



U.S. Department of  
**JUSTICE**

# Agency Financial Report

Fiscal Year 2024



November 22, 2024

Justice Management Division

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## Purpose of Report and Reporting Process

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The Agency Financial Report (AFR) is the Department of Justice's (DOJ or the Department) principal report conveying to the President, Congress, and the American public its commitment to sound financial management and stewardship of public funds. The AFR reports on the Department's end-of-fiscal-year financial position and provides results that include, but are not limited to, financial statements, notes to the financial statements, and report of the independent auditors.

The Department's AFR is prepared under the direction of the Department's Chief Financial Officer (CFO). The financial statements contained within this report are prepared by the Department's Justice Management Division (JMD), Finance Staff, and audited by an independent public accounting firm under the direction of the Office of the Inspector General (OIG). These financial statements for Fiscal Year (FY) 2024 and FY 2023 report on all accounts and associated activities of each office, bureau, and activity of the Department.

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## Organization of the Report

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**Section I – Management's Discussion and Analysis (MD&A):** This section includes summary information about context for the financial information in the MD&A of the Department; analysis of the Department's financial statements; analysis of systems, controls, and legal compliance which contains the assurances and information related to internal control and financial management system compliance with government-wide requirements, as required by the *Federal Managers' Financial Integrity Act (FMFIA)* and *Office of Management and Budget Circular A-123 (OMB A-123)*; and forward looking information.

**Section II – Financial Section:** This section includes OIG's Commentary and Summary on the Department's FY 2024 Annual Financial Statements, the Independent Auditors' Report, and the Department's consolidated financial statements and related notes.

**Section III – Other Information:** This section includes the Summary of Financial Statement Audit and Management Assurances, OIG-identified Top Management and Performance Challenges Facing the DOJ and the DOJ's response to those challenges, as well as sections on payment integrity, civil monetary penalty adjustments, grants, and climate related financial risk.

**Appendices:** This section includes (A) Office of the Inspector General's Analysis and Summary of Actions Necessary to Close the Report, (B) Acronyms, and (C) Department Component Websites. This report is available at URL: [Department of Justice | FY 2024 Agency Financial Report](https://www.justice.gov/doj/fy-2024-agency-financial-report)<sup>1</sup>

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<sup>1</sup> <https://www.justice.gov/doj/fy-2024-agency-financial-report>



## Office of the Attorney General Washington, D. C. 20530

November 22, 2024

### **A MESSAGE FROM THE ATTORNEY GENERAL**

The mission of the Justice Department is to uphold the rule of law, keep our country safe, and protect civil rights. Every day, the more than 115,000 employees of the Department of Justice work tirelessly to fulfill this critical mission.

Every day, our FBI, DEA, and ATF agents, and our Deputy U.S. Marshals put their lives on the line to disrupt threats, apprehend the most dangerous fugitives, respond to crises, and seize illegal drugs and illegal guns. Every day, Department employees work to counter, disrupt, and prosecute threats to our national security posed by nation-states, terrorist groups, radicalized individuals, and cyber criminals. They fiercely protect the civil rights of our citizens. They prosecute crimes and challenge illegal monopolies that hurt consumers, workers, and taxpayers. They pursue accountability for environmental harms. They defend our country's democratic institutions. And every day, in everything they do, the public servants who make up the Justice Department adhere to and uphold the rule of law that is the foundation of our system of government.

Over the past year, we have been using every resource at our disposal to keep our country safe. Our U.S. Attorneys' Offices, law enforcement agents, and grantmaking experts have worked together with state, local, Tribal, and territorial law enforcement partners as well community partners across the country to help drive down the violent crime that surged during the pandemic. The Department has focused on the individuals and gangs responsible for the greatest violence, dedicated resources to community-based initiatives aimed at preventing and disrupting violence before it occurs, and made critical investments in police departments to hire more officers. To combat gun violence, the Department has continued to invest in advanced technological tools like ballistics analysis, firearms tracing, gun intelligence centers, and local fusion cells and prosecute illegal gun traffickers and straw purchasers. And in 2023, we saw an historic drop in homicides nationwide and one of the lowest levels of violent crime in 50 years.

In response to the opioid crisis, our agents and prosecutors have worked with our law enforcement partners across the country—and with foreign law enforcement partners around the globe—to target every link in the global supply chains and distribution networks of the cartels responsible for trafficking deadly fentanyl into our communities, including the cartels' leaders, their drug traffickers, their money launderers, their clandestine lab operators, their chemical suppliers, their large-scale distributors, their security forces, and their weapons suppliers. In

2023 alone, DEA seized more than 80 million fentanyl-laced pills and nearly 12,000 pounds of fentanyl powder. Over the last four years, the Office of Justice Programs has awarded grants totaling more than \$1.2 billion to address the overdose epidemic, and DEA has spread awareness through its One Pill Can Kill campaign and other targeted efforts to reach America's youth. For the first time in years, public health data shows a significant decrease in fatal drug overdoses across the United States this year.

The Department has also worked to investigate, prosecute, and disrupt threats to America's national security, including the threat that terrorism poses to our country. We have worked to counter and disrupt the threats posed by nation-state adversaries, including Russia, Iran, China, and North Korea. And we have brought prosecutions against foreign agents attempting to harm the American people, endanger our national security, and undermine the rule of law in the United States.

To protect civil rights, the Department has worked to aggressively investigate, prosecute, and disrupt the hate crimes that not only harm individuals, but strike fear across entire communities. Since January 2021, the Department has charged more than 140 defendants with bias-motivated crimes in more than 125 cases. The Department has defended the right to vote by filing lawsuits, statements of interest, and amicus briefs in courts across the country to challenge laws, practices, and procedures that unlawfully curb voter access or deny or abridge the right to vote on account of race, color, disability, or language status. The Department has also defended the right to vote by protecting the citizens who we rely on to fairly administer voting and holding accountable those who directed threats of violence at election workers, officials, and volunteers. As part of the Combating Redlining Initiative that I launched in 2021, the Department has secured over \$150 million in relief for communities of color nationwide, resulting in more than \$1 billion in new economic opportunities. The Department has defended the reproductive freedoms that are protected by federal law and monitored laws and actions that infringe on those protections. To ensure economic opportunity and fairness for all, the Department has prosecuted fraud, recovered funds stolen from American taxpayers, and challenged illegal monopolies that hurt consumers and workers.

And in everything we do, we have worked to ensure the equal protection of law that is foundational to our democracy. I am proud of the work the Justice Department's employees have done on behalf of the American people – to uphold the rule of law, to keep our country safe, and to protect civil rights.

In accordance with the Reports Consolidation Act of 2000 and Office of Management and Budget (OMB) Circulars A-11, A-123, and A-136, we have prepared the FY 2024 Department of Justice's Agency Financial Report (AFR). The AFR contains the Department's audited consolidated financial statements, as required under the Chief Financial Officers Act of 1990, as amended (CFO Act); the Government Management Reform Act of 1994 (GMRA); and the Accountability of Tax Dollars Act of 2002 (ATDA). The AFR also contains a statement of assurance regarding internal control over operations, reporting, and compliance, as required by the Federal Managers' Financial Integrity Act (FMFIA).

In FY 2024, the Department earned an unmodified audit opinion on our consolidated financial statements for the twenty-first straight year – reflecting our commitment to strong financial management and reporting. The auditor’s report on internal control identified a material weakness at the consolidated level due to improvements needed in the areas of financial management and reporting controls, risk assessment, monitoring, and timely remediation of deficiencies. Our corrective actions are documented in Section III of this report.

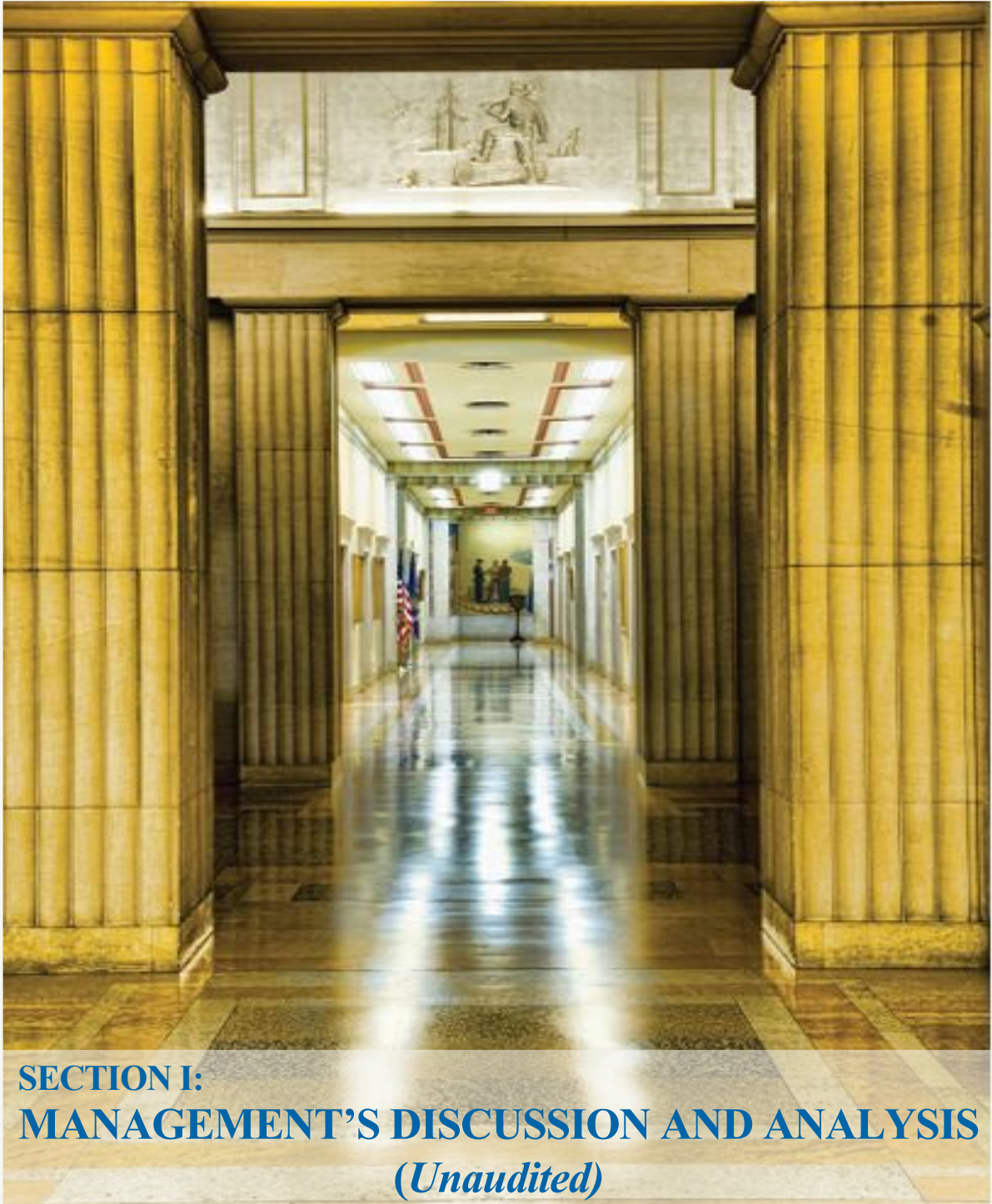
The Department’s assessment of risk and internal control in FY 2024 was conducted in accordance with OMB Circular A-123. Based on the results of the assessment and Assurance Statements provided by Department components, the Department can provide reasonable assurance that internal control over operations, reporting, and compliance was operating effectively as of September 30, 2024, except for the material weakness in financial management and reporting controls, risk assessment, monitoring, and timely remediation of deficiencies. Details of that weakness are provided in Section III of this report. Corrective actions are already underway and will be evaluated as part of the Department’s FY 2025 A-123 internal control assessment.

The Department looks forward to working with our components, the Office of the Inspector General, and auditors in FY 2025 to continue to strengthen our financial operations and reporting.

A handwritten signature in black ink, reading "Merrick Garland". The signature is fluid and cursive, with the first name "Merrick" and last name "Garland" clearly distinguishable.

Merrick B. Garland  
Attorney General





## **SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS** *(Unaudited)*

*RFK Building, fifth floor Constitution Avenue corridor*

### **In This Section:**

- 2**      **Context for the Financial Information in the MD&A**
- 14**     **Analysis of Financial Statements**
- 22**     **Analysis of Systems, Controls, and Legal Compliance**
- 26**     **Forward-Looking Information**



# Section I

## Management's Discussion and Analysis (Unaudited)

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### Context for the Financial Information in the MD&A

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Established July 1, 1870 28 *United States Code (U.S.C) § 501* and 503, the Department of Justice (DOJ) is headed by the Attorney General of the United States. The Department was created to control federal law enforcement and all criminal prosecutions and civil suits in which the United States has an interest. The structure of the Department has changed over the years, with the addition of a Deputy Attorney General (DAG), Associate Attorney General (ASG), Assistant Attorneys General, and the formation of Divisions and components; however, unchanged is the commitment and response to securing equal justice for all, enhancing respect for the rule of law, and making America a safer and more secure Nation.

#### Mission Statement

“The mission of the Department of Justice (DOJ) is to uphold the rule of law, to keep our country safe, and to protect civil rights.”

In carrying out the Department's mission, we are guided by the following values:

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**Independence and Impartiality.** The Justice Department works each day to earn the public's trust by following the facts and the law wherever they may lead, without prejudice or improper influence.

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**Honesty and Integrity.** The Justice Department's employees adhere to the highest standards of ethical behavior, mindful that, as public servants, we must work to earn the trust of, and inspire confidence in, the public we serve.

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**Respect.** The Justice Department's employees value differences in people and in ideas and treat everyone with fairness, dignity, and compassion.

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**Excellence.** The Justice Department works every day to provide the highest levels of service to the American people and to be a responsible steward of the taxpayers' dollars.

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### Organizational Structure

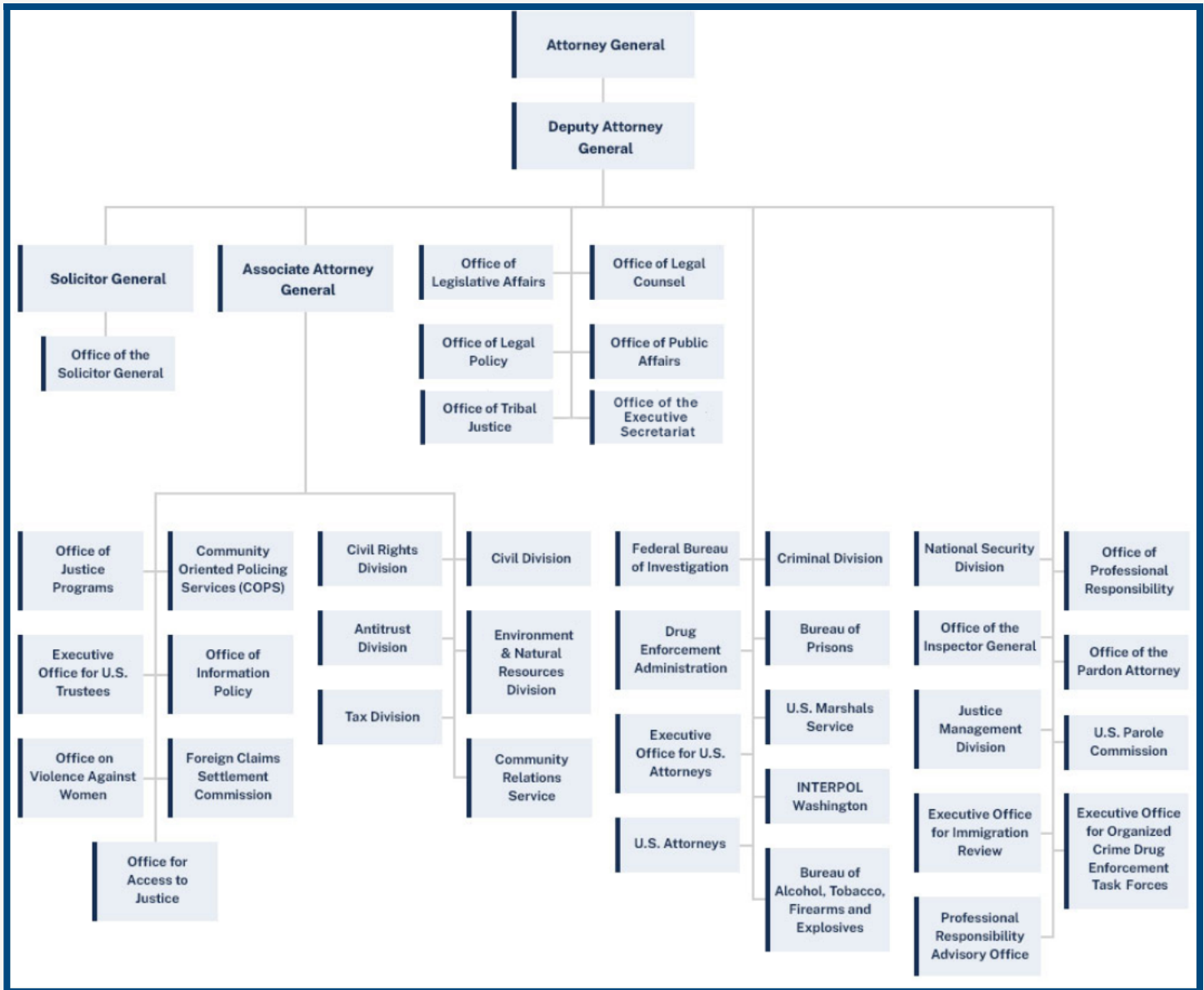
Led by the Attorney General, the Justice Department is comprised of more than forty separate component organizations. There are nearly 115,000 employees of the Department who ensure that the individual component missions, and the overarching Department mission, is carried out. These include major investigative components such as the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

The Department's litigating divisions represent the rights and interests of the American people and enforce federal criminal and civil laws. The major litigating divisions are comprised of the Antitrust (ATR), Civil (CIV), Civil Rights (CRT), Criminal (CRM), Environment and Natural Resources (ENRD), Tax (TAX) Divisions, and U.S. Attorney's Office (USAO).

