

## **Possible Effects of Existing, Currently Known Demands, Risks, Uncertainties, Events, Conditions, and Trends Affecting Department of Justice Goal Achievement**

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

### **Restructuring the Intelligence Community**

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

### **Technology**

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

### **Economy**

- Possible increases in consumer debt 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**

- The Global War on Terrorism requires continual adjustments to new conditions. The Department is determined to proactively confront new challenges in its effort to protect the Nation.
- Response to unanticipated natural disasters and their aftermath, which require the Department to divert resources in an effort to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, insurance fraud and other crimes.

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

## **Limitations of the Financial Statements**

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

While the statements have been prepared from the books and records of the entity 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.