24,622,715	-4.53%

FY 2003 Net Costs by Strategic Goal



**Comparison of Net Costs (\$ millions)
FY 2002 and FY 2003**



* Transferred Operations (TO) = Pursuant to P.L. 107-296.

FY 2003 Financial Highlights

The Department's total assets as of September 30, 2003, were \$28.5 billion, with approximately 64 percent of that balance consisting of the fund balance held with the Department of the Treasury. Total liabilities were approximately \$ 6.5 billion. The net cost of operations totaled \$23.5 billion for the year ended September 30, 2003, a decrease of \$1.1 billion below the \$24.6 billion in net costs reported for FY 2002.

Of the \$23.5 billion in net operations, \$1.6 billion was from the functions that were subsequently transferred to the Department of Homeland Security. This included the functions of the former Immigration and Naturalization Service, OJP's Office of Domestic Preparedness, and a small portion of FBI resources. These dollars have been removed from the Comparison of Net Cost chart for comparability.

In addition, most of the functions of the Treasury Department's Bureau of Alcohol, Tobacco, and Firearms were transferred to the Department of Justice in FY 2003. The resources of this newly created Bureau of Alcohol, Tobacco, Firearms, and Explosives are reflected in Strategic Goal 2.

A brief description of some of the major costs included in each Strategic Goal follows, along with an explanation of significant changes in expenditures from FY 2002 to FY 2003 for selected goals.

Strategic Goal 1, Protect America Against the Threat of Terrorism, includes resources dedicated to counterterrorism initiatives as well as costs of United States Attorneys and Criminal Division activities.

Strategic Goal 2, Enforce Federal Criminal Laws, includes the criminal prosecution related functions of the Department's Offices, Boards and Divisions (OBDs), the USAs, the Assets Forfeiture Fund, the DEA, ATF, and the FBI. Net costs for this goal increased approximately 14 percent from FY 2002 to FY 2003. The increase is due in large part to the addition of ATF to the Department, as well as increased net costs in a variety of priority criminal law enforcement programs.

Strategic Goal 3, Prevent and Reduce Crime and Violence by Assisting State, Tribal, Local, and Community-Based Programs, includes OJP and COPS grant programs, as well as services to America's crime victims and the Assets Forfeiture Fund.

Strategic Goal 4, Protect the Rights and Interests of the American People by Legal Representation, Enforcement of Federal Laws, and Defense of U.S. Interests, includes the civil prosecution-related activities of the legal divisions and the U.S. Attorneys. Net costs for this goal decreased approximately 12 percent from FY 2002 to FY 2003. The decrease is reflective of the reduction of expenses for legal representation associated with FBI's enforcement of federal laws and the defense of U.S. interests.

Strategic Goal 5, Fairly and Effectively Administer the Immigration and Naturalization Laws of the United States, includes the Executive Office for Immigration Review. Net costs for this goal increased approximately 14 percent from FY 2002 to FY 2003. The increase is primarily due to increased activity in the adjudication of immigration matters by the Executive Office for Immigration Review.

Strategic Goal 6, Protect American Society by Providing for the Safe, Secure, and Humane Confinement of Persons in Federal Custody, includes the detention-related functions of USMS and INS, as well as all activities of the BOP (which includes Federal Prison Industries). Net costs for this goal increased approximately 14 percent from FY 2002 to FY 2003. This increase is due to increases in operational funding for detention and prison facilities and management.

Strategic Goal 7, Protect the Federal Judiciary and Provide Critical Support to the Federal Justice System to Ensure It Operates Effectively, includes the UST program, the Department's Fees and Expenses of Witnesses programs (OBD components), and the activities of the USMS.

Strategic Goal 8, Ensure Professionalism, Excellence, Accountability, and Integrity in the Management and Conduct of Department of Justice Activities and Programs, includes the JMD and the Wireless Management Office, among other OBD offices. The department-wide priorities of this goal cut across all functional and organizational boundaries and address such fundamental issues as integrity and accountability, planning, evaluation, financial management, information technology, and human resources. Net costs for this goal increased approximately 32 percent from FY 2002 to FY 2003. This increase is primarily due to increased expenditures in the Legal Activities Office Automation account. This account funds information technology improvements in the litigating divisions, the U.S. Attorneys' Offices and the U.S. Marshals Service.

Counterterrorism Resources

Strategic Goal I, with FY 2003 net costs of \$1.6 billion, applies a strict definition to the resources that are considered "counterterrorism" in nature: it includes those activities for which the primary mission is counterterrorism. For the Department, this includes activities of the FBI, OJP, U.S. Attorney's offices, and the Criminal Division. However, many of the Department's other activities support the counterterrorism mission in a variety of ways. Using a broader definition of counterterrorism activities, to include providing homeland security, the Department spent approximately \$2.2 billion on the

counterterrorism/homeland security effort in FY 2003. This represents approximately 8.6 percent of the Department's net costs in FY 2003, and includes the following activities: counterterrorism investigations, airport security, protective details for certain trials, and upgraded security at certain federal buildings.

Data Reliability and Validity

The Department views data reliability and validity as critically important in the planning and assessment of its performance. As such, Part II of this document includes a discussion of data validation, verification, and any identified data limitations for each performance measure presented. Each reporting component ensures that data reported meets the following criteria: Performance data are acceptably reliable when there is neither a refusal nor a marked reluctance by agency managers or government decision makers to use the data in carrying out their responsibilities. Performance data need not be perfect to be reliable, and the cost and effort to secure the best performance data possible can exceed the value of any data so obtained.

Additionally, when applicable, components identify data limitations regarding their performance reporting information and steps taken to reduce those limitations, as appropriate. At this time, the Department has not identified any reported performance data as being materially inadequate.

FY 2003 REPORT ON SELECTED ACCOMPLISHMENTS

Strategic Goal One: Protect America Against the Threat of Terrorism

7% of the Department's Net Costs support this Goal.

Strategic Objective & Annual Goal 1.1: Prevent Terrorism

Prevent, disrupt, and defeat terrorist operations before they occur

Prevent Terrorists' Acts

The Department's Federal Bureau of Investigation (FBI) is committed to stopping terrorism at any stage of development, from the positioning of those who would conduct an act, to the financiers of the operations. All investigations are nationally managed by FBI Headquarters and applied to a broader national perspective, which focuses on the strategy of creating an inhospitable terrorist environment.

Preventing terrorists from entry into the country, enhancing intelligence to monitor terrorist subsistence, and increasing awareness of terrorist surveillance on potential targets are methods that the FBI employs to disrupt the terrorist presence to conduct an attack.

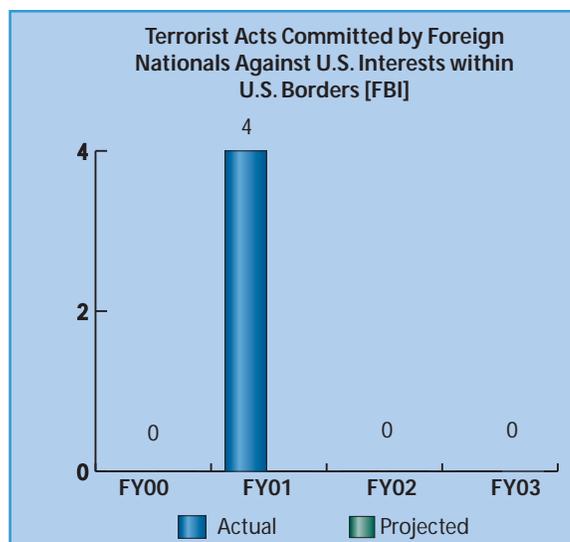
The FBI protects the U.S. from terrorist attack by disrupting the terrorists' ability to conduct an act. Training, finances, recruiting, logistical support, pre-attack planning, and preparation are all required components of terrorist operations. These

dependencies create vulnerabilities and the FBI focuses on creating a comprehensive intelligence base to exploit these vulnerabilities.

In order to develop a comprehensive intelligence base, the FBI employs its new Model Counterterrorism Investigative Strategy, which primarily focuses each terrorist case on intelligence. A terrorist disruption (i.e., a criminal prosecution or non-prosecutorial sanction) is administered only after all intelligence is gathered. This intelligence focuses on identification of terrorist training, fund raising, recruiting, logistical support, and pre-attack planning activity.

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

- **FY 2003 Target:** 0
- **FY 2003 Actual:** 0
- **Discussion:** No incidents falling into this category were reported for FY 2003.



Strategic Objectives & Annual Goals 1.2-1.3: Investigate And Prosecute Terrorist Acts

Develop and implement the full range of resources available to investigate terrorist incidents, bringing their perpetrators to justice and vigorously prosecute those who have committed, or intend to commit, terrorist acts against the United States

Investigate and Prosecute Terrorist Acts

Through both criminal and national security investigations, DOJ works to arrest and prosecute or deport terrorists and their supporters and to disrupt financial flows that provide resources to terrorist operations. These investigations enable the Department to gather information, punish terrorists, develop and solidify relationships with critical partners, and maintain a presence visible to both potential terrorists and the American public.

The Joint Terrorism Task Forces (JTTFs), located in each of the FBI's 56 field divisions and in larger resident agencies, consist of regional investigative experts to include the Intelligence Community, other federal agencies, state and local law enforcement, and FBI Special Agents. The collective knowledge of task force members enhances the investigative capacity of each FBI field division. Additionally, the participating agencies in a JTTF allow for enhanced cooperation and coordination in sharing information and pursuing investigations. JTTFs bring the resources of multiple counterterrorism partners under one roof to investigate potential terrorist activities and create an inhospitable terrorist environment for their respective divisions.

While the FBI plays a lead role in the investigation process, both the Criminal Division and the United States Attorneys are heavily involved in the DOJ's counterterrorism mission. The Criminal Division and the U.S. Attorneys' offices focus on the development and prosecution of terrorism and cyberterrorism cases, as well as the preparation for and response to acts of terrorism. The Criminal Division also coordinates counterterrorism issues with the U.S. Attorneys' offices, other Executive Branch agencies, and multilateral organizations. The 94 United States Attorneys' offices are part of a national network that coordinates the dissemination of information and the development of a preventive, investigative and prosecutorial strategy among federal law enforcement agencies, primary state and local police forces, and other appropriate state agencies in each of the 94 federal judicial districts.