The U.S. Marshals Service (USMS), protects the federal judiciary, apprehends fugitives, and detains persons in federal custody; the Federal Bureau of Prisons (BOP), confines convicted offenders; and the National Security Division (NSD), brings together national security, counter-terrorism, counterintelligence, and foreign intelligence surveillance operations under a single authority.

The Office of Justice Programs (OJP), the Office on Violence Against Women (OVW), and the Office of Community Oriented Policing Services (COPS) provide leadership and assistance to state, local, and tribal governments. Other major Departmental components include the Executive Office for U.S. Trustees (UST), Justice Management Division (JMD), the Executive Office for Immigration Review (EOIR), the Community Relations Service (CRS), the OIG, and several offices that advise the Attorney General on policy, law, legislation, tribal justice matters, external affairs, and oversight. Headquartered in Washington, D.C., the Department conducts its work in offices located throughout the country and overseas.

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS



## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

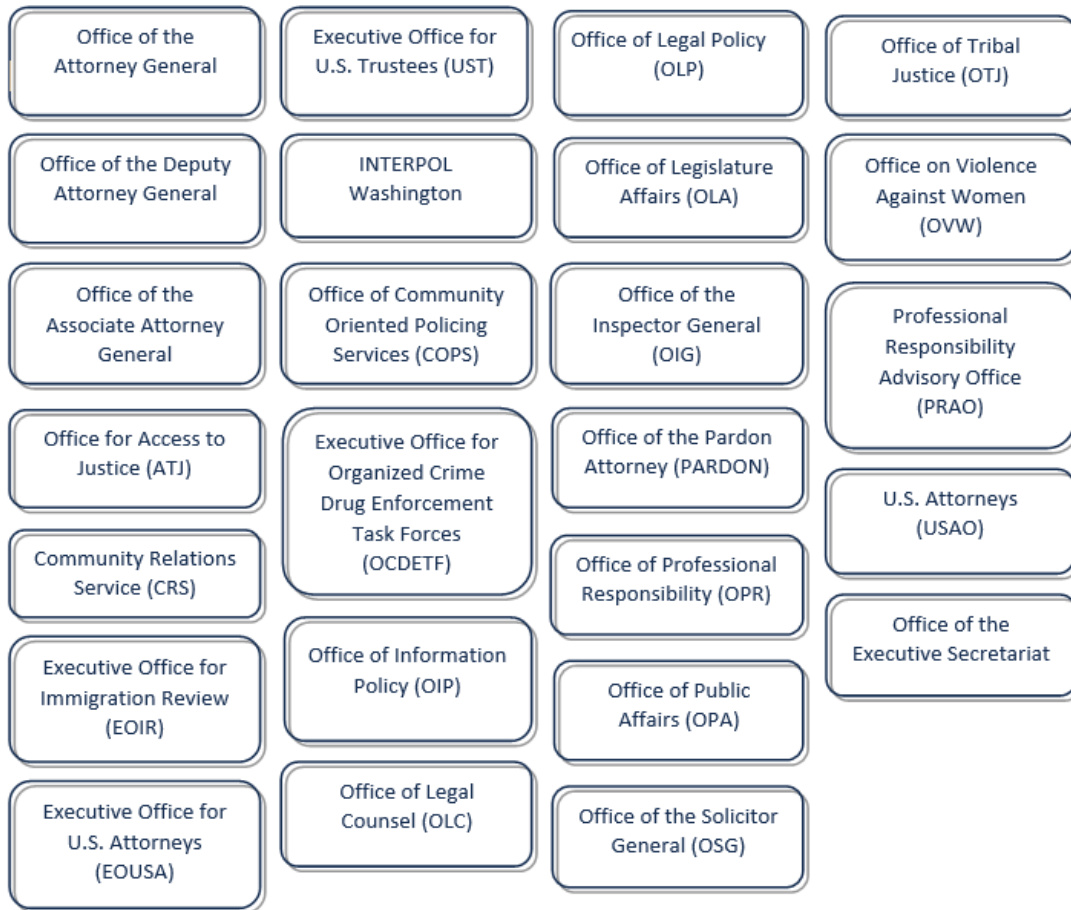
As of September 30, 2024, the Department's financial reporting structure was comprised of nine principal components:



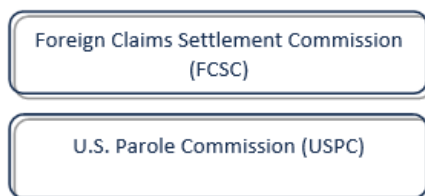
\*OBDs organizational structure presented on the following page.

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

### OFFICES



### BOARDS



### DIVISIONS



SECTION I: MANAGEMENT’S DISCUSSION AND ANALYSIS

Chart 1: DOJ Employees Onboard by Reporting Component

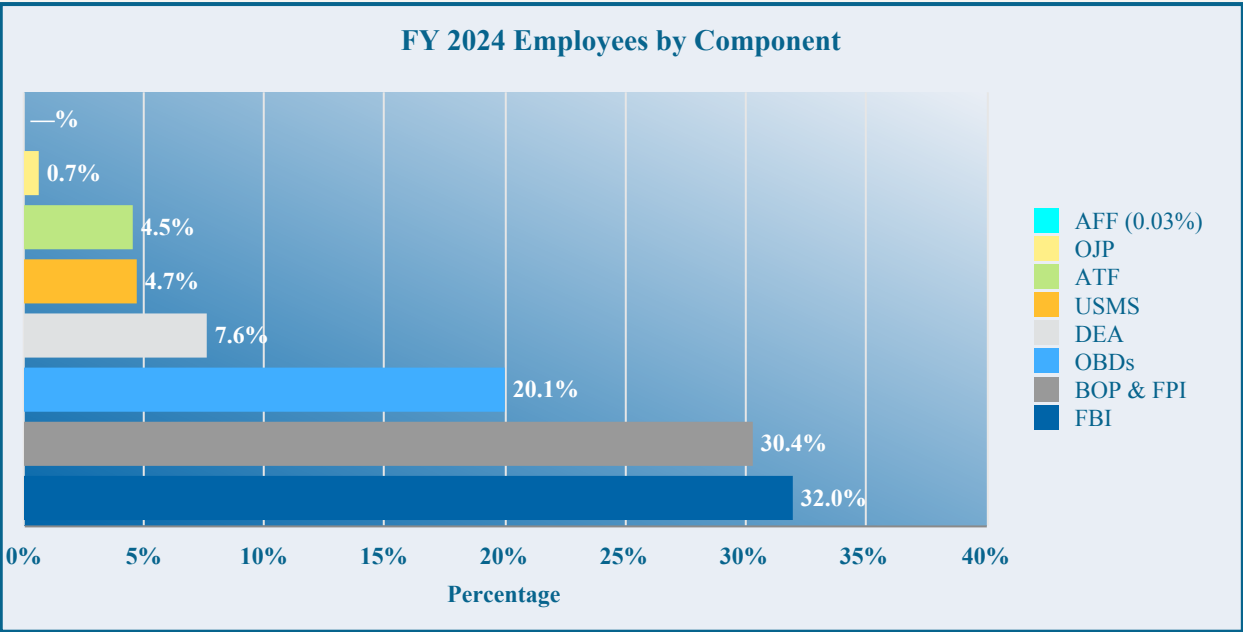
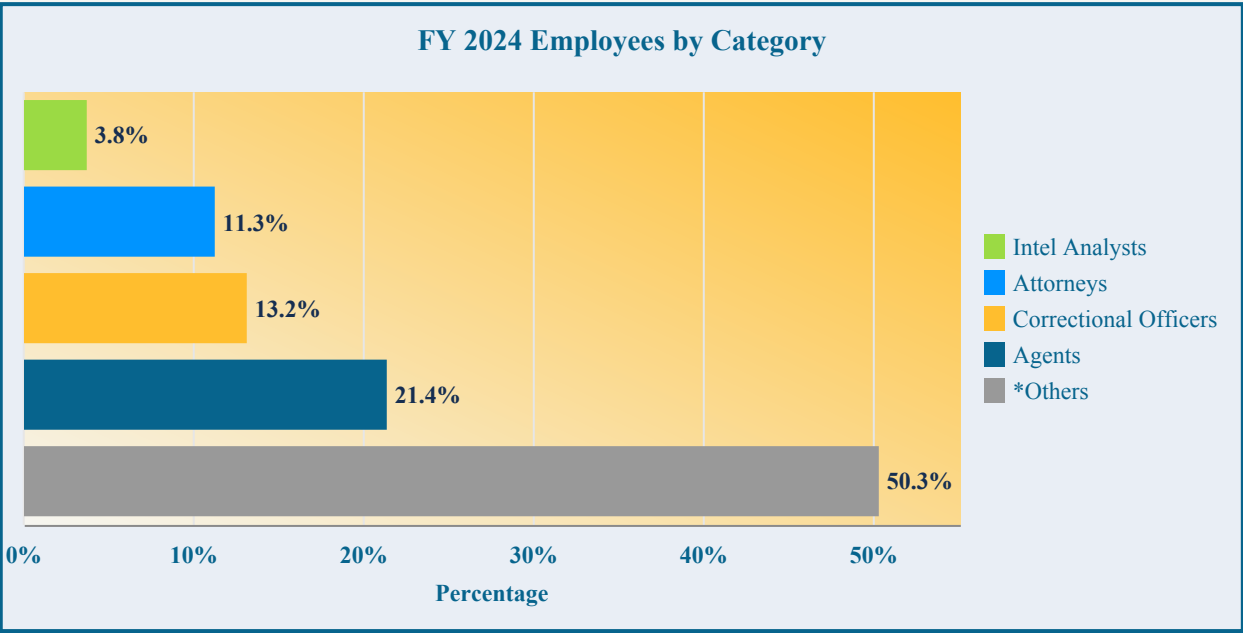


Chart 2: DOJ Employees Onboard by Employee Category



\*Others include pay class categories such as paralegals, financial managers, procurement officers, evidence technicians, and security specialists



## Major Programs

The Department reports in the Statement of Net Cost earned revenue and cost by five major programs listed and defined below:

- Program 1 - Law Enforcement
  - Protects and defends the United States against foreign and domestic threats by investigating, enforcing, and upholding the laws of the United States (e.g. AFF, ATF, DEA, FBI, OCDETF, and USMS).
- Program 2 - Litigation and Compensation
  - The litigating function defends or asserts the laws, programs, and policies of the United States and ensures greater coordination and unity of purpose between prosecutors and law enforcement agencies; the compensation function ensure that proceeds, monetary penalties, and fines are deposited into compensation funds that are distributed to victims (e.g. ATR, CIV, CRT, CRM, ENRD, EOUSA, INTERPOL, NSD, OLC, OPA, OSG, PRAO, TAX, United States Victims of State Sponsored Terrorism Fund (USVSSTF), USAO, VCF, and RECA).
- Program 3 - Prisons and Detention
  - Provides for the safe, secure, and humane confinement of detained persons in prisons, detention centers, and community-based facilities, and provides services and programs to facilitate successful reentry (e.g. BOP, FPI, USPC, and USMS Detention).
- Program 4 - Grants
  - Reduces crime and improves the function of the criminal justice system by increasing public safety and improving fair administration of justice across America through innovative leadership and programs (e.g. COPS, OJP, and OVW).
- Program 5 - Executive Oversight and Enterprise Technology
  - Executive Oversight: Provides advice to senior management officials on matters including, but not limited to policy for budget and financial management, personnel management and training, procurement, equal employment opportunity, information processing, telecommunications, security, and all matters pertaining to organization authorities; also includes vital functions such as adjudicating immigration cases, preserving the bankruptcy system, managing multi-agency task forces, and national criminal justice programs (e.g. AG, DAG, ASG, other SMOs, CRS, EOIR, UST, OTJ, JMD, and OIG).
  - Enterprise Technology: Protects critical mission assets by strengthening security in particular areas including access management and incident response and recovery (e.g. Justice Information Sharing Technology (JIST) and Working Capital Fund (WCF)).

## Performance Goals, Objectives, and Results

From our mission and core values stem the Department's strategic and annual planning processes. The Department embraces the concepts of performance-based management. At the heart of these concepts is the understanding that improved performance is realized through greater focus on mission, agreement on goals and objectives, and timely reporting of results. Strategic planning is the first step in an iterative planning and implementation cycle.

The planning and implementation cycle occurs early in the Department's process to implement performance-based management, involves setting long-term goals and objectives, translating these goals and objectives into budgets and program plans, implementing programs, monitoring performance, and evaluating results. In this cycle, the Department's *FYs 2022 - 2026 Strategic Plan* provides an overarching framework for component and function-specific plans, as well as for annual performance plans, budgets, and reports. The Department's *FYs 2022 - 2026 Strategic Plan* is available on the Department's website: [DOJ Strategic Plan 2022 - 2026](https://www.justice.gov/doj/doj-strategic-plan-2022-2026)<sup>1</sup>.

The table below provides an overview of the Department's FYs 2022 - 2026 strategic goals and objectives.

| Strategic Goals                                    | Strategic Objectives   |
|--|--|
| 1 Uphold the Rule of Law                           | 1.1 Protect Our Democratic Institutions<br>1.2 Promote Good Government   |
| 2 Keep Our Country Safe                            | 2.1 Protect National Security<br>2.2 Counter Foreign and Domestic Terrorism<br>2.3 Combat Violent Crime and Gun Violence<br>2.4 Enhance Cybersecurity and Fight Cybercrime<br>2.5 Combat Drug Trafficking and Prevent Overdose Deaths<br>2.6 Protect Vulnerable Communities                  |
| 3 Protect Civil Rights                             | 3.1 Protect the Right to Vote<br>3.2 Combat Discrimination and Hate Crimes<br>3.3 Reform and Strengthen the Criminal and Juvenile Justice Systems to Ensure Fair and Just Treatment<br>3.4 Expand Equal Access to Justice<br>3.5 Advance Environmental Justice and Tackle the Climate Crisis |
| 4 Ensure Economic Opportunity and Fairness for All | 4.1 Reinvigorate Antitrust Enforcement and Protect Consumers<br>4.2 Combat Corruption, Financial Crime, and Fraud  |
| 5 Administer Just Court and Correctional Systems   | 5.1 Administer an Equitable and Efficient Immigration Court System<br>5.2 Maintain a Safe and Humane Prison System   |

The Department's performance planning and budgeting is driven by and consistent with long-term strategic goals. The Department's *Annual Performance Plan (APP)* is issued each year with the *President's Budget*, and the performance information included in the MD&A are organized according to the five strategic goals identified in the Department's *FYs 2022 – 2026 Strategic Plan*.

The Department's *Strategic Plan* includes 64 key performance measures, which are summarized in this document. The Department's full performance for these measures and others will be discussed in the Department's *FY 2024 Annual Performance Report (APR)* / *FY 2024 APP* and submitted with the *President's Budget* in February 2025.

