U.S. Department of Justice
FY 2011 Budget Request

RESTORE CONFIDENCE IN OUR MARKETS, PROTECT THE FEDERAL FISC, AND DEFEND THE INTERESTS OF THE UNITED STATES

+ $234.6 million in Program Increases

FY 2011 Overview

The Department of Justice plays a crucial role in the federal financial recovery effort through criminal and civil litigation. We are currently in the midst of the largest expenditure of government funds over the shortest period of time in the Nation's history. However, just as the American Recovery and Reinvestment Act (ARRA), the Troubled Asset Relief Program (TARP), and the Term Asset-Backed Securities Loan Facility (TALF) program represent unprecedented expenditures of federal funds, they also create an unprecedented target for fraud on the government. Accordingly, the Department requests program increases totaling $96.8 million for economic fraud enforcement efforts, a 23 percent increase from FY 2010. This increase will support additional FBI agents, federal prosecutors, civil litigators, and bankruptcy attorneys to ultimately improve the Department's capacity to prosecute and investigate financial fraud.

The Department's efforts not only protect American investors and national financial markets, but they are also likely to have high rates of return on the Federal Government's initial investment of resources through the ARRA. Investments in debt collection activities, tax law enforcement, and fraud enforcement lead to the recoupment of funds to the federal fisc. Strengthening defensive litigation may also reduce the sums that the United States will be required to pay to private litigants. Increased investment in environmental enforcement, and in defending the Administration's environmental initiatives, will pay dividends by enabling the Department to strengthen efforts to enforce the Clean Air Act, the Clean Water Act and other legislation and regulations that exist to protect the Nation's natural resources.

Finally, the Department requires resources for programs that increase efficiency and productivity. These functions help the financial management, case tracking, and workload data that drive investigations, resource deployment, and investment in new infrastructure across the Department's components.

The FY 2011 Budget requests substantial funding to allow the Department to continue its efforts to help restore confidence in our markets, protect the federal fisc, and defend the interests of the U.S. Government. These resources will enable the Department to aggressively pursue traditional law enforcement and litigation activities ranging from mortgage fraud, corporate fraud, and other economic crimes, to other mission-critical activities that support the overall functioning and

efficiency of the Department. The FY 2011 Budget requests a $234.6 million program increase for these important efforts. The request includes 708 additional positions, including 143 agents and 157 attorneys.

Additionally, the Department's efforts to combat health care fraud are funded almost exclusively through reimbursements from the Health Care Fraud and Abuse Control (HCFAC) account administered by the Department of Health and Human Services (HHS). In FY 2010, the HCFAC account provided $211.4 million in mandatory and discretionary funding for the DOJ litigating components and the FBI which are engaged in combating health care fraud. In FY 2011, HHS' budget contains an increase of $60.2 million for the DOJ components that receive funding from this account. These funds will be used to further the efforts of the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative, announced last year by the Attorney General and the HHS Secretary. Specifically, the funding will permit DOJ to expand Medicare Fraud Strike Force operations in order to target agents and attorneys to the criminal hubs where health care fraud activities occur. In addition, these funds will be used for civil enforcement efforts, including alleged fraud by pharmaceutical and medical device manufacturers. These anti-fraud efforts have the potential to save $2.7 billion over five years by improving oversight and stopping fraud in the Medicare and Medicaid programs.

Program Increases

Civil Division (CIV)

- **Spent Nuclear Fuel Litigation: $11.4 million and 13 positions (10 attorneys)** to defend as many as 25 trials that are expected in FY 2011. To date, a total of 72 cases have been filed by nuclear power utilities seeking in excess of $50 billion in damages for the federal government's delay in accepting the utilities' spent nuclear fuel by January 1998, as mandated by the Nuclear Waste Policy Act of 1982. Defending these cases will involve intensive resources due to their complexity and high financial stakes. Without the requested additional funding, the government's posture will be severely weakened potentially leading to massive treasury losses. FY 2011 current services for this initiative are 28 positions (22 attorneys) and $10.5 million (including $6 million for litigation support).

- **Response to Financial Crisis: $3.5 million** for support of litigation in FY 2011 involving fraud, contract claims, and statutory challenges resulting from the Emergency Economic Stabilization Act of 2008 and the American Recovery and Reinvestment Act of 2009. These programs are unprecedented in scope, size, and complexity and must be defended against legal challenges and fraud, waste, and abuse. Litigation support is crucial to achieving successful outcomes and ultimately protecting the U.S. Treasury. FY 2011 current services for this initiative are 118 positions (87 attorneys) and $24.8 million (including $5.1 million for litigation support).