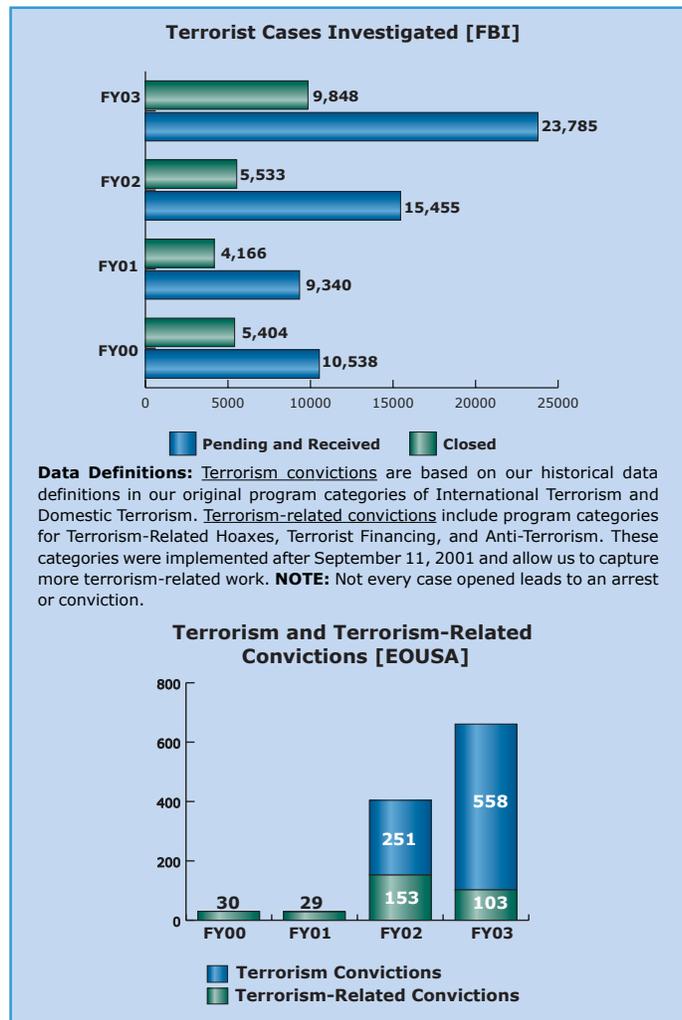
Performance Measure: Number of Terrorist Cases Investigated [FBI]

- **FY 2003 Target:** In accordance with Departmental policy, targeted levels of performance are not projected for this indicator.
- **FY 2003 Actual:**
 Pending and Received: 23,785
 Closed: 9,848
- **Discussion:** Each case represents effort towards the investigation and prevention of terrorism. While the number of investigations itself does not fully capture the efforts or effects of the FBI's counterterrorism program, this measure does show activity towards the ultimate goal of preventing terrorism.

Performance Measure: Number of Terrorism Convictions [Executive Office for U.S. Attorneys (EOUSA)] (**NOTE:** Convicted defendants include those defendants who plead guilty or were found guilty in cases classified by the U.S. Attorneys' offices under the Domestic Terrorism or International Terrorism program categories. Those program categories include offenses involving acts (including threats or conspiracies to engage in such acts) that are violent or dangerous to human life and that appear motivated by an intent to coerce, intimidate, or retaliate against a government or civilian population. Examples of offenses that could be classified as international or domestic terrorism include the following: destruction of an aircraft or interference with a flight crew; attack on a mass transit facility or on the means of interstate communication; use of weapons of mass destruction; material support for terrorism; and terrorism.)

- **FY 2003 Target:** In accordance with Departmental policy, targeted levels of performance are not projected for this indicator.
- **FY 2003 Actual:** 661 defendants convicted (Terrorism Convictions: 103; Terrorism-Related Convictions: 558)
- **Discussion:** The substantial increase in convictions in these program categories is attributable to the Department's determination after the terrorist attacks of September 11, 2001, to make prevention of terrorism its highest priority.

In the last year, the Department has successfully prosecuted a number of persons accused of terrorist acts. Some of the notable achievements include charging six men in Buffalo, New York, allegedly trained at al Qaeda camps in Afghanistan, with providing material support to terrorists. Four individuals indicted in Detroit, Michigan, were charged with conspiracy to engage in fraud, misuse of visas and identification documents, and material support to terrorists. Also, six individuals in Portland, Oregon, were charged with engaging in a conspiracy to join al Qaeda and Taliban forces fighting against United States and allied soldiers in Afghanistan. The Department has also successfully prosecuted several persons accused of materially supporting terrorism or suspected of transferring funds to terrorists abroad.



Strategic Goal Two: Enforce Federal Criminal Laws

26% of the Department's Net Costs support this Goal.

Strategic Objective & Annual Goal 2.1: Violent Crime

Reduce the threat, incidence, and prevalence of violent crime, especially as it stems from illegal use of guns or from organized criminal enterprises

Dismantle Targeted Organized Crime Groups

The FBI, working closely with Department of Justice prosecutors, intensively investigates the threats of active La Cosa Nostra (LCN), native Italian, and emerging Asian and Eurasian criminal enterprises. The FBI's Organized Crime Section, through the use of the Racketeering Influenced Corrupt Organization (RICO) statute, targets the entire entity responsible for the crime problem, the organization. The Department charges the organization's members as a group with a wide range of crimes committed by its members in violation of local, state, and federal laws.

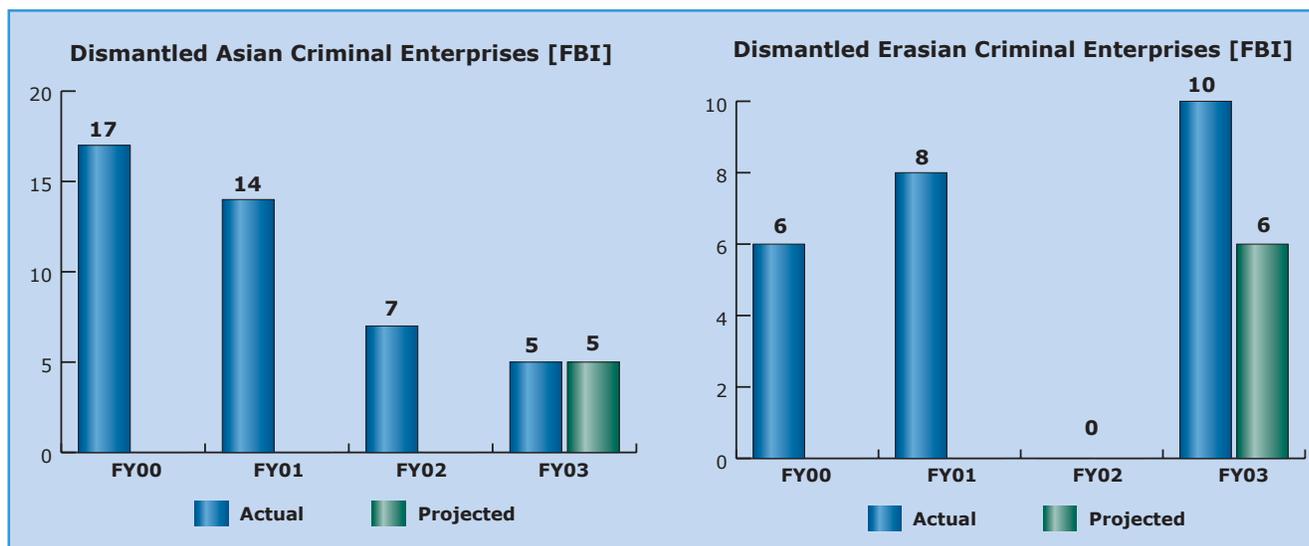
Organized criminal enterprises are structured to ensure that their leadership is far removed from the criminal activity, making it difficult to link overt crimes to the leaders of the organization. Moreover, even if key individuals are removed, the strength of these organizations often allows the enterprise to be sustained. Therefore, the FBI must develop strategies targeted primarily at dismantling the organization, as opposed to merely removing key individuals.

Performance Measure: Dismantled Asian Criminal Enterprises [FBI]

- **FY 2003 Target:** 5
- **FY 2003 Actual:** 5
- **Discussion:** FBI achieved its FY 2003 target. The program currently uses two outcome-based performance measures to assess its progress toward achieving its Organized Crime related goals: number of Asian Criminal Enterprises dismantled, and number of Eurasian Criminal Enterprises dismantled. The program is transitioning to using an overall outcome measure of number of organized criminal enterprises dismantled.

Performance Measure: Dismantled Eurasian Criminal Enterprises [FBI]

- **FY 2003 Target:** 6
- **FY 2003 Actual:** 10
- **Discussion:** See above.



Reduce Firearms Crime

DOJ's Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) serves as the nation's expert on firearms and represents a unique federal resource for providing investigative and regulatory functions, as well as technical, scientific, and legal expertise. This unique combination of tools and skills allows ATF to provide a focused, flexible, and balanced approach to protecting the public's legitimate access to firearms while fighting unlawful use and trafficking.

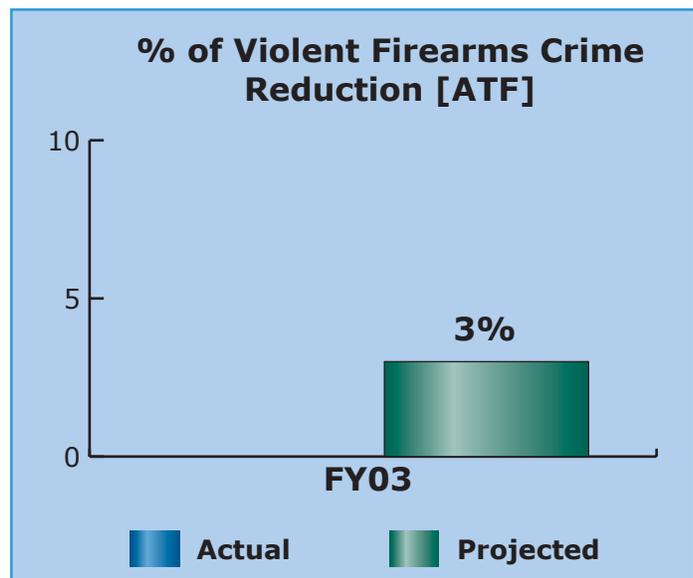
ATF counters violent firearms crime through an integrated approach of effective enforcement, regulation of industry, and prevention efforts. The key to this effort is the Project Safe Neighborhood initiative to help federal, state, and local law enforcement and communities join together to combat crimes. ATF tracks reductions in instances of violations among federal firearms licensees to ensure that our regulatory efforts are having the desired impact. Where problems are discovered, appropriate action is taken. ATF provides expeditious firearms tracing results to requesting agencies.

ATF has developed an Integrated Violence Reduction Strategy (IVRS) to address firearms violence nationwide. Using the component programs of IVRS in collaborative partnerships within the nationwide PSN initiative, ATF works to prevent armed offenders from victimizing the American public. One such component of IVRS is the Armed Violent Criminal Apprehension Program. Also through IVRS, ATF works closely with other law enforcement agencies to shut down illegal gun markets, ensure industry compliance with applicable laws and regulations, and aggressively pursue persons who use firearms in the commission of crime or illegally possess firearms. ATF is in the forefront of efforts to keep juveniles from unlawfully acquiring and possessing firearms. Intensified firearms enforcement efforts, such as the Youth Crime Gun Interdiction Initiative (YCGII), are helping increase tracing of recovered crime guns. YCGII is an integral part of ATF's IVRS strategy and PSN initiatives. It utilizes ATF's firearms tracing

system and the efforts of ATF special agents, inspectors, and support personnel to follow leads generated by comprehensive crime gun tracing.