<sup>1</sup> <https://www.justice.gov/doj/doj-strategic-plan-2022-2026>

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

To accomplish the objectives of the Department's five strategic goals, collaboration and joint effort are needed among the components, offices, boards, and divisions within DOJ. As a result, more than one major program may be tied to a single strategic goal to accomplish the goal's objectives. The table below lists strategic goals by the applicable DOJ component, office, board, or division, and links the strategic goal to the major program reported on the statement of net cost.

| Strategic Goal | DOJ Component  | Major Program               |
|----------------|--|-----------------------------|
| Goal 1         | All components   | All Major Programs          |
| Goal 2         | ATF, BOP, CIV, COPS, CRM, CRS, CRT, FBI, DEA, INTERPOL, JMD, NSD, OCDETF, OJP, OLP, OTJ, OVW, USMS, USAO, & USPC | All Major Programs          |
| Goal 3         | ATF, ATJ, BOP, COPS, CRM, CRS, CRT, OLP, OPA, OTJ, OVW, DEA, ENRD, EOIR, FBI, FPI, JMD, OJP, USAO, USMS, & UST   | All Major Programs          |
| Goal 4         | ATR, CIV, CRM, FBI, TAX, USAO, & UST   | Major Programs 1 & 2        |
| Goal 5         | ATJ, CIV, BOP, EOIR, OJP, USAO, USMS, & USPC   | Major Programs 2, 3, 4, & 5 |

Additionally, the Department's performance for each strategic goal is measured by the goal's strategic objectives and associated key performance indicators (KPI) as described in the following table. KPIs further define the role each component, office, board, or division has in accomplishing the broad purpose of each strategic goal. Also, KPIs are assigned to a component, office, board, or division providing additional insight to the elements contained in the statement of net cost by major program.

| Strategic Objective                             | Key Performance Indicator  | FY 2024 Target | FY 2024 Actual | Target Achieved? |
|---|--|----------------|----------------|------------------|
| <b>Strategic Goal 1: Uphold the Rule of Law</b> |  |                |                |                  |
| 1.1   | Percent of OPR inquiries resolved within one year [OPR]  | 75%            | 100%           | Achieved         |
| 1.1   | Number of criminal government program fraud cases where the proactive use of data led to the opening of an investigation by the Criminal Division. [CRM]             | 50             | 12             | Not Achieved     |
| 1.1   | Number of U.S. Attorney's Offices that received proactive data leads in criminal government fraud cases from the Criminal Division. [CRM]                            | 45             | 16             | Not Achieved     |
| 1.1   | Percent of criminal cases concerning COVID-19 related fraud defendants in which the Department seeks restitution [USAO]  | 90%            | TBD            |                  |
| 1.1   | Percent of criminal cases concerning COVID-19 related fraud defendants whose cases were favorably resolved [USAO]  | 90%            | 99%            | Achieved         |
| 1.1   | Ratio of backlogged to incoming FOIA requests [OIP]  | 40%            | TBD            |                  |
| 1.2   | Percent increase in the Department's average score on selected FEVS questions related to how well managers cultivate innovation, creativity, and collaboration [JMD] | 62%            | 60%            | Not Achieved     |
| 1.2   | Percent of people involved in hiring who have completed implicit bias and interview skills training within the last three years [JMD]                                | 50%            | 11%            | Not Achieved     |
| 1.2   | Disparities in employee attrition rates [JMD]  | 1.32           | TBD            |                  |
| 1.2   | Percent of Department websites reflecting U.S. Web Design System requirements and meeting best practices for plain language and user centered design [JMD]           | 100%           | 100%           | Achieved         |
| 1.2   | Percent of common data sets accessible amongst DOJ components [JMD]  | 51%            | 82%            | Achieved         |

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

| Strategic Objective                            | Key Performance Indicator   | FY 2024 Target | FY 2024 Actual | Target Achieved? |
|--|---|----------------|----------------|------------------|
| <b>Strategic Goal 2: Keep Our Country Safe</b> |   |                |                |                  |
| 2.1  | Number of counterintelligence program disruptions or dismantlements [FBI]   | 400            | 477            | Achieved         |
| 2.1  | Percent of prosecutions brought against defendants engaged in a) hostile activities against national assets, b) intelligence gathering, or c) export violations that are favorably resolved [NSD] | 90%            | 99%            | Achieved         |
| 2.1  | Percent of Department-led foreign investment cases that were adjudicated favorably [NSD]  | 97%            | 100%           | Achieved         |
| 2.2  | Number of terrorism disruptions effected through investigations [FBI]   | 600            | 496            | Not Achieved     |
| 2.2  | Percent of counterterrorism defendants whose cases were favorably resolved [NSD]  | 90%            | 100%           | Achieved         |
| 2.2  | Number of individuals in the Department trained to prosecute domestic terrorism and domestic violent extremism [NSD]  | 400            | 630            | Achieved         |
| 2.2  | Percent of Department-issued Intelligence Information Reports used in the development of United States Intelligence Community Intelligence Products [FBI]   | 15%            | 28%            | Achieved         |
| 2.3  | Percent of federal violent crime defendants' cases favorably resolved [CRM, USAO]   | 90%            | 98%            | Achieved         |
| 2.3  | Volume of U.S. Attorney office records uploaded to the National Instant Criminal Background Check System [USAO]   | 8% increase    | TBD            |                  |
| 2.3  | Percent of programs implementing community violence intervention strategies [OJP]   | 62%            | 86%            | Achieved         |
| 2.4  | Percent of disruptions of key services and operators [FBI]  | 5%             | 33%            | Achieved         |
| 2.4  | Percent of reported ransomware incidents from which cases are opened, added to existing cases, or resolved within 72 hours [FBI]  | 65%            | 49%            | Not Achieved     |
| 2.4  | Percent increase in operations conducted jointly with strategic partners [FBI]  | 3%             | 17%            | Achieved         |
| 2.4  | Percent of confirmed cyber incidents to Department systems [JMD]  | 0.001%         | 0.005%         | Not Achieved     |
| 2.4  | Percent increase of threat advisories disseminated to the private sector (changed from Number of) [FBI]   | 5%             | 10%            | Achieved         |
| 2.5  | Percent of disruptions or dismantlements of drug-trafficking organizations focused on the highest priority targets [OCDETF]   | 20%            | 28%            | Achieved         |
| 2.5  | Amount of diversion, nationally, of opioids and stimulants [DEA]  | 364,487g       | 335,774g       | Achieved         |
| 2.5  | Percent of relevant-funded grantee programs that provide Medication Assisted Treatment, which includes medication plus counseling, as part of their substance use disorder services [OJP]         | 43%            | 39%            | Not Achieved     |

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

| Strategic Objective                            | Key Performance Indicator   | FY 2024 Target | FY 2024 Actual | Target Achieved? |
|--|---|----------------|----------------|------------------|
| <b>Strategic Goal 2: Keep Our Country Safe</b> |   |                |                |                  |
| 2.6  | Percent increase in services to traditionally underserved victim populations through VOCA-funded organizations and anti-human trafficking programs [OJP]  | 0.50%          | 0%             | Not Achieved     |
| 2.6  | Percent of USAOs conducting training on trauma-informed and culturally sensitive approaches for attorneys, victim witness specialists, and support staff [USAO]   | 70%            | TBD            |                  |
| 2.6  | Percent of victims reporting that they entered and maintained permanent housing upon exit from an OVW-funded transitional housing program 6 months after program completion (Transitional Housing Program only) [OVW]                       | 80%            | TBD            |                  |
| 2.6  | Percent of crimes-against-children FBI cases which address abductions, hands-on offenders, sextortion, or enticement [FBI]  | 46%            | 64%            | Achieved         |
| 2.6  | Number of formal relationships established with state, county, and local law enforcement, either directly or through state Police Officer Standards and Training councils or commissions, to communicate elder justice best practices [CIV] | 7              | 7              | Achieved         |
| 2.6  | Percent of Indian Country homicide cases and sexual abuse cases favorably resolved [USAO]   | 90%            | 96%            | Achieved         |
| <b>Strategic Goal 3: Protect Civil Rights</b>  |   |                |                |                  |
| 3.1  | Number of new Voting Rights Act matters initiated [CRT]   | 4              | 23             | Achieved         |
| 3.1  | Percent of cases prosecuting threats of violence and intimidation against election officials that are favorably resolved [CRM]  | 75%            | 100%           | Achieved         |
| 3.1  | Percent of BOP facilities providing structured curriculum on voting rights to releasing individuals [BOP]   | 100%           | TBD            |                  |
| 3.2  | Number of Title VII and Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) investigations [CRT]   | 20             | 23             | Achieved         |
| 3.2  | Number of Limited English Proficiency (LEP) individuals who access department-funded materials in their native language to understand federal hate crimes and anti-discrimination laws [CRT]  | 35,000         | 33,576         | Not Achieved     |
| 3.2  | Percent of United States Attorney's Offices that meet at least annually with local law enforcement partners and community stakeholders to collaborate on efforts to prevent hate crimes and incidents [USAO]                                | 100%           | TBD            |                  |
| 3.2  | Percent of criminal cases addressing civil rights violations, including hate crimes, favorably resolved [CRT]   | 80%            | 99%            | Achieved         |
| 3.3  | Percent of federal law enforcement officers who receive Use of Force Sustained Training within a 3-year period [ATF, BOP, DEA, FBI, USMS]   | 96%            | 99%            | Achieved         |
| 3.3  | Percent of federal law enforcement officers equipped with body-worn cameras and associated training [ATF, DEA, FBI, USMS]   | 60%            | 86%            | Achieved         |
| 3.3  | Percent of Justice Assistance Grant Program law enforcement grantees using innovation and evidence-based practices [OJP]  | 11%            | 12%            | Achieved         |

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

| Strategic Objective   | Key Performance Indicator  | FY 2024 Target | FY 2024 Actual | Target Achieved? |
|---|--|----------------|----------------|------------------|
| <b>Strategic Goal 3: Protect Civil Rights</b>                             |  |                |                |                  |
| 3.4   | Percent of eligible individuals represented by consistent defense counsel throughout that individual's justice system involvement [OJP]  | 75%            | 65%            | Not Achieved     |
| 3.4   | Number of times individuals accessed strategic resources on advancing access to justice (ATJ)  | 12,000         | TBD            |                  |
| 3.5   | Percent of Environmental Justice Coordinators receiving training [USAO]  | 95%            | TBD            |                  |
| 3.5   | Number of matters that address adverse environmental and public health effects brought under civil rights statutes [CRT]   | 16             | 30             | Achieved         |
| 3.5   | Percent of environmental enforcement matters in or substantially affecting overburdened and underserved communities that are favorably resolved [ENRD]                                       | 80%            | 100%           | Achieved         |
| 3.5   | Percent change in energy intensity used by the Department [JMD]  | (2)%           | TBD            |                  |
| <b>Strategic Goal 4: Ensure Economic Opportunity and Fairness for All</b> |  |                |                |                  |
| 4.1   | Number of active civil non-merger investigations [ATR]   | 60             | 50             | Not Achieved     |
| 4.1   | Percentage of consumer protection branch cases favorably resolved [CIV]  | 85%            | 100%           | Achieved         |
| 4.2   | Percent of corporate criminal cases in which individual responsibility was evaluated [CRM, USAO]   | 95%            | TBD            |                  |
| 4.2   | Percent of corporate criminal resolutions containing compliance reporting obligations that are evaluated by DOJ at least annually [CRM, USAO]  | 95%            | TBD            |                  |
| 4.2   | Number of criminal disruptions or dismantlements in public corruption and fraud against the government [FBI]   | 487            | 637            | Achieved         |
| 4.2   | Percent of new contacts by the FBI with foreign anti-corruption agencies that progress to mutual sharing of information or assistance or result in a new international corruption case [FBI] | 60%            | 80%            | Achieved         |
| <b>Strategic Goal 5: Administer Just Court and Correctional Systems</b>   |  |                |                |                  |
| 5.1   | Increase the number of case resolutions [EOIR]   | 678,749        | 825,406        | Achieved         |
| 5.1   | Average number of vacancy-days for immigration adjudicator positions [EOIR]  | 357            | 79             | Achieved         |
| 5.1   | Percent of immigration judges who have received all relevant continuing legal education annually [EOIR]  | 95%            | 98%            | Achieved         |
| 5.1   | Visits to the Immigration Court Online Resource (ICOR) [EOIR]  | 400,000        | TBD            |                  |
| 5.2   | Percent of funded corrections officer positions filled at the end of each fiscal year [BOP]  | 87%            | 84%            | Not Achieved     |
| 5.2   | Percent of inmates in federal custody who have successfully completed or are enrolled in an FSA program or activity [BOP]  | 80%            | TBD            |                  |
| 5.2   | Percent of inquiries from external stakeholders that BOP responds to within the target response time [BOP]   | 80%            | 92%            | Achieved         |

\*TBD: The FY 2024 Actuals will be reported in the APR at a later date.



## Analysis of Financial Statements

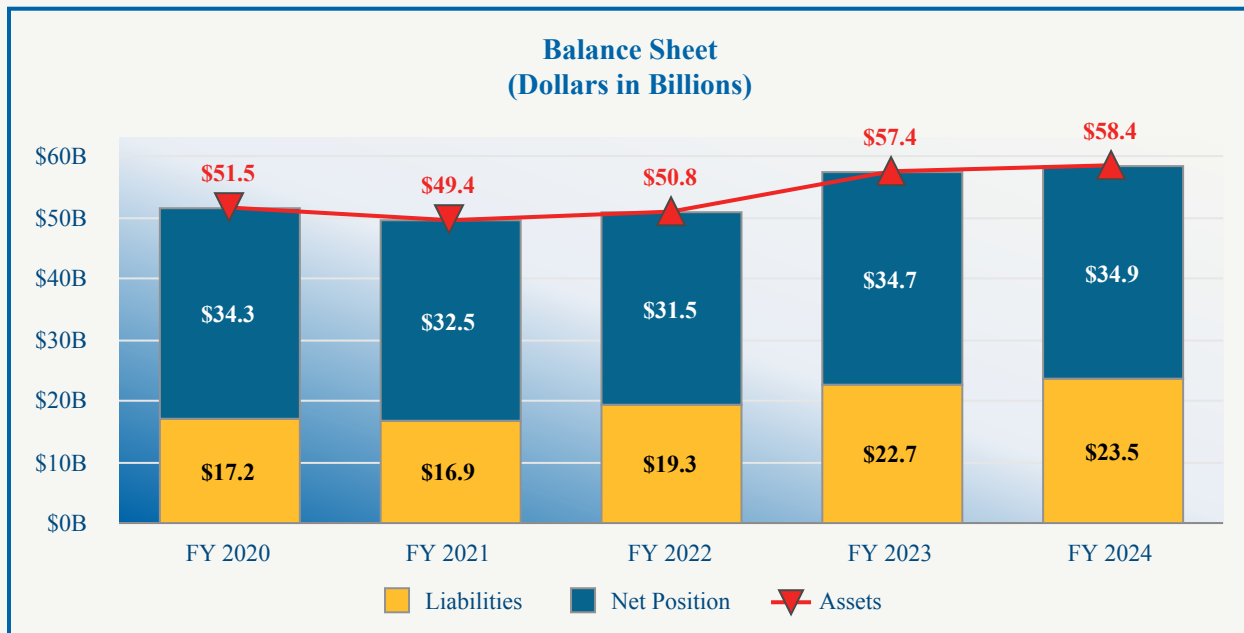
The Department's financial statements received an unmodified audit opinion for the fiscal years ended September 30, 2024 and 2023. These statements were prepared from the accounting records of the Department in accordance with the accounting principles generally accepted in the United States and standards promulgated by the Federal Accounting Standards Advisory Board (FASAB) and *Office of Management & Budget Circular A-136 (OMB A-136)*.

The following information highlights the Department's financial position and results of operations for the fiscal years ended September 30, 2024 and 2023. The complete set of financial statements, related notes, and the opinion of the Department's auditor are provided in Section II of this document.

| U.S. Department of Justice         |         |         |                     |          |  |
|------------------------------------|---------|---------|---------------------|----------|--|
| Table of Key Measures              |         |         |                     |          |  |
| Dollars in Billions                | FY 2024 | FY 2023 | Increase/(Decrease) |          |  |
| BUDGETARY RESOURCES                |         |         |                     |          |  |
| Total Budgetary Resources          | \$ 67.9 | \$ 70.0 | \$ (2.1)            | (3.0) %  |  |
| Total Unobligated Balances         | 15.2    | 13.7    | 1.5                 | 10.9 %   |  |
| Net Agency Outlays                 | 45.3    | 45.0    | 0.3                 | 0.7 %    |  |
| COST OF OPERATIONS                 |         |         |                     |          |  |
| Gross Program Costs                | \$ 52.3 | \$ 54.1 | \$ (1.8)            | (3.3) %  |  |
| Less: Earned Revenue               | 3.5     | 3.3     | 0.2                 | 6.1 %    |  |
| Total Net Cost of Operations       | 48.8    | 50.8    | \$ (2.0)            | (3.9) %  |  |
| BALANCE SHEET                      |         |         |                     |          |  |
| Assets:                            |         |         |                     |          |  |
| Fund Balance with Treasury         | \$ 37.4 | \$ 36.9 | \$ 0.5              | 1.4 %    |  |
| Cash & Other Monetary Instruments  | 3.4     | 3.3     | 0.1                 | 3.0 %    |  |
| Investments, Net                   | 6.5     | 6.5     | —                   | — %      |  |
| Accounts Receivable                | 1.1     | 2.1     | (1.0)               | (47.6) % |  |
| Property, Plant & Equipment, Net   | 8.5     | 7.8     | 0.7                 | 9.0 %    |  |
| Other                              | 1.5     | 0.8     | 0.7                 | 87.5 %   |  |
| Total Assets                       | \$ 58.4 | \$ 57.4 | \$ 1.0              | 1.7 %    |  |
| Liabilities:                       |         |         |                     |          |  |
| Accounts Payable                   | \$ 2.9  | \$ 3.2  | \$ (0.3)            | (9.4) %  |  |
| Advances & Deferred Revenues       | 1.5     | 1.2     | 0.3                 | 25.0 %   |  |
| Federal Employee Benefits          | 3.1     | 3.6     | (0.5)               | (13.9) % |  |
| Compensation Fund Liabilities      | 7.3     | 6.4     | 0.9                 | 14.1 %   |  |
| Seized Cash & Monetary Instruments | 4.9     | 4.8     | 0.1                 | 2.1 %    |  |
| Custodial Liabilities              | 0.9     | 1.4     | (0.5)               | (35.7) % |  |
| Other                              | 2.9     | 2.1     | 0.8                 | 38.1 %   |  |
| Total Liabilities                  | \$ 23.5 | \$ 22.7 | \$ 0.8              | 3.5 %    |  |
| Net Position:                      |         |         |                     |          |  |
| Unexpended Appropriations          | \$ 24.6 | \$ 25.1 | \$ (0.5)            | (2.0) %  |  |
| Cumulative Results of Operations   | \$ 10.3 | \$ 9.6  | 0.7                 | 7.3 %    |  |
| Total Net Position                 | \$ 34.9 | \$ 34.7 | \$ 0.2              | 0.6 %    |  |

