

U.S. Department
of Justice

Special Counsel's Office
Statement of Expenditures
October 19, 2020 through March 31, 2021



The accompanying Statement of Expenditures summarizes the financial activity of the Special Counsel's Office (SCO) for the period October 19, 2020 through March 31, 2021. As an organization within the Department of Justice, the SCO is required to comply with the rules, regulations, procedures, practices, and policies of the Department of Justice.¹ SCO management is responsible for designing, operating, and maintaining a system of internal control to enable the SCO to accurately report its financial information to the Department and meet the requirements of applicable laws and regulations. In addition, SCO management is responsible for ensuring that controls exist to meet the requirements of DOJ Order 2030.4G, *Control of Funds under Apportionment*.

The Department recognizes the importance of maintaining adequate internal control and is committed to the continuous improvement and oversight of financial management controls. The Department has a network of internal review groups that provides assistance to components with their internal control programs. As part of the Department's annual assessment of internal control over financial reporting, the Justice Management Division, Internal Review and Evaluation Office conducted a review of SCO business processes related to budget, obligations and expenditures, and financial reporting during the assessment period of October 19, 2020 through March 31, 2021. The review identified no material weaknesses or significant deficiencies in the design or operation of SCO controls.

The Department will continue to dedicate and leverage resources to maintain strong program and financial management controls. Management takes its program and financial accountability seriously and is dedicated to ensuring that funds are used in a responsible and transparent manner.

¹ 28 CFR 600.7 – Conduct and Accountability

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Direct and Reimbursed Expenditures (note 1)	
Personnel Compensation and Benefits (note 2)	\$ 574,623
Travel and Transportation of Persons (note 3)	13,954
Rent, Communications, and Utilities	136,215
Contractual Services (note 4)	209,305
Supplies and Materials	216
<u>Total SCO Expenditures (note 6)</u>	<u>\$ 934,313</u>

Note 1 – Summary of Significant Accounting Policies

- A. Reporting entity: On October 19, 2020, John H. Durham was appointed by then Attorney General William P. Barr to serve as Special Counsel to investigate violations of the law in connection with the intelligence, counter-intelligence, or law-enforcement activities directed at the 2016 presidential campaigns. The statement presents the expenditures of the Special Counsel's Office (SCO) for the period of October 19, 2020 to March 31, 2021, including direct-funded, reimbursed, and non-reimbursed expenditures. All amounts shown refer to the aforementioned reporting period only.
- B. Funding: SCO expenditures are funded by 1) the permanent, indefinite appropriation for independent counsels (IC Appropriation) (28 U.S.C. § 591 note), which the Department of Justice (DOJ) has determined is legally available to fund this SCO investigation (see also Government Accountability Office opinion agreeing with DOJ that this appropriation was legally available to fund special counsels (B-302582, Sept. 30, 2004)); and 2) the direct appropriations of DOJ components who have incurred non-reimbursed expenditures in support of the SCO. Expenditures funded through the IC Appropriation are a combination of expenses directly incurred by the SCO and expenses incurred by other components of DOJ and reimbursed by the IC Appropriation.
- C. DOJ component expenses: Although not legally required, DOJ components that support the SCO were asked to track expenditures attributable to this investigation. The expenditures for this period totaled \$520,856.
- D. Basis of accounting: The statement has been prepared on an accrual basis of accounting, in which expenses are recorded when incurred regardless of when cash is exchanged.

Note 2 – Personnel Compensation and Benefits

- IC Appropriation: \$574,623 was expended for salaries and benefits, including:
 - \$17,702 for SCO employees
 - \$556,921 for reimbursable DOJ employees detailed to the SCO

Note 3 – Travel and Transportation of Persons

- IC Appropriation: \$13,954 was expended for travel, including:
 - \$3,124 for SCO direct-funded travel
 - \$10,830 for travel of DOJ employees detailed to the SCO

Note 4 – Contractual Services

- IC Appropriation: \$209,305 was expended for contractual services, primarily for IT services.

Note 5 – Acquisition of Equipment

- Non-capitalized personal property equipment purchased using IC appropriation funds will remain the property of the federal government at the conclusion of the investigation and activities of the IC.

Note 6 – Total SCO Expenditures

- SCO expenditures represent expenditures incurred during the reporting period and standard closing adjustments.