Performance Measure: Violent Firearms Crime Reduction [ATF] (**NOTE:** The measure reflects the change in violent firearms crime in designated metropolitan areas compared to areas without substantial ATF presence that are similar in population, occurrence of violent crime, and geography. Data reported reflects actual data for two years prior due to the time lag in the publication of the Uniform Crime Report).

- **FY 2003 Target:** 3% reduction
- **FY 2003 Actual:** Data will not be available for FY 2003 until FY 2005.
- **Discussion:** ATF, by virtue of the laws it enforces, investigates and brings to justice some of the most violent members of society. ATF's Integrated Violence Reduction Strategy encompasses investigations into the movement of firearms from legal to illegal commerce, domestic and international firearms trafficking, and possession and use of firearms by prohibited people and violent criminals. Among the criminals investigated by ATF in FY 2003 were street gangs, outlaw motorcycle gangs, members of white supremacist organizations, and firearms and narcotics traffickers.



Strategic Objective & Annual Goal 2.2: Drugs

Reduce the threat, trafficking, and related violence of illegal drugs by identifying, disrupting, and dismantling drug trafficking organizations

Reduction in the Supply and Use of Drugs within the U.S.

The Department of Justice focuses its drug law enforcement efforts on reducing the availability of drugs by disrupting and dismantling the largest drug supply and money laundering networks operating internationally and domestically, including those on the Attorney General's Consolidated Priority Organization Target (CPOT) list. The Attorney General has designated the Organized Crime Drug Enforcement Task Forces (OCDETF) Program as the centerpiece of this drug supply reduction strategy. The program coordinates multi-agency and multi-regional investigations, targeting the most serious drug trafficking threats. OCDETF functions through the efforts of the U.S. Attorneys; elements of the Department's Criminal Division; the investigative, intelligence, and support staffs of Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and U.S. Marshals Service (USMS); the Department of Homeland Security's Bureau of Immigration and Customs Enforcement and the U.S. Coast Guard; and the Department of Treasury's Internal Revenue Service, Criminal Investigation Division. OCDETF agencies also partner with numerous state and local law enforcement agencies. The goal of each OCDETF investigation is to determine connections among related investigations nationwide in order to identify and dismantle the entire structure of the drug trafficking organizations, from international supply and national transportation cells, to regional and local distribution networks. A major emphasis of the

Department's drug strategy is to disrupt financial dealings and dismantle the financial infrastructure that supports these organizations and allows them to continually operate.

DOJ has developed a single national list of major drug trafficking and money laundering organizations. In response, DEA, the FBI, and the Bureau of Immigration and Customs Enforcement, with input from the intelligence community and other OCDETF member agencies, identified international command and control organizations representing the most significant international drug organizations threatening the U.S. This list of targets, titled the CPOT list, reflects the most significant international narcotic supply and related money laundering organizations, polydrug traffickers, clandestine drug manufacturers and producers, and major drug transporters supplying the U.S. The list, as well as linked organizations, will be updated periodically to remain current.

The efforts to disrupt and dismantle the CPOTs will be primarily accomplished via multi-agency and multi-regional investigations directed by the DEA and the FBI. These investigations focus on the development of intelligence-driven multi-region investigations to identify and target national, international, and regional drug trafficking organizations that play a significant role in the production, transportation, distribution, financial support or otherwise facilitate large scale drug

trafficking. Our ultimate objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible. This strategy should result in a reduction in the supply of drugs available for consumption in the United States.

Performance Measure: DOJ's Reduction in the Supply of Illegal Drugs Available for Consumption Within the U.S. (NOTE: Data has been refined to remove INS due to its transfer to DHS and to reflect the most accurate data available.)

- **FY 2003 Target:** 5% reduction (NOTE: This measure reflects drug enforcement efforts focused on all violators regardless of the drug involved; therefore, the target is an overall target and not drug specific.)
- **FY 2003 Actual:** To be determined
- **Discussion:** Measuring reduction in the drug supply is a complex process because supply reduction is a reflection of a number of factors. Drug seizures, eradication efforts, precursor chemical interdictions, cash and asset seizures, increased border/transportation security, international military operations, social and political forces, climatic changes, and even natural disasters all impact the drug supply at any given time. The Department's strategy

focuses on incapacitating entire drug networks by targeting their leaders for arrest and prosecution, by disgorging the profits that fund the continuing drug operations, and by eliminating the international supply sources. These efforts ultimately will have a lasting impact upon the flow of drugs in the United States, although the results are not easily measurable in a single year.

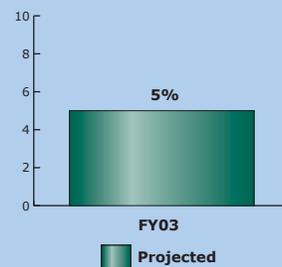
Accordingly, the Department also has provided drug seizure data as a means of evaluating its progress toward its ultimate performance goal. While the quantities of drugs seized by law enforcement—which are readily quantifiable—contribute significantly to the overall supply reduction effort, seizures do not fully capture the impact of DOJ's efforts. Moreover, DOJ agencies, through OCEDEF and other programs, provide indirect support to law enforcement from the Department of Treasury, Homeland Security, and others. In this way, they contribute to the more than 104 metric tons of cocaine, 3 metric tons of heroin, 3.6 metric tons of methamphetamine, and 1,283 metric tons of marijuana seized in FY 2003 by all federal agencies.

DOJ's Reduction in Supply of Drugs Through Drug Seizures [DEA]

Drug	FY 2002 Baseline (Pure MT)	FY 2001 Seizures (In MT)	FY 2002 Seizures (In MT)	FY 2003 Seizures (In MT)
Cocaine	260-270	20.3	18.3	18.0
Heroin	13-18	.5	.6	.6
Methamphetamine	110-140	2.8	1.7	1.2
Marijuana	10,000-25,000	159	112	175

MT = Metric Tons

DOJ's Reduction in the Supply of Illegal Drugs Available for Consumption Within the U.S. [DEA, OCEDEF]
FY 2002 = Baseline

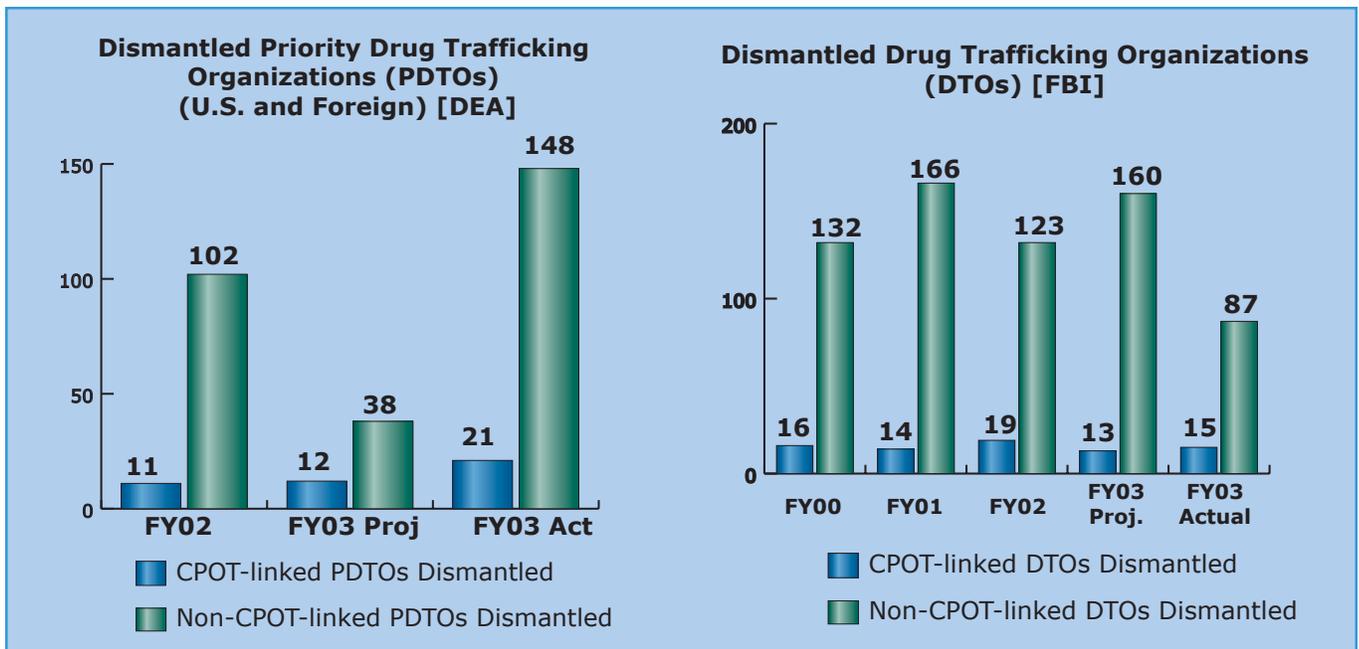


Performance Measure: Dismantled Priority Drug Trafficking Organizations (PDTOs) (U.S. and Foreign) [DEA] (**NOTE:** FY 2002 marks the first year for reporting CPOT data. Since the CPOT list was not created until the summer of 2001, the number of CPOT-Linked organizations cannot be determined for that year. In addition, FY 2002 actual data has been updated to account for changes resulting from the conversion of the manual count to the electronic count.)

- **FY 2003 Target:**
 CPOT-Linked PDTOs Dismantled: 12
 Non CPOT-Linked PDTOs Dismantled: 38
- **FY 2003 Actual:**
 CPOT-Linked PDTOs Dismantled: 21
 Non CPOT-Linked PDTOs Dismantled: 148
- **Discussion:** DEA greatly exceeded its FY 2003 targets. In addition to the PDTOs dismantled there were 24 PDTOs linked to CPOT organizations and 126 PDTOs not linked to CPOT organizations disrupted.

Performance Measure: Dismantled Drug Trafficking Organizations (DTOs) [FBI] (**NOTE:** Prior to FY 2003, the FBI tracked dismantlements through its National Priority Threat List before DOJ established the CPOT list. FY 2002 data has been updated to reflect the most current and accurate data available.)

- **FY 2003 Target:**
 Dismantled 13 DTOs CPOT-linked
 Dismantled 160 Non CPOT-linked DTOs
- **FY 2003 Actual:**
 Dismantled 15 DTOs CPOT-linked
 Dismantled 87 Non CPOT-linked DTOs
- **Discussion:** During FY 2003, the FBI, with the approval of Congress, shifted 554 agents from drug investigations to counterterrorism and other priority programs and functions. Despite this fact, the FBI's targeted goal to dismantle 13 CPOT-linked DTOs was exceeded, thus positioning us to continue our dismantling efforts into FY 2004. As predicted, resource reductions made it impossible to meet our goal of dismantling 160 other significant DTOs.