- **E-Discovery: $2.0 million and 12 positions (3 attorneys)** to support CIV's electronic discovery and litigation support efforts. Electronic Discovery and Electronic Evidence in cases brought by or against the United States is critical to effective and efficient administration of justice. Technical expertise is required to meet amendments to the Federal Rules of Civil Procedures, as well as developing case law that imposed severe sanctions upon clients and counsel not equipped to meet the challenges presented by electronically-stored information. There are no current services for this initiative.

Criminal Division (CRM)

- **Deterring and Prosecuting Fraud: $550,000 and 5 positions (3 attorneys)** to increase CRM's capacity to prosecute crimes of financial and mortgage fraud, procurement and grant fraud, and violations of the Foreign Corrupt Practices Act. Funding these program enhancements will enable the Division to increase its ability to bring high-impact cases that will significantly benefit the Department's efforts in combating fraud of all types. FY 2011 current services for this initiative are 62 positions (42 attorneys) and $16.3 million.

Environment and Natural Resources (ENRD)

- **Tribal Trust Litigation (Personnel/ALS) Support: $2.7 million and 10 positions (8 attorneys)** to defend the United States in the Indian Tribal Trust litigation wherein more than 100 tribes have filed billions of dollars in claims against the federal government for failing to properly manage trust funds and non-monetary trust resources (e.g., oil, gas, timber and various other minerals) and for failing to provide accountings of such tribal trust funds and non-monetary trust resources. FY 2011 current services for this initiative are 32 positions (25 attorneys) and $5.2 million.

- **Enforcing the Nation's Environmental Laws: $958,000 and 8 positions (5 attorneys)** to expand civil and criminal enforcement actions against violators of the nation's environmental protection laws. ENRD's environmental enforcement efforts are expected to increase significantly in FY 2011 due to an anticipated increase in the number of referrals from the Environmental Protection Agency in connection with six of the agency's key initiatives: (1) improving the health of the Chesapeake Bay, (2) combating pollution from coal combustion waste, (3) cleaning up and preventing municipal sewer overflows, (4) bringing coal-fired power plants in compliance with the Clean Air Act, (5) stopping sham recycling of electronic waste, and (6) enforcing the laws to prevent illegal timber harvesting. FY 2011 current services for this initiative are 4 positions (3 attorneys) and $900,000.

- **E-Discovery: $1.0 million and 9 positions (2 attorneys)** to support ENRD's litigation support and document management efforts. Proper handling of Electronic Discovery and Electronic Evidence in cases brought by or against the United States is critical to the effective and efficient administration of justice. Technical expertise is required to meet amendments to the Federal Rules of Civil Procedures, as well as developing case law that imposes severe sanctions upon clients and counsel not equipped to meet the challenges presented by electronically-stored information. There are no current services for this initiative.

Federal Bureau of Investigation (FBI)

- **White Collar Crime: $75.3 million and 367 positions (143 agents)** to address increasing mortgage, corporate, and securities and commodities fraud schemes. $45 million is to make permanent the funding received in the FY 2009 Financial Crime Supplemental. The FBI has seen a 1,077 percent increase in pending mortgage, corporate, and securities fraud cases since 2003 and there is currently a significant backlog of at least 846 mortgage fraud cases with over $1 million in losses per case. In addition, the FBI anticipates growing demands for investigations into fraud and public corruption relating to the government recovery efforts. Current levels of FBI agents and analysts are inadequate to address existing demands let alone the anticipated growth in case load during the next few years. FY 2011 current services for this initiative are 2,239 positions (1,928 agents) and $378.4 million.

General Administration (GA)

- **Access to Justice and Rule of Law**: **$2.5 million and 10 positions (8 attorneys)** to further domestic access to justice and Rule of Law (ROL) activities. Domestic access to justice includes the commitment to the fair, impartial operation of the courts, and ensuring indigent defense. The Department's ROL coordination activities include overseeing the work of over 300 personnel in Iraq under the Chief of Mission authority, coordinating ROL efforts with the Multi-National forces, and advising the Ambassador on justice related issues. The FY 2011 current services for these activities are 19 positions (11 attorneys) and $6.9 million.

- **Office of Professional Responsibility: $488,000 and 5positions (3 attorneys)** to support an increasing number of special investigations. Several investigations were opened at the request of congressional oversight committees or Members of Congress. FY 2011 current services for this initiative are 29 positions (21 attorneys) and $6.5 million.

- **Accountability and Program Management: $506,000 and 4 positions** to support the Justice Management Division's role of oversight and compliance management. The request includes funding for the Environmental Management System, as well as staffing increases in functions that support DOJ's senior management and policy offices. FY 2011 current services for this initiative are 388 positions and $77.8 million.