## Balance Sheet

Chart 3: Balance Sheet, Trend Analysis FY 2020-2024

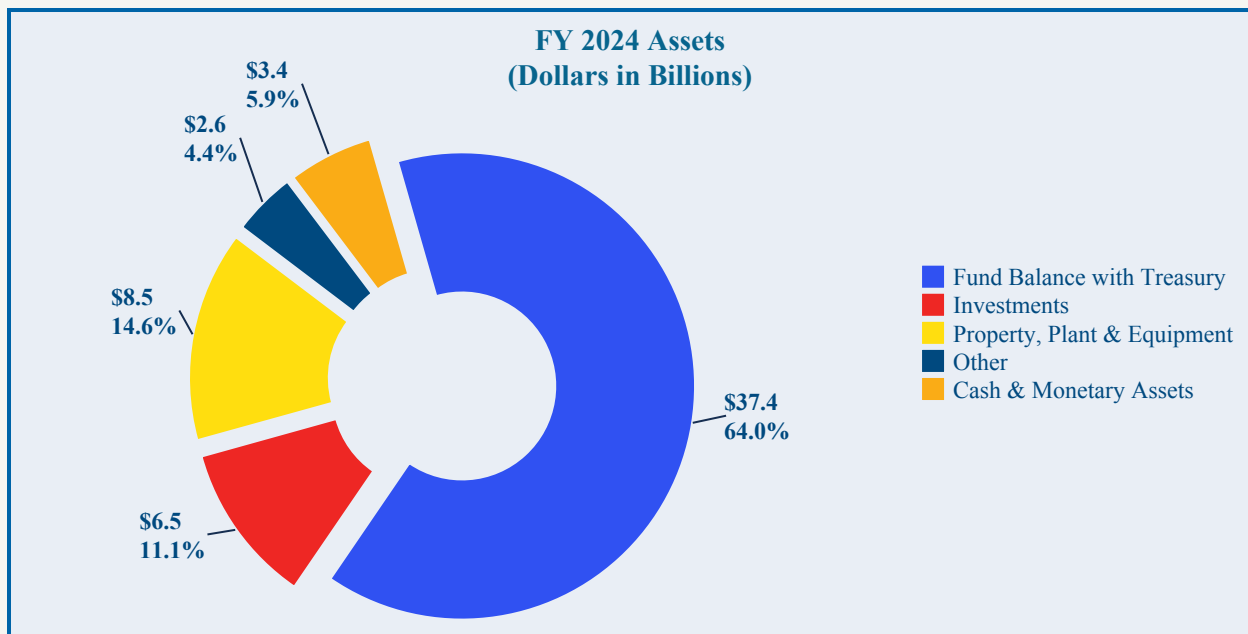


## Assets

The Department's Consolidated Balance Sheet as of September 30, 2024, reflects \$58.4 billion in total assets, an increase of approximately \$1.0 billion or 1.7 percent compared to the previous year's total of \$57.4 billion. Contributing factors include AFF's \$0.3 billion increase to fund balance with treasury (FBwT) driven by interest revenue from investments due to higher interest rates. OBDs increase to FBwT of approximately \$1.2 billion, driven by increased receipts in the USVSSTF and WCF. The increase to FBwT is offset by approximately \$1.0 billion due to less appropriations received and less were left undelivered compared to FY 2023. Advances and prepayments increased by approximately \$0.3 billion primarily related to OJP and BOP increased intragovernmental advances of grant funding to other agencies and OBDs prepayments for licenses to technology service providers. Property, plant, and equipment net increased by approximately \$0.8 billion primarily related to increased right-to-use lease assets and new capital acquisitions. Forfeited property, net increased by approximately \$0.2 billion primarily related to digital asset forfeiture in the Banmeet Singh case. The increase to assets was offset primarily due to a decrease in accounts receivable of \$1.0 billion, led by an OBDs reduction in custodial receivables of approximately \$0.8 billion and a OJP reduction of \$0.2 billion related to a settlement with British American Tobacco paid in FY 2024.

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

Chart 4: Breakdown of FY 2024 Assets, by Category



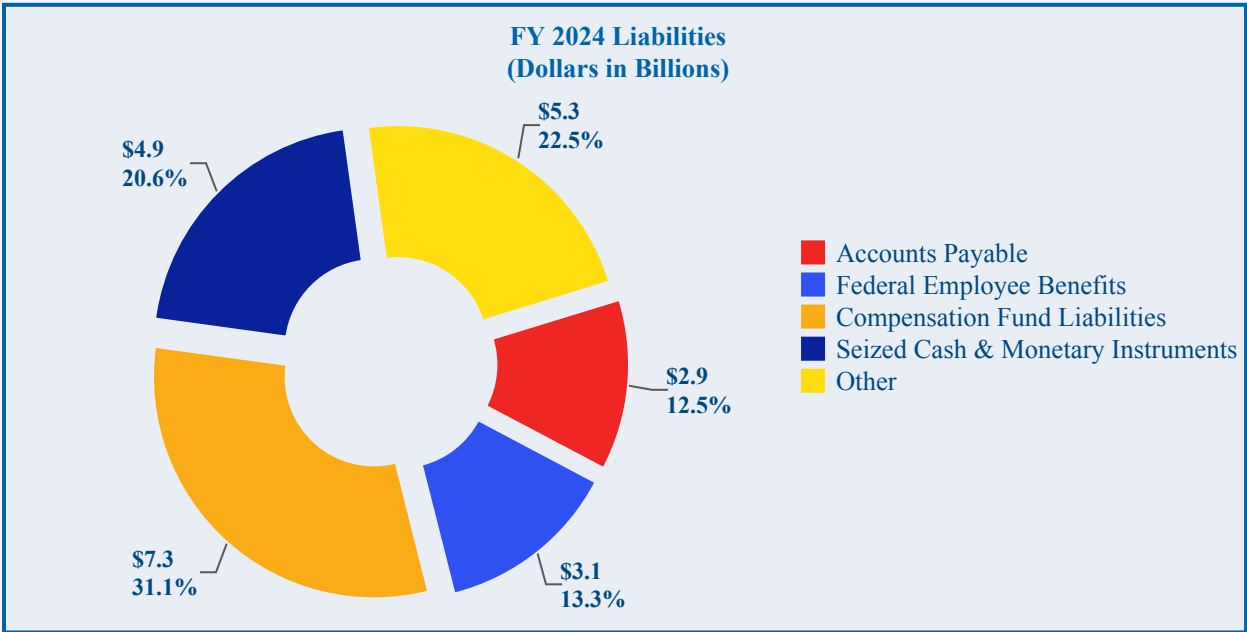
### Liabilities

Total liabilities were \$23.5 billion as of September 30, 2024, an increase of approximately \$0.8 billion or 3.5 percent compared to the previous year's total of \$22.7 billion. The primary reason for the increase is attributable to USVSSTF accrual totaling approximately \$1.2 billion. Additionally, advances from others and deferred revenue increase by approximately \$0.3 billion primarily due to AFF change in forfeited property not yet liquidated and FPI deferred revenue related to their fleet operations. Lastly, the prospective implementation of the new lease standard increased liabilities by \$0.4 billion.

The increase to liabilities were offset by decreases to custodial liabilities of approximately \$0.6 billion and federal employee salary, leave and benefits of \$0.5 billion primarily due to the accrual of less calendar days in FY 2024 compared to FY 2023.

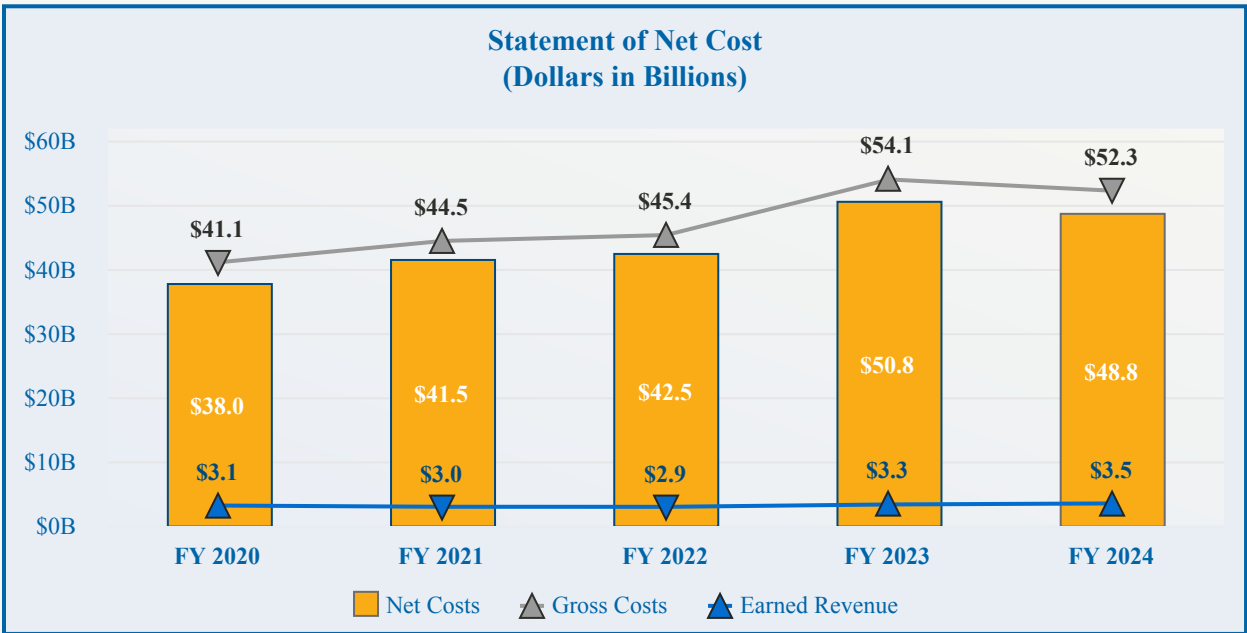
SECTION I: MANAGEMENT’S DISCUSSION AND ANALYSIS

Chart 5: Breakdown of FY 2024 Liabilities, by Category



Statement of Net Cost

Chart 6: Statement of Net Cost, Trend Analysis FY 2020-2024

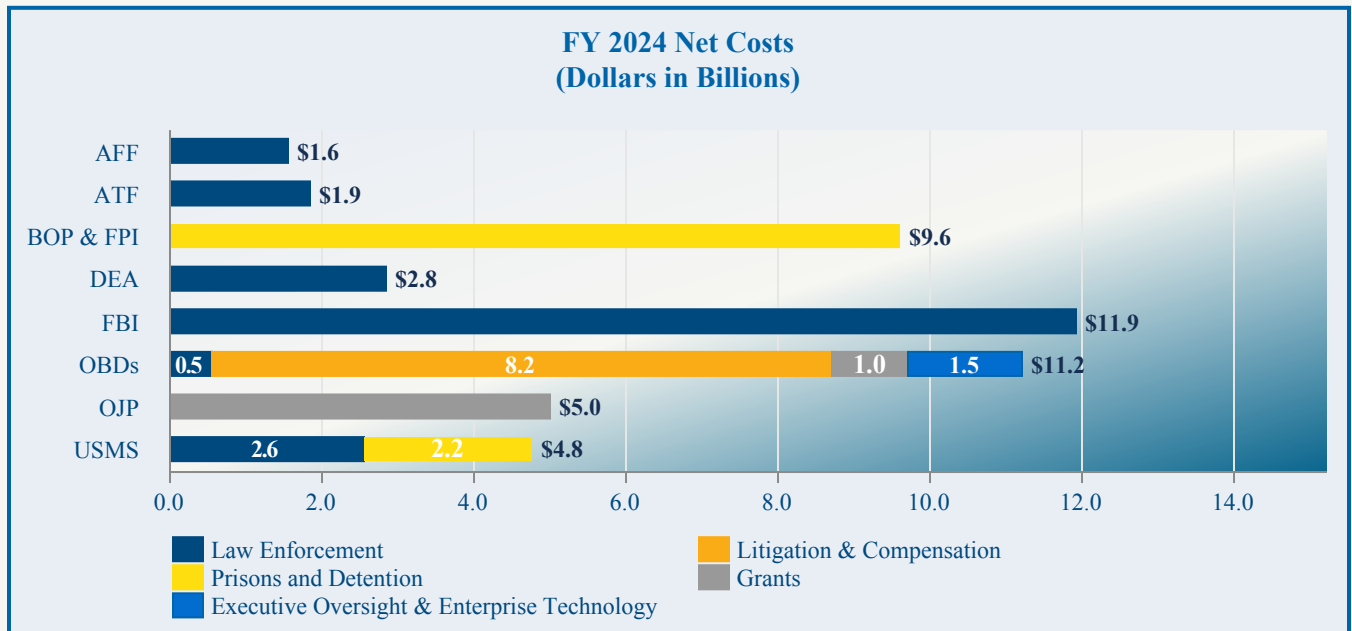


## Net Cost of Operations

The Department presents their Consolidated Statement of Net Cost by major program. The net cost of the Department's operations totaled \$48.8 billion for the fiscal year ended September 30, 2024, a \$2.0 billion or 3.9 percent decrease from the previous year's total of \$50.8 billion. The primary reason for the decrease was a \$3.2 billion reduction in Major Program 2, related to USVSSTF 9/11 lump sum catch-up payments of \$5.7 billion that were expended in FY 2023; a similar expenditure did not occur in FY 2024. However, the decrease in USSVSSTF lump sum catch-up payments was partially offset by increased FY 2024 expenditures in CRM of approximately \$1.3 billion due to the Binance forfeiture and investment related expenses. Additionally, the 9/11 VCF and EOUSA had a combined FY 2024 expenditure increase of \$1.2 billion.

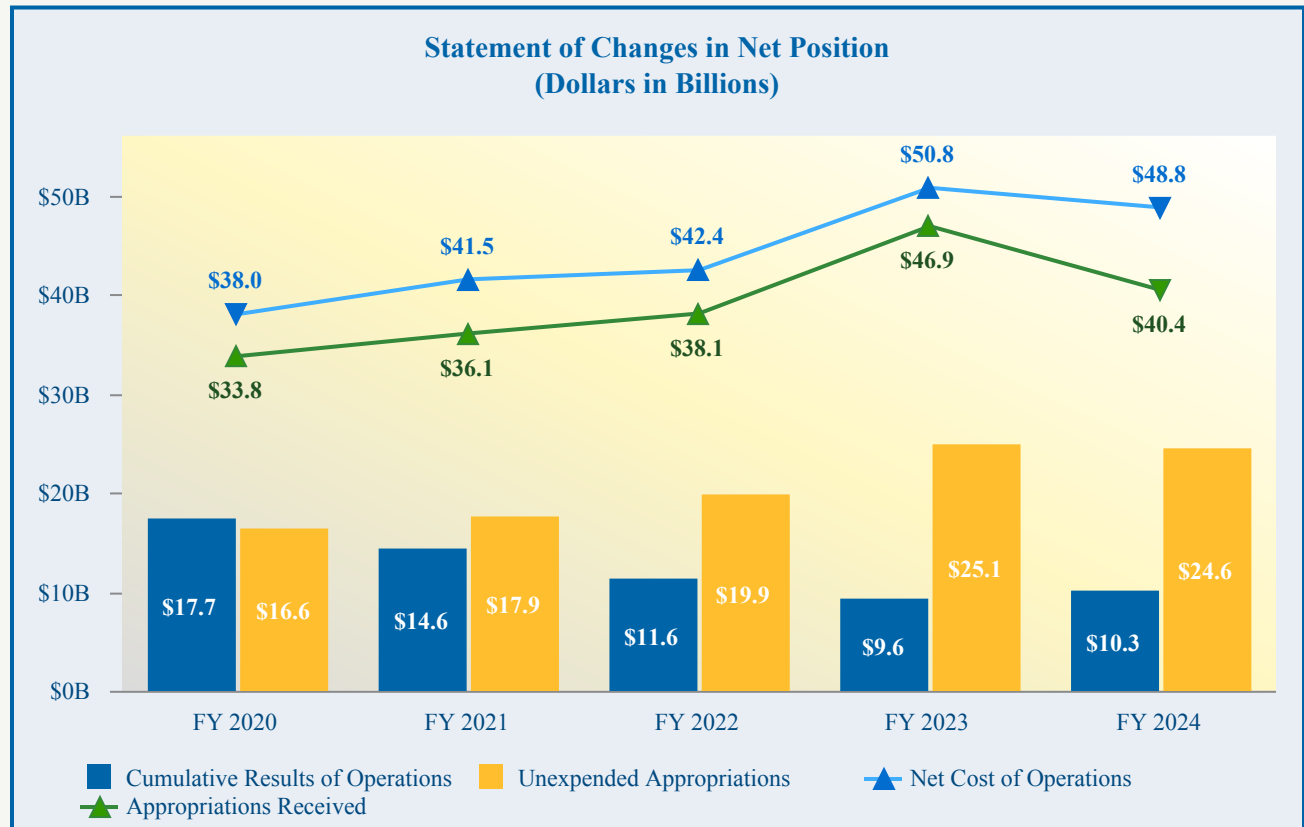
The decrease in Major Program 2 was offset by an increase of \$1.2 billion among all other major programs. While there is not a single underlying event, the increase is likely due to multiple contributing factors such as inflation increasing the cost of goods and services year-over-year, and a reduction in appropriations resulting in less opportunity to acquire goods and services. Lastly, FY 2024 undelivered orders decrease by approximately \$1.0 billion while accounts payable decrease by only \$0.2 billion, indicating a significant portion of FY 2023 undelivered orders were expended during the fiscal year.

Chart 7: Breakdown of FY 2024 Net Costs, by DOJ Major Program & Reporting Component  
(without intra-departmental eliminations)



## Statement of Changes in Net Position

Chart 8: Statement of Changes in Net Position, Trend Analysis FY 2020-2024



### Total Unexpended Appropriations

The Department's Consolidated Statement of Changes in Net Position shows total unexpended appropriations of \$24.6 billion and \$25.1 billion as of September 30, 2024 and 2023, respectively; a decrease of \$0.5 billion or 2.0 percent. Appropriations received decreased by \$6.5 billion, largely due to \$5.7 billion reduction in USVSSTF. Offsets to unexpended appropriations include increases to appropriations transferred-in, other adjustments, and appropriations used totaling \$0.8 billion. The result is a decrease in net change in unexpended appropriations of \$5.6 billion, combined with an increase to beginning balance of \$5.2 billion results in the decrease to total unexpended appropriations.