Strategic Objective & Annual Goal 2.3: Espionage

Combat espionage against the United States by strengthening counterintelligence capabilities

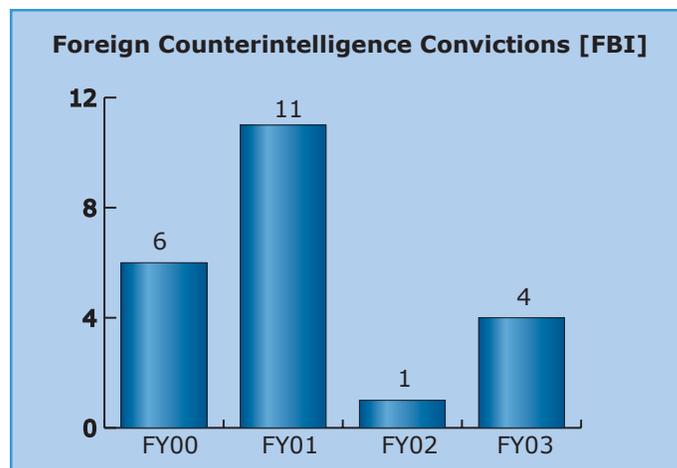
Identify, Prevent, and Defeat Foreign Intelligence Operations

Foreign intelligence operations directed against the United States reflect the complexity and fluidity of the new world order. While the national goals of any traditional rivals have changed, their capabilities and willingness to target traditional objectives, such as national defense information, plans and personnel, have not. At the same time, many of these rivals have increased their activities in other sectors affecting our national interests, such as in economic competitiveness. They join a formidable array of other foreign powers jockeying for economic or political preeminence, the success of which is dependent upon effective intelligence operations directed against the United States.

Foreign intelligence threats can never be eliminated given that their origin and impetus lie primarily with sovereign states. They are planned, authorized, and financed by government entities beyond our boundaries and beyond the reach of our laws. Measures of success in these areas gauge the Department's capacity to detect potential hostile activities by foreign powers against the United States. The FBI analyzes its record at preventing and defeating these hostile activities in comparison to the best available estimates of the magnitude of foreign intelligence operations.

Performance Measure: Defeat Intelligence Operations – Foreign Counterintelligence Convictions [FBI]

- **FY 2003 Target:** In accordance with Departmental policy, targeted levels of performance are not projected for this indicator.
- **FY 2003 Actual:** 4
- **Discussion:** The number of convictions indicates a portion of the success the FBI has had in preventing individuals or groups from conducting hostile intelligence activities, because law enforcement methods are one of several methods used to protect against hostile intelligence activities. Convictions may also serve as a deterrent to other individuals who may be susceptible to participating in foreign intelligence operations. The number of convictions is subject to wide fluctuation based on the nature of the program itself. Such fluctuations do not necessarily indicate a change in the success or effectiveness of the program, as it employs various other methods to prevent and combat hostile intelligence activities.



Strategic Goal Three: Prevent and Reduce Crime and Violence by Assisting State, Tribal, Local, and Community-Based Programs

26% of the Department's Net Costs support this Goal.

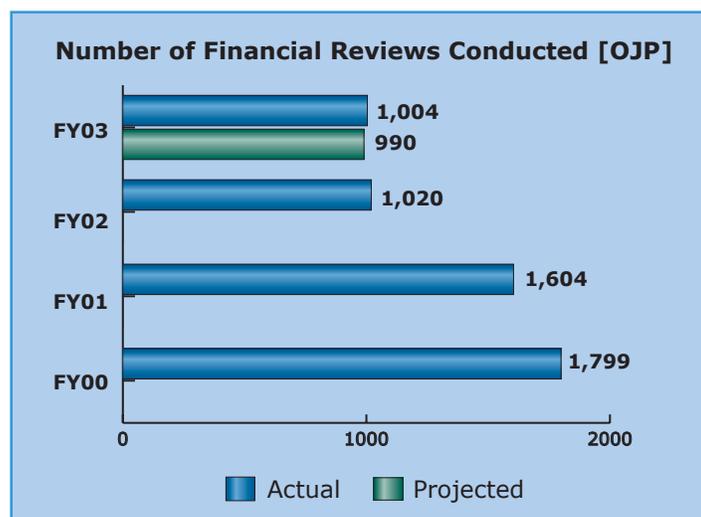
Achieve Effective Grant Management

NOTE: Effective Grant Management performance was previously reported under Strategic Objective 8.3. It has been moved to this section to align with resources.

Each year, the Office of Justice Programs (OJP) develops a risk-based monitoring plan that considers inherent programmatic and recipient risks, including the amount of funding at risk, known problems, special requests, and a random sample of active awards. OJP currently initiates financial monitoring (covering both OJP and COPS grant programs) and has achieved a reputation for having few reportable problems. When rare instances of waste, fraud, or abuse are reported, OJP quickly responds with direct technical assistance to the recipients to correct serious problems or to the investigators in bringing about appropriate criminal prosecutions. Following financial review, OJP's staff provides technical assistance on the recommendations made until all recommendations have been implemented. Once it has been determined that the grantee has sufficiently addressed all issues, the review is officially closed in writing.

Performance Measure: Number of Financial Reviews Conducted [OJP]

- **FY 2003 Target:** 990
- **FY 2003 Actual:** 1,004
- **Discussion:** In FY 2003, OJP exceeded its target by 14. OJP achieved this goal by conducting a combination of on-site and in-house financial reviews. OJP issued timely site visit reports resulting in added efficiency and effectiveness with regard to program office receipt of feedback, grantee corrective actions, and OJP's receipt of corrective action plans. All of these factors resulted in conducting 451 on-site financial reviews and 553 in-house financial reviews.



Strategic Objective & Annual Goal 3.1: Law Enforcement

Improve the crime fighting and criminal justice administration capabilities of state, tribal, and local governments

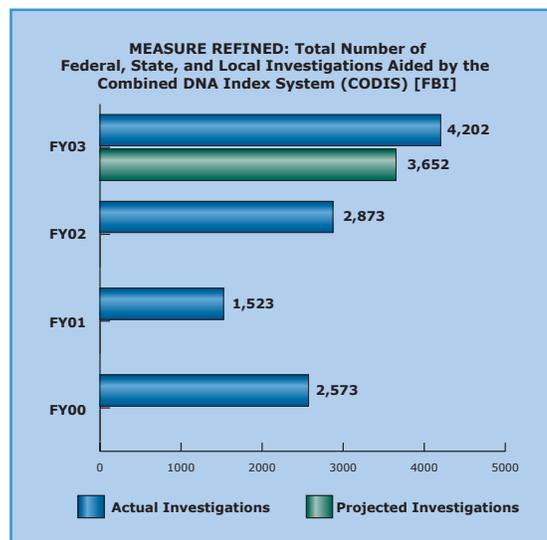
Improve Crime Fighting Capabilities

The FBI's Combined DNA Index System (CODIS) began as a pilot project in 1990 serving 14 state and local laboratories. The DNA Identification Act of 1994 authorized the FBI to establish a national DNA database for law enforcement purposes. The Act authorizes the FBI to store the following types of DNA data from federal, state, and local law enforcement entities in its national index: DNA identification records of persons convicted of crimes; analyses of DNA samples recovered from crime scenes; analyses of DNA samples recovered from unidentified human remains; and analyses of DNA samples voluntarily contributed from relatives of missing persons. In 2000, the FBI was authorized to receive DNA profiles from federal convicted offenders and to store these profiles in a national Federal Convicted Offender index with the other four CODIS indexes.

FBI's National DNA Index System (NDIS) became operational during October 1998 and represents the highest-level database in CODIS. NDIS allows participating federal and state laboratories to exchange DNA profiles and perform interstate searches on a weekly basis. Plans are to redesign CODIS and NDIS to allow for immediate uploading and searching upon demand and scalability of up to 50 million DNA profiles.

Performance Measure: MEASURE REFINED: Total Number of Federal State, and Local Investigations Aided by the Combined DNA Index System (CODIS) [FBI] (*formerly:* Total Number of Federal, State and Local Investigations Aided by the National DNA Index System (NDIS) [FBI]) (**NOTE:** In an effort to report the most complete data available, this measure has been refined to report on investigations aided by CODIS which combines both NDIS and State DNA Index Systems (SDIS).

- **FY 2003 Target:** 3,652 Investigations
- **FY 2003 Actual:** 4,202 Investigations
- **Discussion:** FBI met its FY 2003 target. The FBI's CODIS is an automated DNA information processing and telecommunications system that supports the Local DNA Index System (LDIS), SDIS, and the NDIS. NDIS is the highest level in the CODIS hierarchy, and enables the laboratories participating in the CODIS Program to exchange and compare DNA profiles on a national level. All DNA profiles originate at LDIS, then flow to SDIS and based on state laws some or all flow to NDIS.



Strategic Objective & Annual Goal 3.3: Drug Abuse

Break the cycle of drugs and violence by reducing the demand for and use and trafficking of illegal drugs

Support Programs Providing Drug Testing, Treatment and Graduated Sanctions

According to Bureau of Justice Statistics data published in May 2000, an estimated 417,000 local jail inmates (70% of all jail inmates) had been arrested for, or convicted of, a drug offense or had used drugs regularly. Thirty-six percent were under the influence of drugs at the time of the offense, and 16% said they committed their offenses to get money for drugs. These facts support the assertion that the demand for drug treatment services is tremendous. Office of Justice Programs (OJP) has a long history of providing drug-related resources to its constituencies in an effort to break the cycle of drugs and violence by reducing the demand, use, and trafficking of illegal drugs.

OJP's Residential Substance Abuse Treatment (RSAT) for State Prisoners Program is a formula grant program that assists states and units of local government in developing and implementing these programs within state and local correctional and detention facilities in which prisoners are incarcerated for a period of time sufficient to permit substance abuse treatment (6 - 12 months).

Performance Measure: Number of Offenders Treated for Substance Abuse Annually (RSAT) [OJP]

- **FY 2003 Target:** 40,000 (annual)
- **FY 2003 Actual:** 25,521 (annual)
- **Discussion:** In FY 2003, the target of 40,000 was missed because nine states did not submit Individual Progress Reports (annual performance reports) providing the number of offenders treated for substance abuse. Additionally, under the guidelines of the program, states are required to provide a match of federal dollars for each state dollar spent, not to exceed 25%, on the RSAT program. Many states have fallen into budget crises, which made it difficult to reach the 25% requirement. As a result, states only funded a limited number of RSAT programs. In addition, to date, only 64% of RSAT program dollars have been disbursed. Finally, 10% of funding was made optional to states for aftercare. In their applications for funding, 39 states identified that they would exercise this option, thus leaving fewer RSAT dollars to use to treat offenders for substance abuse while incarcerated.