- **Office of Privacy and Civil Liberties: $229,000 and 2 positions (2 attorneys)** to support the Office of Privacy and Civil Liberties to perform its statutorily mandated duties: compliance; legal guidance; and legal and policy leadership. The FY 2011 current services for this initiative are 2 positions (1 attorney) and $1.5 million.

- **Office of Legislative Affairs (OLA): $305,000 and 3 positions (3 attorneys)** to support the Office of Legislative Affairs, which has responsibility for the development and implementation of strategies to advance the Department's legislative initiatives and other interests relating to Congress. Additional resources will help the Department handle ever-increasing demands from the Hill and to provide faster and more effective input on other agencies' legislative comments and initiatives. FY 2011 current services for this initiative are 24 positions (14 attorneys) and $4.0 million.

- **Acquisition Improvements:** $10.8 million and 90 positions to increase the Department's acquisition workforce capacity and capabilities. The additional resources will be transferred out to the procurement offices in the Offices, Boards, Divisions, and the Bureaus. These resources are part of a government-wide effort to enhance procurement operations and achieve efficiencies.

Justice Information Sharing Technology (JIST)

- **Unified Financial Management System (UFMS): $42.1 million** and 11 positions for program management and the continued deployment of UFMS to the Bureau of Prisons, the Department's Offices, Boards and Divisions, and the Office of Justice Programs. UFMS is an enterprise-wide Financial Management System that will enable DOJ to streamline and standardize financial business processes across all components, providing secure, accurate, timely, and useful financial and procurement data to program managers across the Department. For FY 2010, the Department is reprogramming $114.7 million to complete UFMS implementations for FBI and the U.S. Marshals. The FY 2011 request for this initiative is 25 positions and $42.1 million, which includes 14 existing positions. The Department anticipates a reprogramming request in FY 2011 to address additional funding requirements associated with the noted remaining component implementations.

- **Litigation Case Management System: $23.2 million** for technical support, software, data warehouse capabilities, and full deployment to the Environment and Natural Resources Division. For FY 2010, the Department is reprogramming internal resources of $32.9 million to complete the United States Attorneys' migration and for Stage Two planning activities. There are no FY 2011 current services for this initiative.

- **Justice Consolidated Office Network (JCON): $15.0 million** to refresh office automation systems for the 16 JCON supported components and migrate components to the more secure and efficient JCONext service platform. JCONext will support consolidation of common maintenance functions (servers, storage, directory) provided centrally by the Department's Office of the Chief Information Officer. The FY 2011 current services for this initiative are 7 positions and $27.6 million.

- **Joint Automated Booking System (JABS): $6.0 million** to upgrade JABS software modules, replace obsolete fingerprint livescan devices, and integrate JABS with new peripheral devices to maintain compatibility with the FBI's Next Generation Identification system. For FY 2010, the Department is reprogramming internal resources of $1.8 million for JABS. The FY 2011 current services for this initiative are 7 positions and $10.0 million.

- **JCON S/TS: $4.3 million** to upgrade and expand the infrastructure of the communication of Secret, Top Secret, and Sensitive Compartmental Information. Of this total, $3.3 million is to implement the Thin Client technology at over 400 locations nationwide, and $1.0 million is for replacement of encryption devices. The FY 2011 current services for this initiative are 3 positions and $5.5 million.

Office of the Inspector General (OIG)

- **National Security Oversight: $609,000 and 8 positions** for enhanced oversight of the Department's critical national security programs. The FY 2011 current services for the OIG are 61 positions (0 agents) and $9.0 million.

- **Council of the Inspector General on Integrity and Efficiencies**: **$394,000** to support the efforts of the Council. This funding will support the coordinated government-wide activities that identify and review areas of weakness and vulnerability in Federal programs and operations with respect to fraud, waste, and abuse. There are no current services for this initiative.

Tax Division (TAX)

- **Fraud Enforcement: $3.0 million** to support the Fraud Enforcement and Recovery Act of 2009. The resources will cover litigation to improve enforcement of financial and other frauds, and for the recovery of funds lost to fraud and abuse. FY 2011 current services for this initiative are 639 positions (377 attorneys) and $114.3 million.

U.S. Attorneys (USA)

- **Combating Financial and Mortgage Fraud: $17.2 million and 109 positions (88 attorneys)** to combat numerous White Collar Crimes, especially mortgage fraud, corporate and securities fraud, and financial fraud and public corruption related to the Troubled Asset Relief Program (TARP) and the American Recovery and Reinvestment Act (ARRA) spending. The number of Assistant United States Attorneys available to investigate and prosecute financial fraud cases has not kept pace with the growing caseload in these areas. Moreover, it is critical that our U.S. Attorneys' Offices build the capacity to handle the increased demand for financial fraud prosecutions relating to the financial crises (e.g., the influx of Ponzi-scheme investigations) and the government recovery efforts. This request annualizes $10.6 million and 55 positions (45 attorneys) originally provided as a one time supplemental funds in FY 2009. FY 2011 current services for this initiative are captured under the White Collar Crime reporting category, which totals 2,262 positions (1,476 attorneys) and $305.2 million.