### Total Cumulative Results of Operations

The Department's Consolidated Statement of Changes in Net Position shows total cumulative results of operations of \$10.3 billion and \$9.6 billion as of September 30, 2024 and 2023, respectively an increase of \$0.7 billion or 7.3 percent. The increase is primarily caused by an increase in nonexchange revenue of \$1.0 billion mostly attributed to increased collections of fines in OJP's Crime Victims Fund and increased investment revenue from AFF. Additional contributing factors related to the increase in cumulative results of operations were increased imputed financing of \$0.7 billion, particularly for pension benefits, and increased property forfeitures of \$0.3 billion.



## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

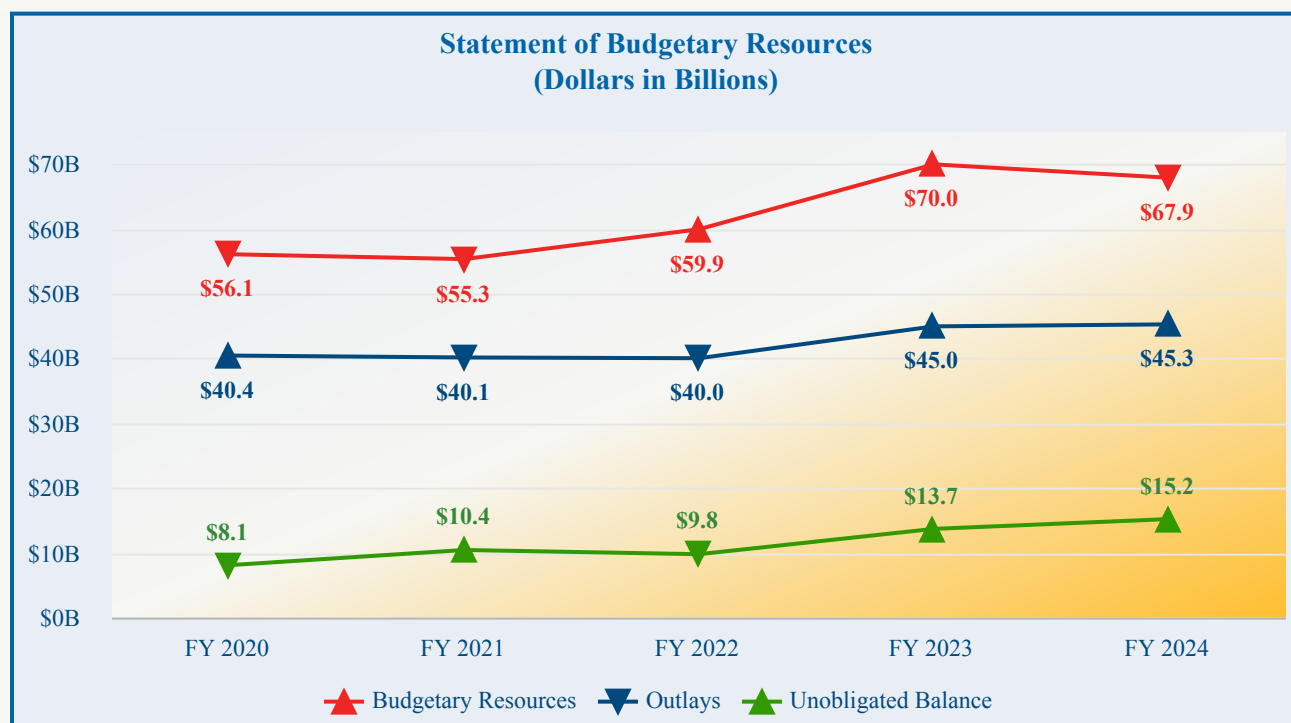
All other elements of budgetary financing sources decreased a total of \$1.3 billion, led by a reduction in forfeitures of cash and cash equivalents of \$0.5 billion and appropriations used of \$0.5 billion.

With a reduction in net cost of operations of \$2.0 billion and a reduction to beginning balance of \$2.0 billion, the result is a net change in cumulative results of operations of \$0.7 billion.

| Summary of Resources<br>(Dollars in Billions)          |                |                |               |
|--|----------------|----------------|---------------|
| Source   | FY 2024        | FY 2023        | % Change      |
| <b>Earned Revenue:</b>                                 | \$ 3.5         | \$ 3.3         | 6.1 %         |
| <b>Financing Sources:</b>                              |                |                |               |
| Appropriations Received                                | \$ 40.4        | \$ 46.9        | (13.9)%       |
| Appropriations Transferred-In/Out                      | 0.7            | 0.4            | 75.0 %        |
| Nonexchange Revenues                                   | 3.0            | 2.0            | 50.0 %        |
| Donations and Forfeitures of Cash and Cash Equivalents | 2.5            | 3.0            | (16.7)%       |
| Other Adjustments                                      | (1.0)          | (1.0)          | — %           |
| Donations and Forfeitures of Property                  | 0.5            | 0.2            | 150.0 %       |
| Transfers-In/Out Without Reimbursement                 | 0.5            | 0.7            | (28.6)%       |
| Imputed Financing                                      | 2.4            | 1.7            | 41.2 %        |
| <b>Total DOJ Resources</b>                             | <b>\$ 52.5</b> | <b>\$ 57.2</b> | <b>(8.2)%</b> |

### Statement of Budgetary Resources

Chart 9: Statement of Budgetary Resources, Trend Analysis FY 2020-2024



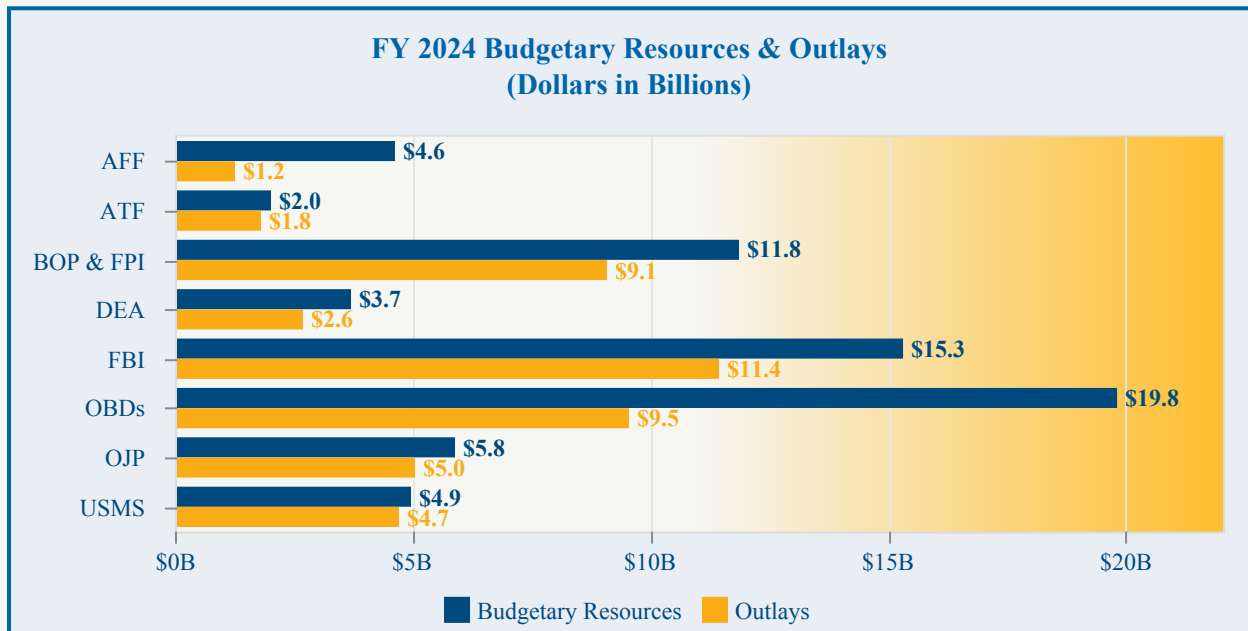
## Budgetary Resources

As presented on the Department's Combined Statement of Budgetary Resources, total budgetary resources were \$67.9 billion for the fiscal years ended September 30, 2024 and \$70.0 billion for the year ended September 30, 2023 respectively, reflecting a \$2.1 billion or 3.0 percent decrease. The most notable contributing factor was a decrease to discretionary and mandatory appropriations of \$6.9 billion predominately due to USVSSTF reduced appropriations of approximately \$5.7 billion. This was largely offset by an increase to unobligated balance from prior year authority, net of \$4.0 billion due to receiving more appropriations and a larger unobligated balance in the prior year. In addition, spending authority from offsetting collections increased by \$0.8 billion mostly due to increased authority through collections in OBD's Working Capital Fund, General Legal Activities, and Anti-Trust Division.

## Net Outlays

The Department's FY 2024 Combined Statement of Budgetary Resources shows for the fiscal years ended September 30, 2024 and 2023, agency outlays, net were \$45.3 billion and \$45.0 billion, respectively, representing an increase of \$0.3 billion or 0.7 percent. Despite receiving notably less funding in FY 2024, the increase to agency outlays is related to accounts payables that were accrued in FY 2023 but disbursed in FY 2024.

Chart 10: Breakdown of FY 2024 Budgetary Resources & Outlays by Component



### Limitations of the Financial Statements

The principal financial statements are prepared to report the financial position, financial condition, and results of operations of the DOJ, pursuant to the requirements of *31 U.S.C. § 3515(b)*. The statements have been prepared from the books and records of the Department in accordance with United States generally accepted accounting principles (GAAP) and the formats prescribed by the OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

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## Analysis of Systems, Controls, and Legal Compliance

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### Financial Management Systems

The Department's financial management systems strategy for FY 2024 was to largely complete the work associated with upgrading and migrating the Department's current on premise Unified Financial Management System (UFMS) to the cloud. UFMS delivers standard, core accounting and acquisition processes, as well as the data needed for effective financial and budget management. The Department plans to go-live on an upgraded version of UFMS, in the cloud, during the first quarter of FY 2025. The upgraded version of UFMS will provide a redesigned acquisitions management module as well as improvements to the integration with Treasury's G-Invoicing system. Throughout FY 2025, the Department will be evaluating current business processes to determine if additional efficiencies can be gained through the enhanced capabilities of the upgraded UFMS.

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

### Legal Compliance

Department of Justice management is committed to ensuring compliance with all applicable laws and regulations, including those related to data standards, appropriations, acquisitions, and employment. Compliance is addressed through established policies, procedures, and oversight by senior leadership. In FY 2024, internal reviews conducted by DOJ components, along with audits performed by the Government Accountability Office (GAO) and the Office of the Inspector General (OIG), identified isolated instances of noncompliance. However, none were significant enough to be reported as material weaknesses in the Department's Federal Managers' Financial Integrity Act (FMFIA) Assurance Statement on the following page.

### ***Federal Managers' Financial Integrity Act of 1982***

The *Federal Managers' Financial Integrity Act of 1982* (FMFIA or *Integrity Act*), 31 U.S.C. § 3512, provides the statutory basis for management's responsibility for and assessment of internal control. Such controls include program, operational, and administrative areas, as well as accounting and financial management. The *Integrity Act* requires federal agencies to establish controls that reasonably ensure obligations and costs are in compliance with applicable laws; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and revenues and expenditures are properly recorded and accounted for to maintain accountability over assets. The *Integrity Act* also requires agencies to annually assess and report on the internal control that protects the integrity of federal programs (FMFIA § 2) and whether financial management systems comply with government-wide requirements (FMFIA § 4).

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

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

## Management Assurances

### Federal Managers' Financial Integrity Act of 1982 Assurance Statement

The Federal Managers' Financial Integrity Act of 1982 (FMFIA or Integrity Act), 31 U.S.C. § 3512, provides the statutory basis for management's responsibility for and assessment of internal control. Such controls include program, operational, and administrative areas, as well as accounting and financial management. The Integrity Act requires federal agencies to establish controls that reasonably ensure obligations and costs are in compliance with applicable laws; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and revenues and expenditures are properly recorded and accounted for to maintain accountability over assets. The Integrity Act also requires agencies to annually assess and report on the internal control that protects the integrity of federal programs (FMFIA § 2) and whether financial management systems comply with government-wide requirements (FMFIA § 4).

Department of Justice management is responsible for managing risks and maintaining effective internal control to meet the objectives of FMFIA § 2 and § 4. In accordance with OMB Circular A-123, the Department conducted its assessment of risk and internal control. Based upon the results of the assessment and Assurance Statements provided by Department components, the Department can provide reasonable assurance that internal control over operations, reporting, and compliance was operating effectively as of September 30, 2024, except for the material weakness identified at the consolidated level due to improvements needed in the areas of financial management and reporting controls, risk assessment and monitoring and timely remediation of deficiencies. Details of the material weakness and the Department's corrective action plan are provided in Section III of this report.

### Federal Financial Management Improvement Act of 1996 Assurance Statement

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires agencies to have financial management systems that substantially comply with Federal financial management system requirements, Federal Accounting Standards, and the U.S. Government Standard General Ledger at the transaction level. Based on the assessments conducted by the Department, management has determined that its financial systems are in compliance with the FFMIA of 1996.

The Justice Department is committed to sound financial management principles as we pursue our priorities, including upholding the rule of law, keeping our country safe, and protecting civil rights. As the Department continues its important work, the Department is dedicated to using our funds responsibly and transparently. The Department will continue to work in FY 2025 to strengthen our controls in areas identified through the Department's internal review activities and by the Office of the Inspector General and Government Accountability Office.



Merrick B. Garland  
Attorney General  
November 22, 2024

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

This report meets legislated reporting requirements in the following other statutes:

***Inspector General (IG) Act of 1978, as Amended*** – Requires information on management actions in response to Inspector General audits

***Chief Financial Officers Act of 1990 (CFO)*** – Requires major executive departments and agencies to appoint a CFO to provide leadership and oversight for the implementation and maintenance of federal financial management practices

***Government Performance and Results Act of 1993 (GPRA) and GPRA Modernization Act of 2010 (GPRAMA)*** – Requires performance reporting against all established agency goals outlined in current strategic planning documents

***Government Management Reform Act of 1994 (GMRA)*** – Requires an audit of agency financial statements

***Reports Consolidation Act of 2000 (RCA)*** – Authorizes the consolidation of certain financial and performance management reports of federal agencies in an annual Performance and Accountability Report

***Payment Integrity Information Act of 2019 (PIIA)*** – Requires reporting on agency fraud reduction efforts and actions taken to address recommendations from recovery audit contractors



## Forward-Looking Information

### Key Risks and Response

Over the past year, the Department of Justice (DOJ) continued to operate under its FYs 2022-2026 Strategic Plan. The plan lays out five Strategic Goals: Uphold the Rule of Law; Keep Our Country Safe; Protect Civil Rights; Ensure Economic Opportunity and Fairness for All; and Administer Just Court and Correctional Systems. To assess and address the array of challenges and risks stemming from its wide-ranging objectives and strategies, the Department identified risk themes to highlight both the opportunities and the threats/dangers the agency faces to meet its diverse mission. The Department continues to focus on the important risk themes identified in the Strategic Plan:

#### Building Trust

- Protect Our Democratic Institutions: Our nation depends on the stability of its democratic institutions. Disinformation, manipulated data, and inaccurate reporting harm the Department, challenging the perception of fair, thorough, and impartial work. The Department will monitor, investigate, and prosecute extremist and other criminal organizations threatening the integrity of the justice system and create community relationships to build trust.
- Ensure Economic Opportunity and Fairness for All: In its pursuit of fair markets, the Department will help ensure that all companies compete by the same rules; that tax dollars flow to their intended recipients; and that corporate crime is deterred, detected, and prosecuted.
- Promote Trust Between Communities and Law Enforcement: Community trust in law enforcement is essential to making policing more effective and less dangerous for officers on the street. The Department will strengthen relationships between law enforcement officers and communities through continuous review and revisions of operating procedures.

#### Protecting Civil Rights and Combating Hate Crimes

- Ensure Fair and Safe Elections: The Department will address threats against election workers, foreign attempts to intervene in U.S. elections, and efforts to disenfranchise voters.
- Improve Prison Conditions: The Department will continue efforts to maintain, repair, and modernize prison infrastructure; recruit, train, and prioritize the well-being of a competent and diverse workforce; and promote inmate awareness of voting rights.
- Counter Foreign and Domestic Threats: The Department will support law enforcement at all levels as we work to protect our country from hate crimes, foreign and domestic terrorism, and transnational organized crime, while also zealously guarding civil liberties and ensuring our own accountability to the American people.

#### Increasing Coordination

- Combat Hate Crimes and Other Bias-Related Incidents: The Department will continue to combat and deter unlawful acts of hate, including by creating new coordination groups to bring together intelligence and operational resources from both civil rights and domestic terrorism programs.
- Strengthen Federal, State, Local, Tribal, and International Counterterrorism Partnerships: The Department will protect national security by maintaining strong partnerships with law enforcement and intelligence community partners.

### Reducing Drug Use and Poisonings

- Combat the Drug Trade: The Department is committed to stopping the importation of drugs including fentanyl, novel psychoactive substances, and precursor chemicals. The Department will also focus on disrupting drug cartels and the laundering of sale proceeds.
- Prevent Drug Poisoning: The Department will invest in programs to prevent opioid and other drug overdoses and poisonings based on data and stakeholder input by supporting education, treatment, and prevention.