Strategic Objective & Annual Goal 3.4: Victims Of Crime

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

September 11th Victim Compensation Fund

The Air Transportation Safety and System Stabilization Act of 2001 (P.L. 107-42) created the September 11th Victim Compensation Fund to provide compensation to those physically injured or to personal representatives of those killed as a result of the terrorist attacks of September 11, 2001. The program is administered by a Special Master appointed by the Attorney General, and the Special Master began processing claims for initial benefits on December 21, 2001, following issuance of an Interim Rule. The Final Rule was issued on March 13, 2002. The Special Master and his staff receive administrative support from the Department's Civil

Division for such functions as contract administration, personnel and payroll activities, and obligations processing. Payments are certified by the Justice Management Division. Also, the program uses contract services to perform outreach and to review, track, and process claims.

Discussion of Accomplishments: This program does not have published performance measures or targets in the Department's annual performance plan; however, through FY 2003, benefits were paid totaling \$728.8 million.

Strategic Objective & Annual Goal 3.5: Community Services

Support innovative, cooperative, and community-based programs aimed at reducing crime and violence in our Communities

Support Community Policing Initiatives

The COPS Office was established to assist law enforcement agencies in enhancing public safety through the implementation of community policing strategies. COPS supports the advancement of community policing strategies by providing training to enhance law enforcement officers' problem-solving and community interaction skills; encouraging law enforcement and community members to develop innovative initiatives to prevent crime; substantially increasing the number of law enforcement officers directly interacting with community members; and supporting the development of new technologies to shift law enforcement's focus to preventing, rather than reacting to, crime and disorder within their communities.

Since 1994, the COPS Office has directly served the needs of state, local and tribal law enforcement through the development of innovative programs that respond to law enforcement and community priorities and emerging needs. COPS programs have provided funding to over 13,000 of the nation's 18,000 law enforcement agencies to implement innovative and effective community policing strategies producing a

crucial community policing infrastructure across the nation. Approximately 86% of the nation's population is served by law enforcement agencies practicing community policing.

Under the COPS Office grant programs (the Universal Hiring Program (UHP), Making Officer Redeployment Effective (MORE), COPS in Schools (CIS), and Indian programs), awards are based on a jurisdiction's public safety needs and its ability to sustain the financial commitment to deploy additional community policing officers beyond the life of the grant. The number of officers that are ultimately deployed can decrease from the initial award estimate based on many factors including: the success of a jurisdiction's officer recruitment efforts; the actual availability of local matching funds (which can vary from initial estimates based on funding appropriated by local governments); a change in a project's scope; and the number of officers that successfully complete academy training.

Performance Measure: MEASURE REFINED: New Police Officers Funded and Hired [COPS] (formerly "New Officers Funded and On the Street")

- **FY 2003 Target:**
115,945 Funded
92,500 Hired
- **FY 2003 Actual:** As of September 30, 2003, COPS funded 118,527 new police officers and as of April 28, 2003, 94,702 of the funded officers had been hired (cumulative since FY 1994).
- **Discussion:** In FY 2003, the COPS Office funded 2,878 additional officers (for a net increase of 2,582) across all its hiring

programs, exceeding the cumulative goal of 115,945 for the year. By May 2003, an additional 6,674 officers had been hired, exceeding the cumulative goal of 92,500 for the year. Note that because of the impact of withdrawals and modifications, one cannot derive the cumulative number of officers funded/hired through FY 2003 by adding the number of officers funded/hired in FY 2003 to the previous year's cumulative total. Withdrawals and modifications affect the cumulative number of officers funded/hired since the COPS program was established.



Strategic Goal Four: Protect the Rights and Interests of the American People by Legal Representation, Enforcement of Federal Laws, and Defense of U.S. Interests

3% of the Department's Net Costs support this Goal.

Strategic Objective & Annual Goal 4.1: Civil Rights

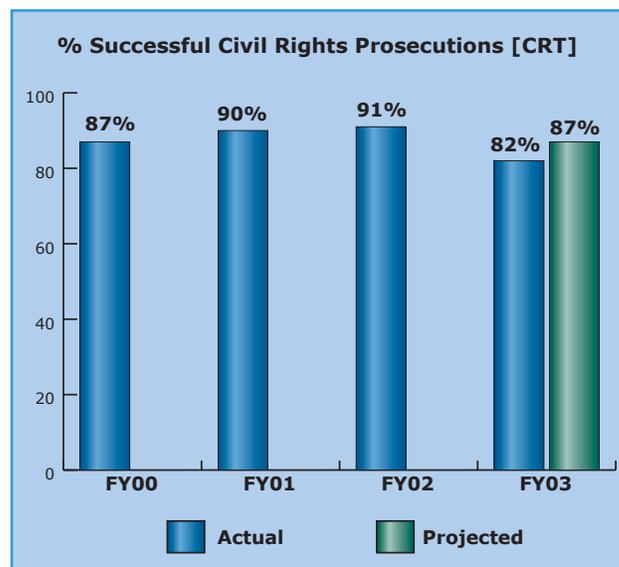
Uphold the civil rights of all Americans, reduce racial discrimination, and promote reconciliation through vigorous enforcement of civil rights laws

Prosecute Criminal Civil Rights Violations

The Civil Rights Division (CRT) works with the FBI and the U.S. Attorneys to prosecute cases of national significance involving the deprivations of Constitutional liberties that cannot be, or are not, sufficiently addressed by state or local authorities. These include acts of bias-motivated violence; misconduct by local and federal law enforcement officials; violations of the peonage and involuntary servitude statutes that protect migrant workers and others held in bondage; criminal provisions which prohibit conduct intended to injure, intimidate, or interfere with persons seeking to obtain or to provide reproductive health services; as well as a law that proscribes interference with persons in the exercise of their religious beliefs and the destruction of religious property. The federal criminal civil rights statutes provide for prosecutions of conspiracies to interfere with federally protected rights, deprivation of rights under color of the law, and the use of threat or force to injure or intimidate persons in their enjoyment of specific rights.

Performance Measure: % Successful Civil Rights Prosecutions [CRT]

- **FY 2003 Target:** 87%
- **FY 2003 Actual:** 82%
- **Discussion:** CRT fell slightly below the target due to increasing complexity of official misconduct cases. These cases are the most complex and difficult to prosecute and traditionally result in a lower average success rate. Despite the difficulties encountered in prosecuting these types of cases, we were able to maintain a conviction rate of nearly 70%; however, this rate did reduce the overall average conviction rate to 82% for FY 2003.



Strategic Objective & Annual Goal 4.5: Civil Laws

Effectively represent the interests of the United States in all civil matters for which the Department of Justice has jurisdiction

Protect the Public Fisc and Continue Vigorous Civil Enforcement

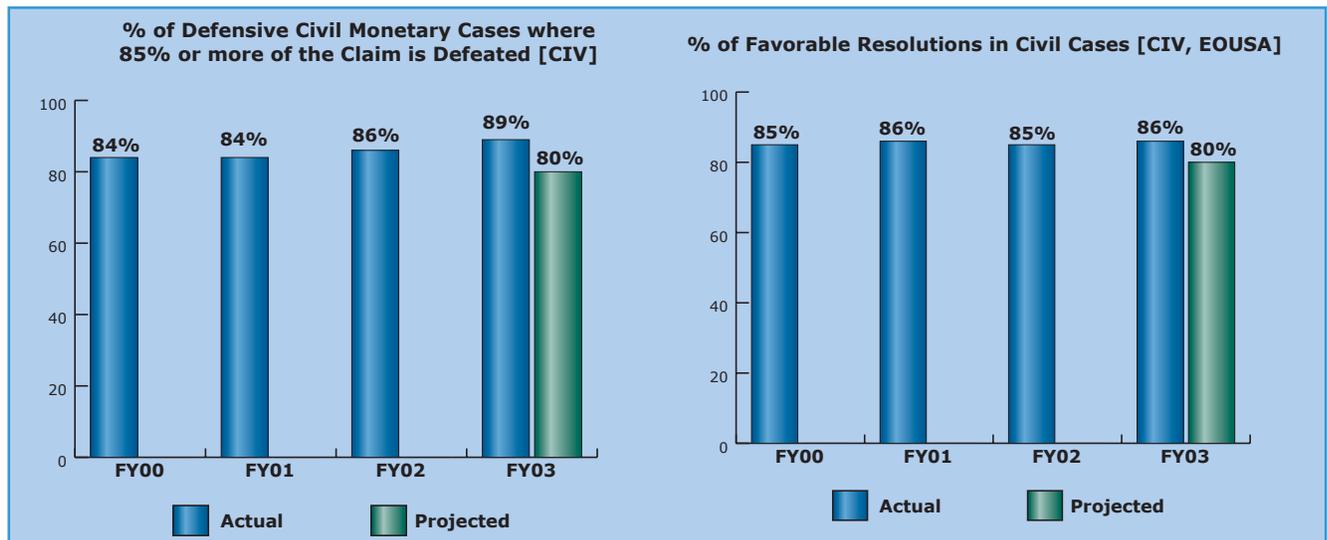
DOJ defends the public Treasury in lawsuits alleging unwarranted monetary claims. Plaintiffs advancing contract claims, allegations of government misconduct, claims of patent infringement and the like, expose the government to potentially staggering losses. DOJ consistently mounts strong defenses against unfounded or exaggerated claims to ensure that only those claims with merit under the law are paid. Favorable resolutions in defensive cases prevent the Treasury from incurring massive losses and preserve funds to support the counterterrorism fight, military objectives, economic stimulus efforts, or other top initiatives. DOJ serves an equally vital role when the laws, programs and policies of the United States are attacked in court. By securing favorable resolutions in such civil cases, DOJ preserves the intent of Congress, in its defense of groundbreaking legislation, such as the USA PATRIOT Act.

Performance Measure: Percent of Defensive Civil Monetary Cases Resolved Where 85% or More of the Claim is Defeated [CIV]

- **FY 2003 Target:** 80%
- **FY 2003 Actual:** 89%
- **Discussion:** The Civil Division exceeded its goal, saving some \$11.6 billion in overstated claims for monetary relief. Successful defense of provisions in entitlement programs saves the public fisc additional sums valued in the billions.

Performance Measure: % of Favorable Resolutions in Civil Cases [CIV, EOUSA]

- **FY 2003 Target:** 80%
- **FY 2003 Actual:** 86%
- **Discussion:** The performance target was surpassed with the favorable resolution of more than 52,000 cases. These included challenges to the September 11th Victim Compensation Program, the designation of foreign terrorist organizations and the freezing of terrorist assets, as well as cases enforcing consumer protection laws.