- **Preserving Justice Initiative: $3.4 million and 30 positions (20 attorneys)** to support civil defensive litigation. Despite increasing caseloads of over 97 percent between FY 2000 and FY 2008 in some areas, no new funding has been enacted for additional civil defensive Assistant U.S. Attorney positions in more than 20 years. Additionally, continued increases in case filings are likely due to recent legislative changes and amendments to the Federal Rules of Civil Procedure, which also increase the complexity and costliness of the cases. FY 2011 current services for this initiative are 683 positions (442 attorneys) and $94.0 million.

- **E-Discovery: $2.0 million and 12 positions (2 attorneys)** for electronic discovery and litigation support. Proper handling of Electronic Discovery and Electronic Evidence in cases brought by or against the United States is critical to the effective and efficient

administration of justice. Technical expertise is required to meet amendments to the Federal Rules of Civil Procedures, as well as developing case law that imposes severe sanctions upon clients and counsel not equipped to meet the challenges presented by electronically-stored information. There are no current services for E-Discovery.

U.S. Trustees Program (USTP)

- **Increased Workload and Responsibilities: $2.7 million and 35 positions (12 attorneys)** to address significant increased caseload and case complexities. Bankruptcy filings increased from less than 800,000 in FY 2007 to over 1.3 million in FY 2009. By FY 2011, filings are projected to exceed 1.6 million, an increase of 100 percent over a four-year period. Mortgage, corporate, and other sophisticated fraud schemes rarely encountered in the past require an enormous amount of time and expertise to identify and litigate, and can take years to bring to closure. There are no dedicated resources available to handle the kind of complex cases that the USTP will have to address in FY 2011. The requested enhancement will be fully funded by offsetting fee collections.

- **IT Requirements: $2.5 million** for life cycle replacement of servers, portal development for data sharing and, development of a data collection system for large chapter 11 cases. There are no current services for this initiative. The requested enhancement will be fully funded by offsetting fee collections.

FY 2011 Program Increase Summary
(Amount in $000s)

Component/Initiative	Positions	Agents	Attorneys	Amount
Civil Division	**25**	**0**	**13**	**$16,891**
Spent Nuclear Fuel Litigation	13	0	10	11,391
Response to Financial Crisis	0	0	0	3,500
E-Discovery	12	0	3	2,000
Criminal Division	**5**	**0**	**3**	**$550**
Deterring and Prosecuting Fraud	5	0	3	550
Environment and Natural Resources Division	**27**	**0**	**15**	**$4,702**
Tribal Trust Litigation (Personnel/ALS) Support	10	0	8	2,744
Enforcing the Nation's Environmental Laws	8	0	5	958
E-Discovery	9	0	2	1,000
Federal Bureau of Investigation	**367**	**143**	**0**	**$75,265**
White Collar Crime	367	143	0	75,265
General Administration	**114**	**0**	**16**	**$14,791**
Access to Justice and Rule of Law	10	0	8	2,485
Office of Professional Responsibility	5	0	3	488
Accountability and Program Management	4	0	0	506
Office of Privacy and Civil Liberties	2	0	2	229
Office of Legislative Affairs	3	0	3	305
Acquisition Improvements	90	0	0	10,778
JIST	**11**	**0**	**0**	**$90,632**
Unified Financial Management System (UFMS)	11	0	0	42,132
Litigation Case Management System (LCMS)	0	0	0	23,200
Justice Consolidated Office Network (JCON)	0	0	0	15,000
Joint Automated Booking Station	0	0	0	6,000
JCON S/TS	0	0	0	4,300
Office of the Inspector General	**8**	**0**	**0**	**$1,003**
National Security Oversight	8	0	0	609
Council of the IG'S on Integrity and Efficiency	0	0	0	394

Component/Initiative	Positions	Agents	Attorneys	Amount
Tax Division	**0**	**0**	**0**	**$2,965**
Fraud Enforcement	0	0	0	2,965
U.S. Attorneys	**151**	**0**	**110**	**$22,652**
Combating Financial and Mortgage Fraud	109	0	88	17,224
Preserving Justice Initiative	30	0	20	3,428
E-Discovery	12	0	2	2,000
U.S. Trustees Program	**[35]**	**0**	**[12]**	**$5,175**
Increased Workload and Responsibilities	[35]	0	[12]	2,675
IT Requirements	0	0	0	2,500
Grand Total, Program Increases	**708**	**143**	**157**	**$234,626**