### Expanding Data-Based Decision Making

- Create Efficient Processes: The Department will continue to seek ways to modernize its data management practices to handle increasing amounts of investigative and case data, which will improve efficiency, reduce the need for manual entry, and increase data integrity.
- Advance Equal Access to Justice: The Department will work closely with local, state, and federal partners to spearhead innovative and community-centered approaches to improve research and data collection to better understand access-to-justice gaps and better gauge whether programs are effective, equitable, and accessible.
- Promote Environmental Justice: The Department will build community partnerships and develop short- and long-term strategies for reducing environmental and public health burdens in overburdened and underserved low-income communities, communities of color, and Tribal and indigenous communities.

### Ensuring a High-Performing Workforce

- Protect Public Servants from Violence and Threats of Violence: Law enforcement officers and public officials face increased threats from the public. Staff safety is of the utmost importance to the Department, which will continue to prioritize and coordinate the protection of public servants.
- Foster a High-Performing Workforce that Represents the Public We Serve: The Department will continue to take a strategic and consistent approach to recruit, retain, and develop a highly skilled workforce that prioritizes equitable inclusive hiring practices at all levels of the Department.

### Monitoring the Impact of Technology

- Use and Track Artificial Intelligence (AI): The Department will use new technologies such as AI in circumstances that create benefits for the Department and the American people and ensure that AI has proper safeguards and oversight to prevent discrimination or bias against minority and marginalized communities. The Department will also enhance expertise to counter malicious criminal use of new technology, such as using AI in cyberattacks and abusive imagery.

## Climate-Related Risks and Response

DOJ is committed to contributing to the Federal government's leadership role in combating the climate crisis by integrating the most current climate science and assessment of climate-related risks into the management of its procurement, real property, and financial programs. In response to Executive Orders (EO) 14008, 14057, and 14030, DOJ prepared a Climate Action Plan that commits the Department to continue pursuing activities to bolster DOJ's adaptive capacity, enhance climate literacy, and ensure climate-ready facilities and a climate-ready supply of products and services. When assessing climate-related risks including extreme heat and precipitation, DOJ considers risks to physical assets and supply chain of primary concern. DOJ continues to address the workforce through the broad distribution of outreach material and quarterly newsletters highlighting climate adaptation, resilience, and sustainability concepts. Links to the most recent *Climate Adaptation Plan and Sustainability Report* can be found in Section III, Climate-Related Financial Risks.

In FY 2024, DOJ updated Policy Statement 1600.04, *Environmental and Sustainability Management*, to include goals outlined in EO 14057. Policy updates included climate resilient infrastructure and operations, environmental justice, climate training for the workforce, and new greenhouse gas (GHG) emissions and energy-related goals. DOJ also launched its Climate Resilience Dashboard, a Geographic Information System (GIS) based application, allowing users to visually determine a facility's exposure to seven different climate hazards. The GIS supports federal planning and reporting requirements as well as internal component-level assessment initiatives by helping internal DOJ users understand and prioritize projects based on climate hazard exposure.

DOJ's FY 2024 Sustainability Strategic Plan (SSP) focuses on carbon pollution-free electricity (CFE), zero-emission vehicles (ZEVs), and net zero emissions (NZE) buildings. To address the mandates outlined in EO 14057, DOJ is committed to working toward the following goals:

- Achieving 100 percent of its net annual facility electricity needs from CFE by year 2030 through continued implementation of lifecycle, cost-effective onsite CFE projects and procurement of CFE.
- Transitioning DOJ's vehicle fleet to 100 percent ZEVs, especially light-duty ZEV acquisitions by 2027.
- Establishing an NZE buildings portfolio by 2045, including reducing GHG emissions associated with facility operations by at least 50 percent by 2032, from the 2008 baseline levels.

Lastly, during the development of DOJ's 2024-2027 Climate Adaptation Plan (CAP), DOJ revalidated the most mission-critical supply chains, and committed to assisting on efforts to assess and mitigate risk.

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

| Summary of DOJ's Top Four At Risk Supplies and Services |   |  |
|---|---|--|
| At-Risk Supplies and Services                           | Actions to Address Hazard(s)  | Identify Progress Towards Addressing Hazards   |
| Telecommunications Systems                              | Use a wireless communications system that ensures uninterrupted wireless services.  | Several DOJ components utilize FirstNet to resolve connectivity issues associated with first responder communications during climate-related weather emergencies.  |
| Facilities and Construction                             | Understand facility-specific vulnerabilities, then integrate all practical resilience measures.                               | DOJ provided components with the F-CHAT Summary Report, outlining the top climate hazards to which components are exposed, and access to the internal DOJ Climate Resilience Dashboard, displaying climate hazard exposure assessments for real property assets.   |
| Transportation and Logistics Services                   | DOJ is evaluating climate-smart transportation resilience strategies that do not solely rely on fossil fuels.                 | DOJ coordinates with public and private sector partners to leverage access to fuel during extreme weather events. Bureaus are performing feasibility studies and installing electric vehicle charging stations for fleet and privately owned vehicles.   |
| Medical, Security, and Protection Supplies              | Diversify suppliers from more than one geographic region. Educate personnel on the need to prepare for severe weather events. | <p>BOP employees are encouraged to utilize local, small businesses for common supplies. Staff maintain adequate amounts of frequently used supplies and communicate with institutions and Regional Offices to look for any surplus stock of items that cannot be easily procured in an emergency.</p> <p>FBI Field Offices share supplies, personnel, and other resources as needed during emergencies. At-risk supplies are staged across the country for quicker access.</p> |

Additional information related to climate-related action plans, governance, strategy, risk management, and metrics can be found in Section III of this report.

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## SECTION II: FINANCIAL SECTION

*The Library of the U.S. Department of Justice*

### In This Section:

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### Overview

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The Department's financial statements have been prepared to report the financial position, results of operations, net position, budgetary resources, and custodial activity of the Department pursuant to the *CFO Act*, the *Government Management Reform Act of 1994 (GMRA)*, and the format suggested in *OMB A-136*. This data outlines not only the costs of programs, but also the costs of achieving individual results by major programs. The following section provides the Statements of Net Cost by Major Program for the DOJ, and it is aligned directly with the goals and objectives in the Department's *Strategic Plan* and *Annual Performance Plan (APP)*.

Following the Office of the Inspector General's Commentary and Summary, and the Independent Auditors' Report are the following financial statements:

**Consolidated Balance Sheets** – Presents resources owned or managed by the Department that are available to provide future economic benefits (assets); amounts owed by the Department that will require payments from those resources or future resources (liabilities) and residual amounts retained by the Department, comprising the difference (net position) as of September 30, 2024 and 2023.

**Consolidated Statements of Net Cost** – Presents the net cost of Department operations for the fiscal years ended September 30, 2024 and 2023. The Department's net cost of operations includes the gross costs incurred by the Department less any exchange revenue earned from Department activities.

**Consolidated Statements of Changes in Net Position** – Presents the change in the Department's net position resulting from the net cost of operations, budgetary financing sources other than exchange revenues, and other financing sources for the fiscal years ended September 30, 2024 and 2023.

**Combined Statements of Budgetary Resources** – Presents the budgetary resources available to the Department, the status of those resources, and the outlay of budgetary resources for the fiscal years ended September 30, 2024 and 2023.

**Combined Statements of Custodial Activity** – Presents the sources and disposition of non-exchange revenues collected or accrued by the Department on behalf of other recipient entities for the fiscal years ended September 30, 2024 and 2023.



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# COMMENTARY AND SUMMARY

## Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2024

### Objectives

Pursuant to Section 304(a) of the Chief Financial Officers Act of 1990, as expanded by Section 405(b) of the Government Management Reform Act of 1994, the Department of Justice (Department) Office of the Inspector General (OIG) contracted with the independent public accounting firm KPMG LLP (KPMG) to perform the audit of the Department's annual financial statements.

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

### Results in Brief

KPMG found that the Department's financial statements are fairly presented as of and for the year ended September 30, 2024, and issued an unmodified opinion. KPMG reported one material weakness in the Independent Auditors' Report and did not report any instances of non-compliance.

The OIG reviewed KPMG's report and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with Government Auditing Standards, was not intended to enable us to express, and we do not express, an opinion on the Department's financial statements, conclusions about the effectiveness of internal control, conclusions on whether the Department's financial management systems substantially complied with FFMIA, or conclusions on compliance and other matters. KPMG is responsible for the attached Independent Auditors' Report dated November 22, 2024, and the conclusions expressed in the report. Our review disclosed no instances where KPMG did not comply, in all material respects, with Government Auditing Standards.

### Audit Results

The fiscal year (FY) 2024 audit resulted in an unmodified opinion on the financial statements. An unmodified opinion means that the financial statements present fairly, in all material respects, the financial position and the results of the entity's operations in accordance with U.S. generally accepted accounting principles. For FY 2023, the Department also received an unmodified opinion on its financial statements (OIG Audit Division Report Number 24-020).

For FY 2024, KPMG reported one material weakness in the Independent Auditors' Report, noting that internal control weaknesses identified in the prior years' financial statements audit reports related to financial management and reporting controls and risk assessment remain throughout the Department. In addition, the report noted that improvements are needed related to monitoring and timely remediation of prior years' deficiencies. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

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

## Recommendations

KPMG provided the Department five recommendations to improve its internal controls. The five recommendations include one new recommendation, one repeated recommendation that was originally identified in FY 2023, and three updated recommendations made in FY 2022. Management concurred with KPMG's recommendations, and its response to the recommendations can be found in the Exhibit of the Independent Auditors' Report.

KPMG also evaluated whether the Department has taken the appropriate corrective action to address recommendations from the prior years' financial statements audits that remained open during the FY 2024

audit. The Department had four open OIG recommendations during FY 2024. The audit determined the Department had sufficiently addressed one and updated two of these recommendations, and the OIG has therefore closed these three recommendations. Corrective actions relevant to the open recommendations will be evaluated during the FY 2025 financial statements audit.

The following table provides the status of the recommendations as of the end of FY 2024. A "Resolved" status means that the Department has agreed to implement the recommendation or has proposed actions that will address the recommendation.

| Fiscal Year | Recommendations   | Status  |
|-------------|---|---|
| FY 2024     | <b>Recommendation 1:</b> Continue to recruit and retain individuals with relevant financial management and/or accounting skills, train, as well as cross-train existing resources on financial management standards, concepts, policies, and procedures. <i>(Update)</i>  | Resolved  |
|             | <b>Recommendation 2:</b> Assess reconciliation, review, and other monitoring controls to enhance the design of period end financial reporting controls, including the identification and investigation of significant variances for all financial statements. <i>(Repeat)</i>   | Closed <sup>a</sup><br><i>(Repeat of FY 2023 Recommendation No. 4. See next page)</i> |
|             | <b>Recommendation 3:</b> Enhance controls for the Department and the components to identify, analyze, and respond to risks and/or significant changes to operations and financial reporting processes. <i>(Update)</i>  | Resolved  |
|             | <b>Recommendation 4:</b> Enhance controls for the Department and the components to monitor and evaluate the design and effectiveness of existing controls and enhance communication between the Department and components. <i>(Update)</i>  | Resolved  |
|             | <b>Recommendation 5:</b> Enhance monitoring capabilities related to existing deficiencies to address existing design deficiencies and improve operating effectiveness of the related controls in a timely manner. Specifically, management should consider a baseline (current year) assessment and compare against management's design (future state) of the internal control system to address the objectives and risks of the Department. <i>(New)</i> | Resolved  |

| Fiscal Year | Recommendations   | Status   |
|-------------|---|--|
| FY 2023     | <b>Recommendation No. 2:</b> Federal Bureau of Prisons (BOP) continue to enhance the design and implementation of process level controls to be more specific in how the control should be performed, including standard criteria to consider in the performance of the control and sufficiently document the control so it can be consistently performed. Once controls are fully designed and implemented, BOP should monitor the operating effectiveness of the controls. | Closed   |
|             | <b>Recommendation No. 4:</b> Department assess reconciliation, financial reporting review, and other monitoring controls to increase the precision with which period end financial reporting is performed, including the identification and investigation of significant variances for all financial statements.  | Resolved   |
| FY 2022     | <b>Recommendation No. 1:</b> Department and BOP continue to recruit and retain individuals with relevant financial management and/or accounting skills, and train existing resources on financial management standards, concepts, policies, and procedures.   | Closed<br><i>(Updated by FY 2024 Recommendation No. 1. See prior page.)</i>        |
|             | <b>Recommendation No. 4:</b> Department design and implement a control for the Department and the components to monitor and evaluate significant changes to operations or financial reporting processes that will identify and respond to financial reporting risks, such as the adoption of new accounting policies and procedures, and implementations and conversions of financially relevant systems.   | Closed<br><i>(Updated by FY 2024 Recommendation Nos. 3 and 4. See prior page.)</i> |

<sup>a</sup> When our current audit work identifies a condition that requires the same corrective action covered by an open recommendation from a prior year, we retain the prior year open recommendation to track the origin of the recommendation.



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

## Independent Auditors' Report

Inspector General  
U.S. Department of Justice

United States Attorney General  
U.S. Department of Justice

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of the U.S. Department of Justice (Department), which comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources and custodial activity for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the U.S. Department of Justice as of September 30, 2024 and 2023, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

As discussed in Notes 1.K, 9, and 13 to the consolidated financial statements, in fiscal year 2024, the Department adopted Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 54, *Leases*, and related amendments. Our opinion is not modified with respect to this matter.

#### *Other Matter - Interactive Data*

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

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



### *Responsibilities of Management for the Consolidated Financial Statements*

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

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the U.S. Department of Justice's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### *Required Supplementary Information*

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



basic consolidated financial statements. Such missing information, although not a part of the basic consolidated financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic consolidated financial statements is not affected by this missing information.

#### *Other Information*

Management is responsible for the other information included in the Agency Financial Report. The other information comprises the Introduction, Message from the Attorney General, Section III - Other Information, and Appendices, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

##### *Report on Internal Control Over Financial Reporting*

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2024, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

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

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

##### *Report on Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Department's consolidated financial statements as of and for the year ended September 30, 2024, are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.





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

*Department's Response to Finding*

*Government Auditing Standards* requires the auditor to perform limited procedures on the Department's response to the finding identified in our audit and described in the Exhibit. The Department's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

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

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.  
November 22, 2024

## Material Weakness

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

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### Improvements are Needed in Financial Management and Reporting Controls, Risk Assessment, Monitoring, and Timely Remediation of Deficiencies

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The U.S. Department of Justice (Department) has a reporting structure of nine principal components. The preparation of the Department's consolidated financial statements is a complex process and dependent on Department components' controls surrounding entering complete and accurate information in the Department's financial management systems to ensure accurate financial reporting.

Internal control is a dynamic process that must adapt to the risks and changes in conditions faced by the Department. The Department's ongoing monitoring of the internal control system is critical to keep controls aligned with its environment.

During fiscal year (FY) 2024, the Department continued implementing corrective action plans to address internal control weaknesses and strengthen its internal control. However, deficiencies remain that highlight the need for improved financial management and reporting controls, risk assessment, monitoring, and timely remediation of prior year deficiencies throughout the Department.

Specifically, we identified the following:

#### I. Financial management and reporting deficiencies:

The preparation and review control activities over the Department's consolidated financial statements and its components' financial statements were not operating effectively. To prepare interim and year-end financial statements, components submit financial information to the Justice Management Division (JMD), which then compiles the information in the consolidated financial statements. We identified material misstatements in the components' financial information and the consolidated financial statements. Examples of deficiencies include:

- Insufficient and inaccurate analysis of fluctuations in the financial statements.
- Materially incorrect balances and explanations of variances in the management's discussion and analysis section, including fluctuations of over 100,000 percent that were not identified in management's review.
- Omission of over \$7 billion in Note 25, *Reclassification of Financial Statement Line Items for Financial Report Compilation Process* and presentation errors to subsequent versions of the same note.
- In component specific information, errors in the note presentation of the liability amounts disclosed for the equitable sharing program.
- Insufficient review of the component contingent legal liability responses, resulting in adjustments of over \$50 million.
- Incorrect amounts reported in Note 23, *Reconciliation of Net Cost to Net Outlays*, resulting in errors of \$560 million between captions.
- Misstatements on the Statement of Custodial Activity of \$360 million between two entities in the Disposition of Collections section.

## II. Deficiencies in the risk assessment process:

The Department and its components' risk assessment procedures were not operating effectively. We noted the following deficiencies on the identification, evaluation, and response to both risks and changes impacting the internal control system and financial statements.

- Failure to account for changes in operations that impact the financial statements, including an insufficient response to changes in inputs to certain liabilities, resulting in a \$200 million adjustment.
- Lack of a consistent process to identify and record eliminations and failure to consider enhancements leveraging available technologies.
- Insufficient risk assessment of certain accounts receivables associated with outstanding debts, and the related impact on the allowance for doubtful accounts.

## III. Deficiencies in the monitoring of internal controls:

The Department and its components' monitoring of control activities was not operating effectively. Monitoring is critical to ensuring controls continue to operate effectively, to mitigate identified risks, as well as identifying needed revisions to the design and implementation of controls.

- Insufficient monitoring and analysis of internal controls and financial analysis, including the design and effectiveness of controls related to the accurate recording of expenses, which impacted the timely issuance of the auditors' report.
- Insufficient monitoring and communication of information between JMD and components, including, but not limited to, the implementation of SFFAS 54, *Leases*, and related amendments, including ensuring components have a process to maintain reporting in accordance with the guidance.