Strategic Goal Five: Fairly and Effectively Administer the Immigration and Naturalization Laws of the United States

1% of the Department's Net Costs support this Goal.

Strategic Objective & Annual Goal 5.7: Adjudication

Adjudicate all immigration cases promptly and impartially in accordance with due process

Adjudicate Immigration Cases Promptly and Impartially

The mission of the Executive Office for Immigration Review (EOIR) is to provide separate and independent fora for the objective, unbiased adjudication of disputes between the Department of Homeland Security (DHS) and aliens or other individuals regarding immigration status, removal, or the availability of relief under the law. In the conduct of this mission, EOIR and its components (the Board of Immigration Appeals, the Immigration Courts, and the Office of the Chief Administrative Hearing Officer) seek to render fair and proper decisions in a timely and efficient manner. EOIR's ability to meet its goal of fair and timely adjudication of immigration cases is critical to: the guarantee of justice and due process; the timely grant of relief from removal in meritorious cases; the timely removal of criminal and other inadmissible aliens; and the effective utilization of limited detention resources. EOIR has identified adjudication priorities and set specific time frames for each. These priorities include court cases involving criminal aliens, other detained aliens, those seeking asylum as a form of relief from removal, and appeals to the Board of Immigration Appeals by detained aliens.

Performance Measure: TITLE REFINED: Percent of EOIR Priority Cases Completed Within Target Time Frames [EOIR]

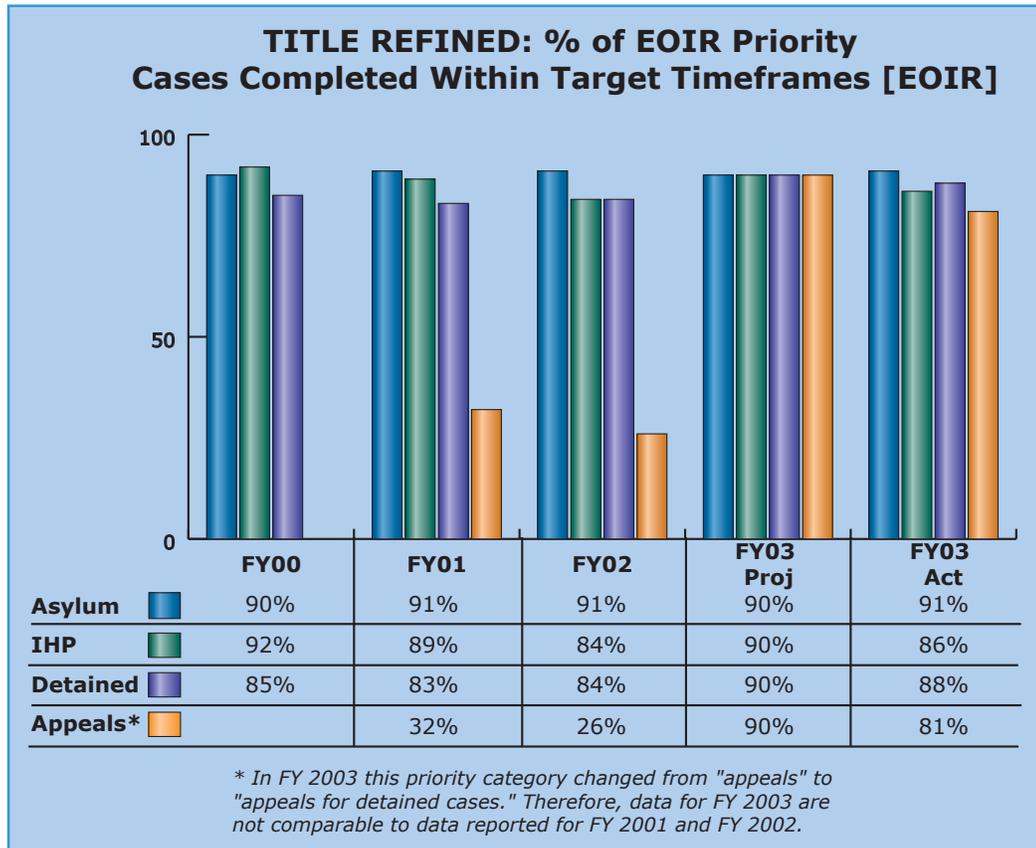
- **FY 2003 Target:**
 - 90% Expedited Asylum Cases within 180 days
 - 90% Institutional Hearing Program (IHP) (Criminal) Cases before release
 - 90% Detained Cases Without Applications for Relief within 30 days
 - 90% Appeals for Detained Cases within 180 days

- **FY 2003 Actual:**
 - 91% Expedited Asylum Cases within 180 days
 - 86% Institutional Hearing Program (IHP) (Criminal) Cases before release
 - 88% Detained Cases Without Applications for Relief within 30 days
 - 81% Appeals for Detained Cases within 180 days
- **Discussion:** EOIR met its goal for expedited asylum cases, and for the fourth consecutive year, is above 90 percent. These cases include cases filed affirmatively with DHS and referred to EOIR for a decision, and cases filed with EOIR by aliens in proceedings.

For IHP cases completed prior to Release from Incarceration, EOIR fell slightly short of its goal of 90 percent, but improved performance over the FY 2002 actual of 84 percent. EOIR will continue to work with other agencies, such as the DHS, the BOP, and state corrections agencies, to ensure that a high percentage of these cases are complete prior to the alien's release from incarceration.

EOIR came within 2 percentage points of meeting its goal for Immigration Court Detained Cases (Without Applications for Relief). Although still short of the FY 2003 target of 90 percent, this year's performance reflects improvement over the FY 2002 actual of 84 percent. In some of these cases, the respondent contests the removability charge and/or indicates an intention to file an application for relief, which can slow the process. EOIR will continue to reallocate resources to ensure both due process and speedy adjudication of detained cases.

Finally, for Percent of Appeals for Detained Cases Completed Within 180 Days of Filing, EOIR came within 9 percentage points of meeting its goal. During FY 2003, EOIR focused on meeting the Department's priority of eliminating the backlog of cases pending before the Board of Immigration Appeals. Now that the backlog has been eliminated, EOIR staff can concentrate resources on meeting this performance goal.



Strategic Goal Six: Protect American Society by Providing for the Safe, Secure, and Humane Confinement of Persons in Federal Custody

24% of the Department's Net Costs support this Goal.

Strategic Objective & Annual Goal 6.1: Detention

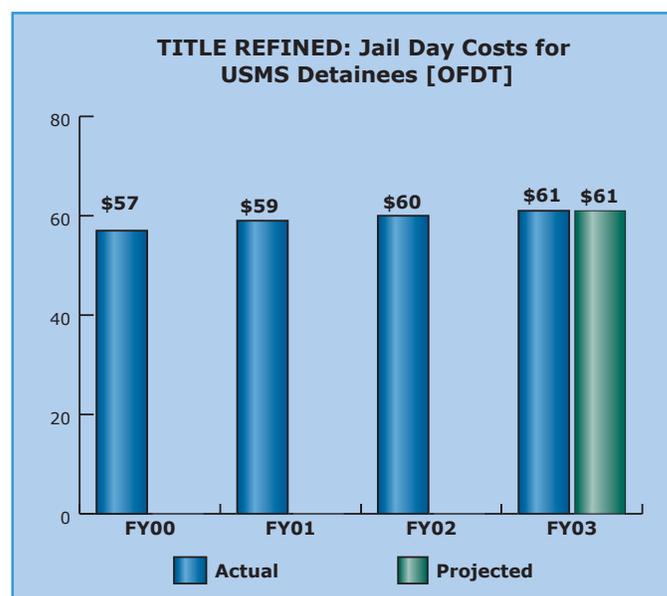
Provide for the safe, secure and humane confinement of detained persons awaiting trial, sentencing, or immigration proceedings

Ensure Adequate, Cost Effective Detention Capacity

Historically, the U.S. Marshals Service (USMS) has administered the Federal Prisoner Detention program for the federal government using funding appropriated specifically for the care of prisoners in federal custody. In FY 2003, the Office of Federal Detention Trustee (OFDT) assumed the oversight role of housing USMS detainees in private, state, and local facilities. This function includes housing, subsistence, medical care, and medical guard service for federal detainees. The responsibility begins when a prisoner is brought into USMS custody. It continues through the trial process, and ends when a prisoner is acquitted or arrives at a designated Bureau of Prisons facility to serve a sentence. The pre-trial population is generated by public policy and multi-component investigative and prosecutorial efforts within the DOJ or other federal law enforcement agencies.

Performance Measure: TITLE REFINED: Jail Day Costs for U.S. Marshals Service Detainees [OFDT]

- **FY 2003 Target:** \$61
- **FY 2003 Actual:** \$61
- **Discussion:** The target jail day cost was achieved in FY 2003. The OFDT and USMS continue to work cooperatively with the state and local governments and the private sector to establish and maintain adequate capacity to detain persons in federal custody in cost-effective, safe, secure and humane facilities, throughout the federal judicial process. In FY 2003, the USMS met 73% of its housing needs through agreements with state and local governments or the private sector. The remaining 27% of its prisoners were housed in federally operated detention facilities.



Strategic Objective & Annual Goal 6.2: Prison Capacity

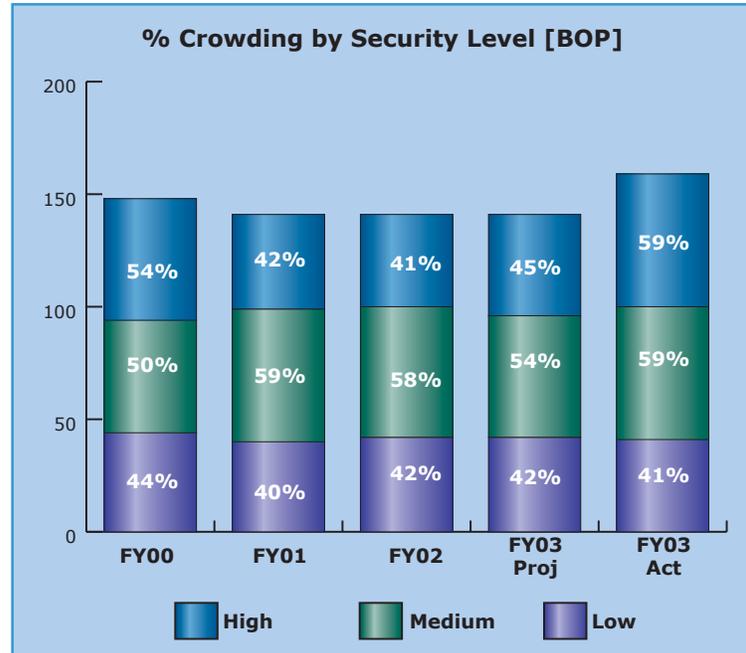
Ensure that sufficient cost effective prison capacity exists so that violent and other serious criminal offenders are imprisoned to the fullest extent of the law

Reduce Prison Crowding

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

Performance Measure: % Crowding by Security Level [BOP]

- **FY 2003 Target:**
42% Low; 54% Medium; 45% High
- **FY 2003 Actual:**
41% Low; 59% Medium; 59% High
- **Discussion:** Due to the delay in passage of the FY 2003 budget until February 2003, planned prison activations were delayed, which resulted in higher than projected crowding at medium and high security facilities.