## IV. Untimely remediation of prior year deficiencies:

Since FY 2021, a material weakness in internal controls has been reported for the Department and control deficiencies were identified at the components. While the Department has made some progress in addressing the findings, we continue to identify similar deficiencies.

The Department faced many financial management challenges over the last several years, including bringing the remaining components onto the Department's centralized accounting system, the Unified Financial Management System (UFMS). In addition to UFMS, certain components implemented other process-specific systems during this time. The efforts needed to bring the new systems online were significant and required the Department and components to focus additional resources on the implementations. These additional efforts impacted the Department's capacity to strengthen its communication of financial information throughout the Department, including receiving quality information from component management and personnel. The Department has also faced resource constraints and has not consistently cross-trained personnel in certain financial reporting responsibilities. Despite the completion of the multi-year financial management strategy to consolidate multiple financial management systems into one system in FY 2022, the Department has not capitalized on the opportunity to implement more consistent processes across components and improve its data for analysis and reporting.

As a result of the above deficiencies, there is a reasonable possibility that a material misstatement in the Department's financial statements would not be prevented or detected and corrected on a timely basis.

The Department made the necessary corrections to its year-end financial statements to ensure the disclosures were presented fairly, in all material respects.

**Criteria:**

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* defines management's responsibility for internal control. Relevant sections include: Principle 4 – Demonstrate Commitment to Competence; Principle 7 – Identify, Analyze, and Respond to Risk; Principle 9 – Identify, Analyze, and Respond to Change; Principle 10 – Design Control Activities; Principle 14 – Communicate Internally; Principle 16 – Perform Monitoring Activities; and Principle 17 – Evaluate Issues and Remediate Deficiencies.

**Recommendations:**

We recommend that the Department:

1. Continue to recruit and retain individuals with relevant financial management and/or accounting skills, train, as well as cross-train existing resources on financial management standards, concepts, policies, and procedures.

**Management Response:** Management concurs with the recommendation. The Department has initiated actions based on implementation of the DOJ Strategic Plan Strategic Goal 1: Uphold the Rule of Law Objective 1.2: Promote Good Government by updating internal guidance, best practices, and policies related to outreach, recruitment, and hiring. The Department will continue recruitment of individuals with accounting and financial management skills nationally and provide training to new and existing personnel. Specifically, the Department:

- During FY 2024 the Department provided Federal Financial Management training to more than 250 employees, and more than 2,100 employees since FY 2019. The Department expects to train several hundred additional staff during FY 2025.
  - Continue to recruit and hire qualified accounting and financial management candidates from across the United States.
  - Update standard operating procedures to include sufficient detail and review requirements on all relevant aspects of the operation and communicate and provide cross-training to personnel regarding the updated standard operating procedures.
2. Assess reconciliation, review, and other monitoring controls to enhance the design of period end financial reporting controls, including the identification and investigation of significant variances for all financial statements.

**Management Response:** Management concurs with the finding. The Department will continue to enhance our internal control reviews over month and quarter end component financial reporting and operations to identify and investigate significant variances to prevent potential misstatements. The Department will take the following steps to improve overall financial reporting:

- The Department is in the process of deploying a new tool set to generate financial statements and the Agency Financial Report (AFR) that will replace a more than twenty-year-old legacy system. This new tool will provide a consistent platform for use by all components that will improve the accuracy and timeliness of the Department's financial reporting process.
- Department management will continue to work with the Department's reporting components to ensure that the annual non-GAAP analysis at the consolidated level include assessing the impact of individual component non-GAAP policies on other reporting components.
- The Department will provide additional training to ensure the preparers and reviewers of the significant variance analysis are well-equipped and knowledgeable to identify significant variances and provide sufficient responses to variances identified.

- The Department will strengthen its processes and procedures for identifying and reclassifying prepaid expenses. In FY 2025 the Department will issue new guidance around the identification of and proper accounting for prepaid expenses and update existing guidance around property to clarify differences in traditional software licenses and cloud-based software as a service. The Department is also developing new analytic tools to identify potential prepaid expenses that require reclassification.

The Department recognizes the importance of continuous refinement and improvement of internal control procedures to ensure accuracy in financial data and reporting throughout the fiscal year. The Department will further enhance its existing financial statement preparation and review process to ensure the accuracy and validity of component submissions. These new processes will also include implementing additional approval and quality control measures by relevant stakeholders to ensure completeness and accuracy of the components financial statements to prevent misstatements within the Department's consolidated Financial Statements.

3. Enhance controls for the Department and the components to identify, analyze, and respond to risks and/or significant changes to operations and financial reporting processes.

**Management Response:** Management concurs with the recommendation. The Department will assess and implement new processes to evaluate models used to calculate custodial and programmatic liabilities. The Department will conduct additional analysis on existing models to determine if accounting adjustments are warranted based on recent vs historical trends.

4. Enhance controls for the Department and the components to monitor and evaluate the design and effectiveness of existing controls and enhance communication between the Department and components.

**Management Response:** Management concurs with the recommendation. The Department will continue to work across the reporting components to enhance communication channels to support the dissemination of information generally, with an emphasis on the second year of SFFAS 54 implementation. Additionally, the Department will enhance its existing controls to monitor how DOJ financial reporting components evaluate FY 2025 obligation activity to identify modifications to lease agreements, embedded leases, as well as new lease agreements to ensure compliance with SFFAS 54 and SFFAS 62.

5. Enhance monitoring capabilities related to existing deficiencies to address existing design deficiencies and improve operating effectiveness of the related controls in a timely manner. Specifically, management should consider a baseline (current year) assessment and compare against management's design (future state) of the internal control system to address the objectives and risks of the Department.

**Management Response:** Management concurs with the recommendation. The Department will continue to enhance our existing process to address previously identified internal control deficiencies. Focus areas will center on recurring deficiencies and the development of new processes and technologies to address these deficiencies. The Department will:

- Evaluate adding additional edits to financial systems to ensure trading partner information is included on obligation transactions and that the information is accurate.
- The Department will create reports and business processes that systemically link buyer obligation data with seller revenue agreements to ensure that revenue and expense data match at the transaction level.
- Review existing thresholds for Intradepartmental activity to ensure that material errors are mitigated and that the thresholds support a complete analysis of Intragovernmental activity.

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**U.S. Department of Justice  
Consolidated Balance Sheets  
As of September 30, 2024 and 2023**

| <b>Dollars in Thousands</b>  | <b>2024</b>                 | <b>2023</b>                 |
|--|-----------------------------|-----------------------------|
| <b>ASSETS (Note 2)</b>   |                             |                             |
| Intragovernmental Assets:  |                             |                             |
| Fund Balance with Treasury (Note 3)  | \$ 37,383,550               | \$ 36,853,673               |
| Investments, Net (Note 5)  | 6,496,920                   | 6,451,424                   |
| Accounts Receivable, Net (Note 6)  | 606,361                     | 656,923                     |
| Advances and Prepayments   | 302,429                     | 148,097                     |
| Other Assets (Note 10)   | 48,689                      | 55,914                      |
| Total Intragovernmental Assets   | <u>\$ 44,837,949</u>        | <u>\$ 44,166,031</u>        |
| Other than Intragovernmental Assets:   |                             |                             |
| Cash and Other Monetary Assets (Note 4)  | \$ 3,418,500                | \$ 3,281,573                |
| Accounts Receivable, Net (Note 6)  | 526,118                     | 1,451,133                   |
| Inventory and Related Property, Net:   |                             |                             |
| Forfeited Property, Net (Note 8)   | 332,042                     | 105,996                     |
| Other Inventory and Related Property, Net (Note 7)                             | 126,761                     | 128,215                     |
| Property, Plant and Equipment, Net (Note 9)                                    | 8,519,791                   | 7,766,789                   |
| Advances and Prepayments   | 627,385                     | 501,449                     |
| Other Assets (Note 10)   | 253                         | 337                         |
| Total Other than Intragovernmental Assets                                      | <u>\$ 13,550,850</u>        | <u>\$ 13,235,492</u>        |
| <b>Total Assets</b>  | <u><b>\$ 58,388,799</b></u> | <u><b>\$ 57,401,523</b></u> |
| <b>LIABILITIES (Note 11)</b>   |                             |                             |
| Intragovernmental Liabilities:   |                             |                             |
| Accounts Payable   | \$ 357,724                  | \$ 411,248                  |
| Advances from Others and Deferred Revenue                                      | 265,437                     | 224,459                     |
| Other Liabilities:   |                             |                             |
| Custodial Liabilities (Note 22)  | 807,844                     | 1,367,232                   |
| Other (Note 16)  | 506,134                     | 652,596                     |
| Total Intragovernmental Liabilities  | <u>\$ 1,937,139</u>         | <u>\$ 2,655,535</u>         |
| Other than Intragovernmental Liabilities:                                      |                             |                             |
| Accounts Payable   | \$ 2,579,026                | \$ 2,763,274                |
| Federal Employee Salary, Leave and Benefits (Note 15)                          | 1,426,482                   | 1,921,378                   |
| Post-Employment Benefits (Note 15)   | 1,715,715                   | 1,650,154                   |
| Environmental and Disposal Liabilities (Note 12)                               | 88,204                      | 86,017                      |
| Advances from Others and Deferred Revenue                                      | 1,218,635                   | 968,378                     |
| Other Liabilities:   |                             |                             |
| Accrued Grant Liabilities  | 915,002                     | 825,428                     |
| Seized Cash and Monetary Instruments (Note 14)                                 | 4,868,845                   | 4,752,101                   |
| Radiation Exposure Compensation Act Liabilities (Note 26)                      | 33,474                      | 48,779                      |
| September 11th Victim Compensation Fund Liabilities (Note 26)                  | 2,753,703                   | 2,981,356                   |
| United States Victims of State Sponsored Terrorism Act Liabilities (Note 26)   | 4,556,817                   | 3,320,721                   |
| Lessee Lease Liability (Note 13)   | 420,919                     | —                           |
| Other (Note 16)  | 980,082                     | 754,880                     |
| Total Other than Intragovernmental Liabilities                                 | <u>\$ 21,556,904</u>        | <u>\$ 20,072,466</u>        |
| <b>Total Liabilities</b>   | <u><b>\$ 23,494,043</b></u> | <u><b>\$ 22,728,001</b></u> |
| Commitments and Contingencies (Note 17)  |                             |                             |
| <b>NET POSITION</b>  |                             |                             |
| <b>Unexpended Appropriations:</b>  |                             |                             |
| Unexpended Appropriations - Funds from Dedicated Collections (Note 18)         | \$ 3,057,176                | \$ 3,037,054                |
| Unexpended Appropriations - Funds from other than Dedicated Collections        | 21,579,496                  | 22,044,459                  |
| <b>Total Unexpended Appropriations</b>   | <u><b>\$ 24,636,672</b></u> | <u><b>\$ 25,081,513</b></u> |
| <b>Cumulative Results of Operations:</b>                                       |                             |                             |
| Cumulative Results of Operations - Funds from Dedicated Collections (Note 18)  | 6,686,593                   | 6,205,000                   |
| Cumulative Results of Operations - Funds from other than Dedicated Collections | 3,571,491                   | 3,387,009                   |
| <b>Total Cumulative Results of Operations</b>                                  | <u><b>\$ 10,258,084</b></u> | <u><b>\$ 9,592,009</b></u>  |
| <b>Total Net Position</b>  | <u><b>\$ 34,894,756</b></u> | <u><b>\$ 34,673,522</b></u> |
| <b>Total Liabilities and Net Position</b>                                      | <u><b>\$ 58,388,799</b></u> | <u><b>\$ 57,401,523</b></u> |

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



**U.S. Department of Justice**  
**Consolidated Statements of Net Cost**  
**For the Fiscal Years Ended September 30, 2024 and 2023**

| <b>Dollars in Thousands</b>   | <b>2024</b>                 | <b>2023</b>                 |
|---|-----------------------------|-----------------------------|
| <b>Major Program 1: Law Enforcement</b>                               |                             |                             |
| Gross Cost  | \$ 22,401,311               | \$ 21,330,228               |
| Less: Earned Revenues   | 1,553,078                   | 1,446,732                   |
| Subtotal Net Cost of Operations (Note 19)                             | <u>\$ 20,848,233</u>        | <u>\$ 19,883,496</u>        |
| <b>Major Program 2: Litigation and Compensation</b>                   |                             |                             |
| Gross Cost  | \$ 8,663,395                | \$ 11,786,496               |
| Less: Earned Revenues   | 496,590                     | 412,031                     |
| Subtotal Net Cost of Operations (Note 19)                             | <u>\$ 8,166,805</u>         | <u>\$ 11,374,465</u>        |
| <b>Major Program 3: Prisons and Detention</b>                         |                             |                             |
| Gross Cost  | \$ 12,547,319               | \$ 12,534,361               |
| Less: Earned Revenues   | 890,346                     | 947,520                     |
| Subtotal Net Cost of Operations (Note 19)                             | <u>\$ 11,656,973</u>        | <u>\$ 11,586,841</u>        |
| <b>Major Program 4: Grants</b>  |                             |                             |
| Gross Cost  | \$ 5,897,608                | \$ 5,810,909                |
| Less: Earned Revenues   | 13,779                      | 21,148                      |
| Subtotal Net Cost of Operations (Note 19)                             | <u>\$ 5,883,829</u>         | <u>\$ 5,789,761</u>         |
| <b>Major Program 5: Executive Oversight and Enterprise Technology</b> |                             |                             |
| Gross Cost  | \$ 2,722,751                | \$ 2,600,987                |
| Less: Earned Revenues   | 517,065                     | 483,925                     |
| Subtotal Net Cost of Operations (Note 19)                             | <u>\$ 2,205,686</u>         | <u>\$ 2,117,062</u>         |
| <b>Total Net Cost of Operations</b>                                   | <u><u>\$ 48,761,526</u></u> | <u><u>\$ 50,751,625</u></u> |

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

**U.S. Department of Justice**  
**Consolidated Statements of Changes in Net Position**  
**For the Fiscal Years Ended September 30, 2024 and 2023**

**Dollars in Thousands**

|   | <b>2024</b>   |  |                     |                      |
|---|---|--|---------------------|----------------------|
|   | <b>Funds from<br/>Dedicated<br/>Collections<br/>(Note 18)</b> | <b>Funds from<br/>other than<br/>Dedicated<br/>Collections</b> | <b>Eliminations</b> | <b>Total</b>         |
| <b>Unexpended Appropriations</b>                          |   |  |                     |                      |
| <b>Beginning Balances</b>                                 | <b>\$ 3,037,054</b>   | <b>\$ 22,044,459</b>   | <b>\$ —</b>         | <b>\$ 25,081,513</b> |
| Appropriations Received                                   | —   | 40,444,565   | —                   | 40,444,565           |
| Appropriations Transferred-In/Out                         | 19,300  | 635,391  | —                   | 654,691              |
| Other Adjustments   | (1)   | (298,500)  | —                   | (298,501)            |
| Appropriations Used                                       | 823   | (41,246,419)   | —                   | (41,245,596)         |
| <b>Net Change in Unexpended Appropriations</b>            | <b>\$ 20,122</b>  | <b>\$ (464,963)</b>  | <b>\$ —</b>         | <b>\$ (444,841)</b>  |
| <b>Total Unexpended Appropriations</b>                    | <b>\$ 3,057,176</b>   | <b>\$ 21,579,496</b>   | <b>\$ —</b>         | <b>\$ 24,636,672</b> |
| <b>Cumulative Results of Operations</b>                   |   |  |                     |                      |
| <b>Beginning Balances</b>                                 | <b>\$ 6,205,000</b>   | <b>\$ 3,387,009</b>  | <b>\$ —</b>         | <b>\$ 9,592,009</b>  |
| Other Adjustments   | (500,000)   | (206,816)  | —                   | (706,816)            |
| Appropriations Used                                       | (823)   | 41,246,419   | —                   | 41,245,596           |
| Nonexchange Revenues                                      | 2,959,363   | 26,252   | —                   | 2,985,615            |
| Donations and Forfeitures of Cash and Cash<br>Equivalents | 2,479,951   | 5  | —                   | 2,479,956            |
| Transfers-In/Out Without Reimbursement                    | (93,394)  | 619,403  | —                   | 526,009              |
| Donations and Forfeitures of Property                     | 525,581   | —  | —                   | 525,581              |
| Imputed Financing (Note 20)                               | 102,526   | 2,306,974  | (16,878)            | 2,392,622            |
| Other   | 12  | (20,974)   | —                   | (20,962)             |
| <b>Net Cost of Operations</b>                             | <b>(4,991,623)</b>  | <b>(43,786,781)</b>  | <b>16,878</b>       | <b>(48,761,526)</b>  |
| <b>Net Change in Cumulative Results of Operations</b>     | <b>481,593</b>  | <b>184,482</b>   | <b>—</b>            | <b>666,075</b>       |
| <b>Total Cumulative Results of Operations</b>             | <b>\$ 6,686,593</b>   | <b>\$ 3,571,491</b>  | <b>\$ —</b>         | <b>\$ 10,258,084</b> |
| <b>Net Position</b>                                       | <b>\$ 9,743,769</b>   | <b>\$ 25,150,987</b>   | <b>\$ —</b>         | <b>\$ 34,894,756</b> |

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

**U.S. Department of Justice**  
**Consolidated Statements of Changes in Net Position**  
**For the Fiscal Years Ended September 30, 2024 and 2023**