Strategic Objective & Annual Goal 6.3: Prison Operations

Maintain and operate the federal prison system in a safe, secure, humane, and efficient manner

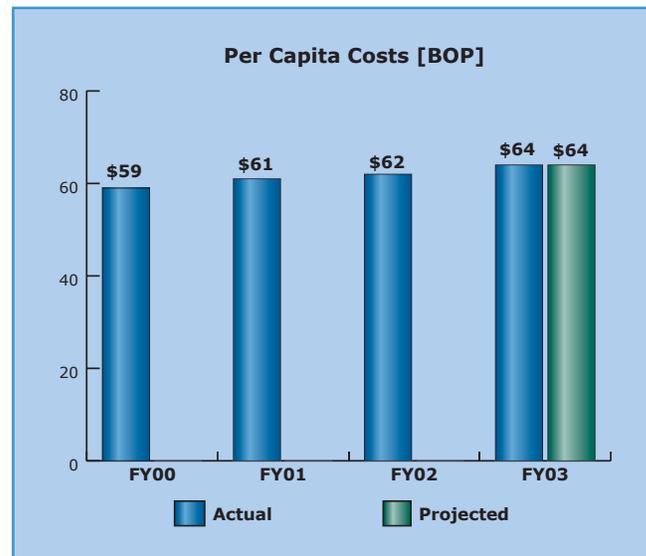
Operate Facilities Efficiently

One of the BOP's most serious objectives is the safe, secure, and humane treatment of detainees and inmates. The BOP has the highest regard for human rights and public safety. Therefore, it strives to maintain facilities that meet the accreditation standards of several professional organizations. BOP significantly reduces the possibility of escape with long-term emphasis on security enhancements, physical plant improvements, enhanced training, and increased emphasis on staff supervision of inmates.

The inmate daily per capita rate is the average cost per day of housing an inmate in the BOP. This reflects costs associated with the day-to-day operation. Certain costs are excluded from the per capita rate calculation since they are not routine costs associated with housing an inmate.

Performance Measure: Per Capita Costs [BOP]

- **FY 2003 Target:** \$64
- **FY 2003 Actual:** \$64
- **Discussion:** The BOP met its target per capita cost in FY 2003. The BOP continues to hold down per capita by using cost containment initiatives. Some of these initiatives include shared services at prison complexes as well as a continuation of reduced travel and equipment expenses.



Strategic Goal Seven: Protect the Federal Judiciary and Provide Critical Support to the Federal Justice System to Ensure It Operates Effectively

5% of the Department's Net Costs support this Goal.

Strategic Objective & Annual Goal 7.3: Defendants And Fugitives

Ensure the appearance of criminal defendants for judicial proceedings or confinement through secure transportation, and ensure the apprehension of fugitives from justice

Apprehend Federal Fugitives

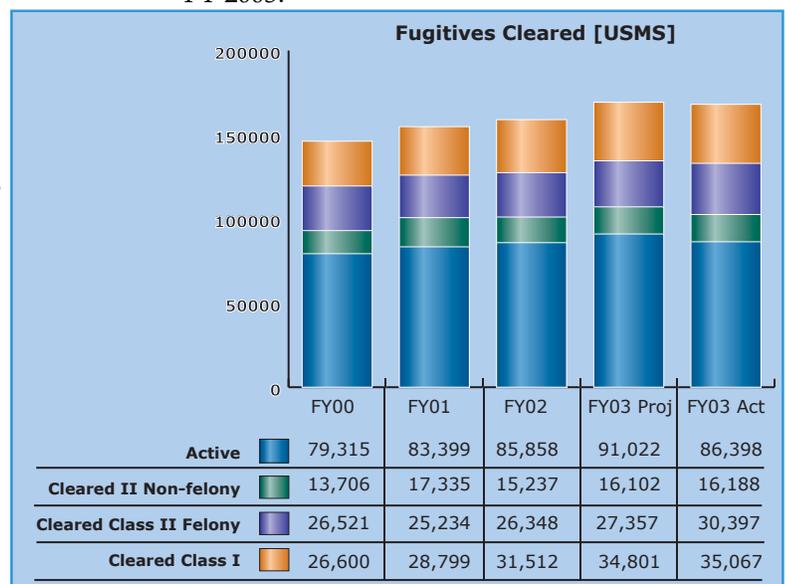
The Department's United States Marshals Service (USMS) has primary jurisdiction to conduct and investigate fugitive matters involving escaped federal prisoners; probation, parole, and bond default violators; and warrants generated by DEA investigations and certain other related felony cases. USMS has maintained its own "15 Most Wanted" fugitives list since 1983. Additionally, USMS sponsors interagency fugitive task forces throughout the United States focusing its investigative efforts on fugitives wanted for crimes of violence and drug trafficking.

Major Case fugitives are the highest priority fugitives sought by the USMS and consist of all fugitives connected with the USMS 15 Most Wanted and Major Case Programs. Fugitive investigations are designated as major cases according to: a) the seriousness of the offenses charged; b) the danger posed by the fugitive to the community; c) the fugitive's history of violence, career criminal status, or status as a major narcotics distributor; d) the substantial regional, national, or international attention surrounding the fugitive investigation; and/or e) other factors determined by the USMS.

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

Performance Measure: Fugitives Cleared [USMS]

- FY 2003 Target:**
 - Class I: 34,801
 - Class II felony: 27,357
 - Class II Non-felony: 16,102
 - Active: 91,022
- FY 2003 Actual:**
 - Class I: 35,067
 - Class II felony: 30,397
 - Class II Non-felony: 16,188
 - Active: 86,398
- Discussion:** The USMS directed its investigative efforts toward reducing the number of violent crimes, including terrorist activities, organized crime, drugs, and gang violence. In FY 2003 the USMS cleared ten of the most wanted fugitives. The increase in the number of class I and II fugitives cleared is primarily due to: two new regional fugitive task forces and three foreign field offices that became operational in the fourth quarter of FY 2003.



Strategic Goal Eight: Ensure Professionalism, Excellence, Accountability, and Integrity in the Management and Conduct of Department of Justice Activities and Programs

1% of the Department's Net Costs support this Goal.

Strategic Objective & Annual Goal 8.1: Integrity And Professionalism Promote integrity and professionalism to ensure the fair and impartial administration of justice

Provide Professional Oversight

The Department, through its Office of Professional Responsibility (OPR), ensures that Department attorneys meet and maintain the high ethical standards expected of the nation's principal law enforcement agency. Specifically, OPR reviews and investigates allegations of professional misconduct by Department of Justice attorneys, investigators or law enforcement personnel where the allegations relate to the exercise of an attorney's authority to investigate, litigate, or provide legal advice. Through the performance of OPR, the Department seeks to assure Congress, the courts, the state bars, and the public generally that Department attorneys, and investigative and law enforcement personnel working with the attorneys, comply with obligations and standards imposed by law, applicable rule of professional conduct, or Department regulations or policy, and that instances of failure to comply with those standards are identified, appropriate discipline is imposed, and the matters are referred to state bars.

Performance Measure: Investigations of Alleged Professional Misconduct by DOJ Attorneys [OPR]

- **FY 2003 Target:** 80 Investigations
- **FY 2003 Actual:** 98 Investigations Completed
- **Discussion:** The number of investigations completed represents 123% of OPR's target. Thirteen were completed with findings of misconduct. A rigorous new case management process has increased productivity. It has permitted the assignment of resources in a more directly focused manner, thereby increasing the efficiency of the office. In conjunction with EOUSA, OPR has initiated a "Rapid Response Pilot Program" to develop the capability to respond to matters requiring expedited handling.



ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

The Federal Managers' Financial Integrity Act (Integrity Act) requires federal agencies to conduct on-going evaluations of the adequacy of the systems of internal accounting and administrative control, and to report yearly to the President all material weaknesses found through these evaluations. The Integrity Act also requires the heads of agencies to provide the President with yearly assurance that obligations and costs are in compliance with applicable law; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and revenues and expenditures are properly recorded and accounted for to maintain accountability over the assets.

Management Controls Program in the Department of Justice

The Department is committed to using its financial resources properly and ensuring that its financial operations are both secure and efficient. Managers must conform to specific management accountability and improvement policies when designing, planning, organizing, and carrying out their responsibilities in order to ensure the most efficient and effective operation of their programs. Briefly, these policies address written guidance, delegation of authority and responsibility, hierarchical reporting of emerging management problems, personal integrity, quality data, separation of key duties and responsibilities, periodic comparisons of actual with recorded accountability of resources, routine assessment of programs with a high potential for risk, systematic review strategy to assess the effectiveness of program operations, and prompt management actions to correct significant problems or improve operations.

Annually, Department components must review their financial and administrative operations, systems, and controls, and report all material weaknesses to the Attorney General. When submitting this report, components have the opportunity to include any additional concerns that may not rise to the material level, but, nonetheless, are significant enough to bring to the Attorney General's attention. At the same time, the heads of components must assure the Attorney General that their management systems incorporate at least the minimum control standards described in

Department guidance. In addition, any inspection, audit, evaluation, peer or program review process, self-assessment, or equivalent, used by component management to keep informed about needs and opportunities for improvement must incorporate these same standards into its methodology. Management accountability systems in all organizations must assure basic compliance with the objectives of the Integrity Act and the management control standards set by the General Accounting Office (GAO) and the Office of Management and Budget (OMB).

Integrity Act Material Weaknesses Reported to the President for FY 2003
Summary of Status of Weaknesses

	First Reported	Last Target	Current Target
Program Material Weaknesses			
Computer Security Implementation (DOJ)	2002	2004	2004
Management of Information Technology Investments (FBI)	2002	2004	2004
Prison Crowding (BOP)	1985	on-going	CLOSED
Detention Space and Infrastructure (ODT)	1989	2004	CLOSED
Property and Equipment (FBI)	2002	2003	CLOSED
Monitoring of Alien Overstays (INS)	1997	2002	transferred to DHS
Organizational and Management Issues (INS)	1997	2002	transferred to DHS
Management of Automation Programs (INS)	1997	2002	transferred to DHS
Efforts to Identify and Remove Criminal Aliens (INS)	1997	2003	transferred to DHS
Missing/Lost/Stolen Laptop Computers (INS)	2002	2003	transferred to DHS
Financial System Material Weaknesses			
DOJ Financial Systems Compliance	2001	2002	on-going
DOJ Accounting Standards Compliance	2002	2003	2004
FPI Adherence to Accounting Standards and Financial Management System Requirements	2000	2002	CLOSED
INS Deferred Revenue	2001	2004	transferred to DHS

See Part IV for Corrective Action Reports for all material weaknesses reported by the Department for FY 2003.

Financial Systems: For DOJ as a whole, the need to address weaknesses cited in the financial statement audits, nonconformances with OMB Circulars No. A-127 and A-130, technological changes, and the need to better support critical financial operations and agency programs contribute to the necessity to modernize DOJ financial systems and improve internal controls. The Department identified a unified financial system as one of the ten goals for revamping the Department's management.

To address the immediate noncompliance issues, and to improve the long-term financial management infrastructure in the Department, we are committed to moving away from the fragmented multi-system environment we operate in today, and will adopt a single unified financial management system. While

the Department reduced the system-related material weaknesses in this year's audit reports, and we can provide qualified reasonable assurance that our financial systems, taken as a whole, meet the systems objectives in Section 4 of the Integrity Act, we are again reporting a separate material weakness specifically on financial systems compliance in our Section 4 certification.

Unified Financial Management System Project: The Attorney General has made improving our financial systems and performance one of the Department's priorities. The ability to improve the Department's financial management performance is directly related to our capacity to rely on core systems, and the Department is committed to implementing a Joint Financial Management Improvement Program (JFMIP) certified core financial system. The new system will be a commercial off-the-shelf (COTS) core product. The effort is known as the Unified Financial Management System Project, and the new system is

planned for implementation at DOJ components beginning in FY 2009. The Department established a formal Project Management Office, completed core requirements, timeline, issued a COTS solicitation, and issued a draft integration and implementation solicitation. The Contract award for the core financial software is planned for the second quarter of fiscal year 2004, and award of a software integration contract to assist with system implementation, training, business process reengineering, and system configuration is also planned for fiscal year 2004.

Financial Controls: The Department's Integrity Act Section 4 certification for FY 2003 reported two financial systems material weaknesses. One is the status of the Department's financial systems and the need to adopt a unified financial system. Another is noncompliance with federal accounting standards. In particular, weaknesses were noted in business processes, financial transaction recording and reporting, including seized asset accounting. Actions to address these issues include enhancing procedures, providing training and guidance, improving business processes, and in certain instances hiring additional personnel. During FY 2003, FPI's Adherence to Accounting Standards and Financial Management System Requirements was reduced from a Financial System Material Weakness to a Financial System Concern.

Corrective Actions: Components have developed corrective action plans designed to eliminate any Integrity Act material weaknesses and the internal control weaknesses reported in the financial audits. These plans are reviewed by the Chief Financial Officer, and are subject to the Chief Financial Officer's direction and guidance. The plans resulted in a reduction of component level financial statement audit material weaknesses from thirteen in FY 2001 to nine in FY 2002. For FY 2003, two weaknesses were corrected and two new weaknesses were reported. The major focus of the Department's FY 2004 corrective action process will be to eliminate component procedural weaknesses in business practices and financial operations, eliminate remaining financial statement preparation weaknesses, and diminish the general controls findings related to legacy systems. The Attorney General's financial management improvement goal for FY 2004 clearly articulates this expectation.

Accomplishments: While the Department has not yet received a "green" rating in financial management on the President's Management Agenda scorecard, Department components have continued to make improvements to their financial management controls. To improve financial management performance, the Department continues its process to acquire a new Departmentwide core financial system. To issue accurate and timely financial information, DOJ completed testing of the Hyperion Financial Management consolidation software, which will be used to prepare quarterly and annual financial statements. The Hyperion software will be used to prepare the financial statements for selected components during fiscal year 2004. The Department also issued reimbursement policies to accelerate quarterly and year-end closeouts and performed interim testing. The Department continues to improve its overall financial statement preparation guidance and the process for effecting detailed elimination reconciliations between Department components and external agency trading partners.

Integrity Act Section 2 – Program Material Weaknesses

Computer Security Implementation. (DOJ) Financial and Security Act audits and reviews conducted by the OIG and independent verification and validation (IV&V) reviews, penetration testing, self assessments, and certifications and accreditations identified weaknesses in both classified systems and sensitive but unclassified (SBU) systems. Specific concerns included issues with management, operational, and technical controls that protect each system and the data stored on it from unauthorized uses, loss, or modification. Because technical controls prevent unauthorized system access, the OIG concluded that the vulnerabilities noted in those areas were most significant. The most common vulnerability was with security standards and procedures, and password and logon management. Due to insufficient common standards and inadequate Department oversight, components had been given broad abilities to implement controls and too much latitude in establishing system settings. Additionally, vulnerabilities identified were more voluminous in the Department's legacy networks and

infrastructures. In the past two years, the Department has made significant progress in strengthening its IT security program and in implementing the requirements of the Security Act, and expects to correct this weakness by the third quarter of FY 2004.

Management of IT Investments. (FBI) A December 2002 OIG audit report entitled, "FBI's Management of Information Technology (IT) Investments," stated that in the past the FBI has not given sufficient management attention to IT investments. As a result, the FBI has not fully implemented critical processes necessary for such management and has invested large sums of money on IT projects without assurance that these projects would meet intended goals. The FBI is implementing an Investment Management Process as a part of its overall IT strategic management framework by the end of FY 2004.

Integrity Act Section 4–Financial System Material Weaknesses

DOJ Financial Systems Compliance. For DOJ as a whole, the need to address weaknesses cited in the financial statement audits, nonconformances with OMB Circulars No. A-127 and A-130, technological changes, and the need to better support critical financial operations and agency programs contribute to the necessity to modernize DOJ financial systems and improve internal controls. The Department identified a unified financial system as one of the ten goals for revamping the Department's management. The unified system will be a commercial, "off the shelf" (COTS) Financial Management System product certified by the Joint Management Improvement Program (JFMIP) as meeting core federal financial management system requirements. The planning phase for this project was completed in August 2002 and the contract for the COTS is anticipated to be awarded in the second quarter of FY 2004.

DOJ Accounting Standards Compliance. The FY 2003 financial statement audit reports advised of material weaknesses in compliance with certain federal accounting standards by the Federal Bureau

of Investigation (FBI); Offices, Boards, and Divisions (OBDs); Working Capital Fund (WCF); U.S. Marshals Service (USMS); Asset Forfeiture Fund /Seized Assets Deposit Fund (AFF), and INS (which transferred to the Department of Homeland Security during FY 2003). Findings involve weaknesses in business processes, financial transaction recording and reporting, including seized asset accounting. For the OBDs and WCF, the Justice Management Division (JMD) is revising procedures and will provide guidance and training to those processing obligation and revenue data. The FBI is hiring additional staff for its financial statement preparation process and will revise its procedures for recording financial transactions and property data. The USMS will improve its businesses processes, procedures, and reporting practices. The AFF will enhance its monitoring and training processes and establish additional procedures to improve control over transaction processing and reporting. These financial system material weaknesses are anticipated to be corrected or diminished by June 30, 2004.

Statistical Summary of Performance – FY 2003

Section 2: Internal Controls

Report Year	# of Issues First Reported in Year	# of Issues Corrected*in Year	# of Issues Pending at End of Year
Prior Years	55	45	10
2001	0	2	8
2002	4	2	10
2003	0	8	2
Total	59	57	

Section 4: Financial Management Systems

Report Year	# of Issues First Reported in Year	# of Issues Corrected*in Year	# of Issues Pending at End of Year
Prior Years	41	37	4
2001	2	2	4
2002	1	1	4
2003	0	2	2
Total	44	42	

* Includes INS issues transferred to DHS

Legal Compliance

The Department is committed to ensuring its financial activities are carried out in full compliance with applicable laws and regulations. To ensure this responsibility is carried out, senior Department financial managers direct annual reviews of financial operations and programs, and provide assurance to the Attorney General that Department activities are compliant with laws and regulations. The JMD, under the direction of the Chief Financial Officer, directs an annual review of operations and controls pursuant to the Integrity Act.

In FY 2002, the independent auditors reported that several components were not compliant with all facets of the Federal Financial Management Improvement Act (FFMIA). Specifically, the FBI, INS, and FPI were cited for financial systems that were not fully compliant with federal financial management systems requirements, and FBI, INS, OBDs, and WCF were cited for material weaknesses related to the accounting and reporting of financial transactions in accordance with Statements of Federal Financial Accounting Standards. In FY 2003, FPI was able to

address its material financial systems issue while FBI and INS had repeat findings. Additionally, the USMS was cited for a newly reported systems noncompliance.

For FY 2003, the independent auditors also cited FBI, OBDs, INS, WCF, and the Assets Forfeiture Fund/ Seized Asset Deposit Fund for noncompliances in meeting certain requirements of the federal accounting standards, including deficiencies in the timely recording of obligations, revenue, and certain property transactions. Auditors also reported that FBI, ATF, and USMS were not fully compliant with aspects of OMB Circular A-11 requirements pertaining to leases, and that the OBDs, WCF, and Assets Forfeiture Fund/Seized Asset Deposit Fund did not fully comply with certain A-11 requirements pertaining to recording unfilled customer orders, and the timing of general ledger entries for certain contract obligations. The Department will continue to pursue corrective action plans in each of the affected components in order to achieve full compliance with the FFMIA.

POSSIBLE EFFECTS OF EXISTING, CURRENTLY-KNOWN DEMANDS, RISKS, UNCERTAINTIES, EVENTS, CONDITIONS, AND TRENDS

Establishment of the Department of Homeland Security and the Bureau of Alcohol, Tobacco, Firearms and Explosives

On November 25, 2002, the President signed the Homeland Security Act of 2002, which created a new Department of Homeland Security. Agencies that became part of the new department included the former Immigration and Naturalization Service and other selected functions of the Department. The Act also transferred most of the functions of the Bureau of Alcohol, Tobacco and Firearms from the Department of the Treasury to the Department of Justice, to create a new Bureau of Alcohol, Tobacco, Firearms and Explosives.

Other Factors and Future Trends Affecting Department of Justice Goal Achievement

TECHNOLOGY

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

ECONOMY

- Possible increases in consumer debt may affect bankruptcy filings.
- Deregulation, economic growth, and globalization are changing the volume and nature of anti-competitive behavior.
- The interconnected nature of the world's economy is increasing opportunities for criminal activity, including money laundering, white collar crime and alien smuggling.

GOVERNMENT

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

GLOBALIZATION

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

SOCIAL-DEMOGRAPHIC

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

THE UNPREDICTABLE

- Changes in federal laws may affect responsibilities and workload.
- Much of the litigation caseload is defensive. DOJ has little control over the number, size and complexity of the civil lawsuits they must defend.

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

LIMITATIONS OF THE FINANCIAL STATEMENTS

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

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

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

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