**Dollars in Thousands**

|   | 2023  |  |               |                      |
|---|---|--|---------------|----------------------|
|   | Funds from<br>Dedicated<br>Collections<br>(Note 18) | Funds from<br>other than<br>Dedicated<br>Collections | Eliminations  | Total                |
| <b>Unexpended Appropriations</b>                          |   |  |               |                      |
| <b>Beginning Balances</b>                                 | <b>\$ (1,444)</b>                                   | <b>\$ 19,924,921</b>                                 | <b>\$ —</b>   | <b>\$ 19,923,477</b> |
| Appropriations Received                                   | 5,707,596   | 41,176,859   | —             | 46,884,455           |
| Appropriations Transferred-In/Out                         | —   | 433,693  | —             | 433,693              |
| Other Adjustments   | (406)   | (414,339)  | —             | (414,745)            |
| Appropriations Used                                       | (2,668,692)   | (39,076,675)   | —             | (41,745,367)         |
| <b>Net Change in Unexpended Appropriations</b>            | <b>\$ 3,038,498</b>                                 | <b>\$ 2,119,538</b>                                  | <b>\$ —</b>   | <b>\$ 5,158,036</b>  |
| <b>Total Unexpended Appropriations</b>                    | <b>\$ 3,037,054</b>                                 | <b>\$ 22,044,459</b>                                 | <b>\$ —</b>   | <b>\$ 25,081,513</b> |
| <b>Cumulative Results of Operations</b>                   |   |  |               |                      |
| <b>Beginning Balances</b>                                 | <b>\$ 8,438,893</b>                                 | <b>\$ 3,176,627</b>                                  | <b>\$ —</b>   | <b>\$ 11,615,520</b> |
| Other Adjustments   | (500,000)   | (100,086)  | —             | (600,086)            |
| Appropriations Used                                       | 2,668,692   | 39,076,675   | —             | 41,745,367           |
| Nonexchange Revenues                                      | 1,982,718   | 560  | —             | 1,983,278            |
| Donations and Forfeitures of Cash and Cash<br>Equivalents | 3,007,157   | 681  | —             | 3,007,838            |
| Transfers-In/Out Without Reimbursement                    | (24,051)  | 692,651  | —             | 668,600              |
| Donations and Forfeitures of Property                     | 224,397   | —  | —             | 224,397              |
| Imputed Financing (Note 20)                               | 63,624  | 1,665,104  | (16,515)      | 1,712,213            |
| Other   | 1   | (13,494)   | —             | (13,493)             |
| <b>Net Cost of Operations</b>                             | <b>(9,656,431)</b>                                  | <b>(41,111,709)</b>                                  | <b>16,515</b> | <b>(50,751,625)</b>  |
| <b>Net Change in Cumulative Results of Operations</b>     | <b>(2,233,893)</b>                                  | <b>210,382</b>                                       | <b>—</b>      | <b>(2,023,511)</b>   |
| <b>Total Cumulative Results of Operations</b>             | <b>\$ 6,205,000</b>                                 | <b>\$ 3,387,009</b>                                  | <b>\$ —</b>   | <b>\$ 9,592,009</b>  |
| <b>Net Position</b>                                       | <b>\$ 9,242,054</b>                                 | <b>\$ 25,431,468</b>                                 | <b>\$ —</b>   | <b>\$ 34,673,522</b> |

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

**U.S. Department of Justice**  
**Combined Statements of Budgetary Resources**  
**For the Fiscal Year Ended September 30, 2024 and 2023**

| Dollars in Thousands  | 2024                 | 2023                 |
|---|----------------------|----------------------|
| <b>Budgetary Resources</b>  |                      |                      |
| Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory) (Note 21) | \$ 15,982,815        | \$ 11,965,777        |
| Appropriations (discretionary and mandatory)  | 45,949,939           | 52,846,439           |
| Spending Authority from Offsetting Collections (discretionary and mandatory)                      | 5,953,439            | 5,141,631            |
| <b>Total Budgetary Resources</b>  | <b>\$ 67,886,193</b> | <b>\$ 69,953,847</b> |
| <b>Status of Budgetary Resources</b>  |                      |                      |
| New Obligations and Upward Adjustments (Total)  | \$ 52,674,804        | \$ 56,254,722        |
| Unobligated Balance, End of Year:   |                      |                      |
| Apportioned, Unexpired Accounts   | 13,088,145           | 11,994,847           |
| Exempt from Apportionment, Unexpired Accounts   | 378,399              | 340,687              |
| Unapportioned, Unexpired Accounts   | 491,681              | 277,250              |
| Unexpired Unobligated Balance, End of Year  | 13,958,225           | 12,612,784           |
| Expired Unobligated Balance, End of Year  | 1,253,164            | 1,086,341            |
| Unobligated Balance - End of Year (Total)   | 15,211,389           | 13,699,125           |
| <b>Total Status of Budgetary Resources</b>  | <b>\$ 67,886,193</b> | <b>\$ 69,953,847</b> |
| <b>Outlays, Net</b>   |                      |                      |
| Outlays, Net (Total) (discretionary and mandatory)  | \$ 46,868,664        | \$ 46,146,549        |
| Less: Distributed Offsetting Receipts   | 1,613,185            | 1,194,317            |
| Agency Outlays, Net (discretionary and mandatory)   | <b>\$ 45,255,479</b> | <b>\$ 44,952,232</b> |

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

**U.S. Department of Justice**  
**Combined Statements of Custodial Activity**  
**For the Fiscal Years Ended September 30, 2024 and 2023**

| Dollars in Thousands   | 2024               | 2023               |
|--|--------------------|--------------------|
| <b>Total Custodial Revenue</b>                               |                    |                    |
| Sources of Cash Collections                                  |                    |                    |
| Federal Debts, Fines, Penalties and Restitution              | \$ 7,498,029       | \$ 6,734,662       |
| Fees and Licenses  | 176,015            | 126,371            |
| Miscellaneous  | 1,150              | 5,193              |
| Total Cash Collections                                       | \$ 7,675,194       | \$ 6,866,226       |
| Accrual Adjustments  | (702,183)          | (1,023,964)        |
| <b>Total Custodial Revenue (Note 22)</b>                     | <b>6,973,011</b>   | <b>5,842,262</b>   |
| <b>Disposition of Collections</b>                            |                    |                    |
| Transferred to Federal Agencies                              |                    |                    |
| Government Printing Office                                   | (4)                | (5)                |
| The Judiciary  | (85,520)           | (84,738)           |
| U.S. Department of Agriculture                               | (100,143)          | (169,756)          |
| U.S. Department of Commerce                                  | (1,622)            | (17,047)           |
| U.S. Department of the Interior                              | (612,424)          | (550,361)          |
| U.S. Department of Justice                                   | (447,466)          | (273,757)          |
| U.S. Department of Labor                                     | (3,819)            | (10,747)           |
| U.S. Postal Service  | (7,192)            | (2,940)            |
| U.S. Department of State                                     | (11,215)           | (367)              |
| U.S. Department of the Treasury                              | (1,438,548)        | (585,251)          |
| Office of Personnel Management                               | (2,403)            | (2,931)            |
| Federal Communications Commission                            | (147)              | (1,258)            |
| Social Security Administration                               | (441)              | (316)              |
| Federal Trade Commission                                     | (17,270)           | (318,566)          |
| International Trade Commission                               | —                  | (5,147)            |
| U.S. Department of Veterans Affairs                          | (17,968)           | (25,314)           |
| Equal Employment Opportunity Commission                      | (2)                | (1)                |
| General Services Administration                              | (4,464)            | (2,628)            |
| National Science Foundation                                  | (1,172)            | (62)               |
| Securities and Exchange Commission                           | (219)              | —                  |
| Federal Deposit Insurance Corporation                        | (22)               | (125)              |
| National Endowment For the Humanities                        | —                  | (34)               |
| Railroad Retirement Board                                    | (155)              | (172)              |
| Tennessee Valley Authority                                   | (50)               | (937)              |
| Environmental Protection Agency                              | (1,737,683)        | (182,519)          |
| U.S. Department of Transportation                            | (7,780)            | (18,457)           |
| U.S. Department of Homeland Security                         | (489,709)          | (163,867)          |
| Small Business Administration                                | (49,782)           | (8,770)            |
| U.S. Department of Health and Human Services                 | (1,190,043)        | (1,647,589)        |
| United States Intl Development Finance Corporation           | (25)               | (33)               |
| National Aeronautics and Space Administration                | (547)              | (5,386)            |
| Export-Import Bank of the United States                      | (818)              | (1,074)            |
| U.S. Department of Housing and Urban Development             | (33,291)           | (36,161)           |
| U.S. Department of Energy                                    | (16,936)           | (1,530)            |
| U.S. Department of Education                                 | (8,546)            | (2,857)            |
| Commodities Futures Trading Commission                       | (2,615)            | (115)              |
| Corporation of National & Community Services                 | (60)               | (316)              |
| Federal Reserve Board  | (961)              | (3)                |
| Treasury General Fund  | (531,696)          | (1,796,590)        |
| U.S. Department of Defense                                   | (74,398)           | (373,067)          |
| Transferred to the Public                                    | (422,095)          | (630,973)          |
| (Increase)/Decrease in Amounts Yet to be Transferred         | 549,143            | 1,278,995          |
| Increase/(Decrease) in Refunds Payable and Other Liabilities | (8,183)            | (8,296)            |
| <b>Retained by the Reporting Entity</b>                      | <b>(194,720)</b>   | <b>(191,194)</b>   |
| <b>Total Disposition Of Collections</b>                      | <b>(6,973,011)</b> | <b>(5,842,262)</b> |
| <b>Custodial Revenue Less Disposition of Collections</b>     | <b>\$ —</b>        | <b>\$ —</b>        |

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

## **Note 1. Summary of Significant Accounting Policies**

### **A. Reporting Entity**

The DOJ (Department) has a wide range of responsibilities which include: detecting, apprehending, prosecuting, and incarcerating criminal offenders; operating federal prison factories; upholding the civil rights of all Americans; enforcing laws to protect the environment; ensuring healthy competition of business in the United States' free enterprise system; safeguarding the consumer from fraudulent activity; carrying out the immigration laws of the United States; and representing the American people in all legal matters involving the U.S. Government. Under the direction of the Attorney General, these responsibilities are discharged by the components of the Department.

For purposes of these consolidated/combined financial statements, the following components comprise the Department's reporting entity:

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

### **B. Basis of Presentation**

These financial statements have been prepared from the books and records of the Department in accordance with United States generally accepted accounting principles issued by the FASAB and presentation guidelines in the *OMB A-136*. These financial statements are different from the financial reports prepared pursuant to OMB directives which are used to monitor and control the use of the Department's budgetary resources. The accompanying financial statements include the accounts of all funds under the Department's control. To ensure that the Department financial statements are meaningful at the entity level and to enhance reporting consistency within the Department, Other Liabilities, as defined by *OMB A-136*, have been disaggregated on the Consolidated Balance Sheets. These include Custodial Liabilities; Accrued Grant Liabilities; Seized Cash and Monetary Instruments; Radiation Exposure Compensation Act Liabilities (RECA); September 11<sup>th</sup> Victim Compensation Fund Liabilities; USVSSTF Liabilities; and Lessee Lease Liabilities. Additionally, Inventory and Related Property, Net have been disaggregated on the Consolidated Balance Sheets to identify Forfeited Property, Net, and Inventory and Related Property, Net.

**Note 1. Summary of Significant Accounting Policies (continued)**

**C. Basis of Consolidation**

The consolidated/combined financial statements of the Department include the accounts of the AFF/SADF, ATF, BOP, DEA, FBI, FPI, OBDs, OJP, and USMS. All significant proprietary intra-departmental transactions and balances have been eliminated in consolidation. The Statements of Budgetary Resources and Statements of Custodial Activity are combined statements for FYs 2024 and 2023, and as such, intra-departmental transactions have not been eliminated.

**D. Basis of Accounting**

Transactions are recorded on the accrual and budgetary bases of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred, regardless of when cash is exchanged. Under the budgetary basis, however, funds availability is recorded based upon legal considerations and constraints. As a result, certain line items on the proprietary financial statements may not equal similar line items on the budgetary financial statements. FPI is non-appropriated and is self-sustaining. While FPI performs budgetary accounting in preparing its financial statements, FPI does not record budgetary information at the transaction level. Additionally, FPI's revenues are primarily derived from the sale of products and services to other federal departments, agencies, and government institutions that purchase products listed on FPI's Schedule of Products.

Custodial activity reported on the Combined Statements of Custodial Activity, reports revenue from cash collections separately from receivable accruals, and cash disbursements are reported separately from payable accruals. Civil and Criminal Debt Collections are recorded when the Department receives payment from debtors. The accrual adjustment recorded on the Statements of Custodial Activity recognizes custodial accounts receivable, adjusts cash collections, and refund disbursements with the net increase or decrease of accrued non-entity accounts receivables, net of uncollectible amounts, and refunds payable at year-end.

Proprietary and budgetary accounting are complementary; however, both the types of information presented, and the timing of their recognition are sometimes different. Information is therefore needed about the differences between proprietary and budgetary accounting, which is accomplished in part by presenting a Reconciliation of Net Cost to Net Outlays, Note 23. This reconciliation helps explain and clarify how proprietary basis of accounting Net Cost of Operations (cash and non-cash transactions) for the fiscal year relates to budgetary basis of accounting Outlays/Disbursements, Net (cash transactions) for the fiscal year and the reconciling items between the two.

The financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources and legal authority to do so.



**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Non-Entity Assets**

Non-entity assets are not available for use by the Department and consist primarily of restricted undisbursed civil and criminal debt collections, seized cash, investments of seized cash, accounts receivable, and other monetary assets.

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

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

**G. Investments**

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

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

Treasury securities are issued to the funds as evidence of fund receipts and provide the funds with the authority to draw upon the U.S. Treasury for future authorized expenditures. Treasury securities held by funds from dedicated collections are an asset of the fund and a liability of

## **Note 1. Summary of Significant Accounting Policies (continued)**

### **G. Investments (continued)**

the Treasury, so they are eliminated in consolidation for the U.S. Government-wide financial statements.

The *United States Victims of State Sponsored Terrorism Act*, codified at 34 U.S.C. § 20144, states that the USVSSTF shall be invested in the same manner as a trust fund and authorizes the Treasury to manage the investment of the USVSSTF. The DOJ notifies the Treasury promptly of amounts deposited to the USVSSTF in order to ensure that Treasury may invest such receipts in the account. Treasury, in its administrative discretion, determines how the USVSSTF will be invested, to ensure that the securities purchased for the USVSSTF will have maturities suitable to the needs of the USVSSTF. Interest revenue on investments will be reported on an accrual basis.

### **H. Accounts Receivable**

Net accounts receivable includes reimbursement and refund receivables due from intragovernmental entities and other than intragovernmental entities, less the allowance for doubtful accounts. Intragovernmental accounts receivable primarily represent amounts due from other federal agencies for reimbursable work performed pursuant to the *Economy Act* and other statutory authority. Claims with other federal agencies are resolved in accordance with the business rules published in *Appendix 10 of Treasury Financial Manual (TFM), Volume I, Part 2, Chapter 4700*. In this regard, most intragovernmental accounts receivable are considered fully collectible, certain custodial activities being an exception. Other than intragovernmental accounts receivable primarily represent claims or damages owed to others, related to violations of laws or regulations, which DOJ is considered the collecting or custodial entity. The allowance for doubtful accounts for other than intragovernmental receivables, including custodial activities, is estimated based on past collection experience and analysis of outstanding receivable balances at year-end.

For Custodial Accounts Receivable, DOJ applies the accounting provisions of the *Statement of Federal Financial Accounting Standards (SFFAS) No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, as amended*, and *SFFAS No. 1, Accounting for Selected Assets and Liabilities*. *SFFAS No. 7* requires that “nonexchange revenue should be measured by the collecting entities, but should be recognized by the entities legally entitled to the revenue (the recipient entities).” Further, *SFFAS No. 1*, relating to accounts receivable, defines “measurement” as the “process of expressing an asset or liability in monetary units.” The accrual adjustment consists of accounts receivable, the allowance for uncollectible amounts, and liability for refunds. Additional details regarding the Department’s custodial non-exchange activities are provided in Note 22, Custodial Revenues.

**Note 1. Summary of Significant Accounting Policies (continued)**

**I. Inventory and Related Property**

Inventory is primarily for the manufacture of goods for sale to customers. This inventory is composed of three categories: Raw Materials, Work-in-Process, and Finished Goods. These categories are generally defined as follows: Raw Materials consist of materials that have been acquired and are available for the production cycle, Work-in-Process is composed of materials that have moved into the production process and have some measurable amount of labor and overhead added, and Finished Goods are materials with added labor and overhead that have completed the production cycle and are awaiting sale to customers.

Raw material inventory is valued at moving average costs. Inventories are valued at the lower cost or net realizable value (LCNRV) and include materials, labor, and manufacturing overhead. Net realizable value is calculated on the basis of the contractual or anticipated selling price, less allowance for administrative expenses. The Department values its finished goods and sub-assembly items at a standard cost that is periodically adjusted to approximate actual cost. The Department has established inventory allowances to account for LCNRV adjustments and excess, obsolete, or unserviceable inventory items that may not be utilized in future periods.

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

**J. Property, Plant and Equipment**

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

| Type of Property      | Capitalization Threshold |
|-----------------------|--------------------------|
| Real Property         | \$1,000                  |
| Personal Property     | \$100                    |
| Aircraft              | \$750                    |
| Internal Use Software | \$5,000                  |
| Leases                | \$500                    |

An exception to the Department's standard capitalization thresholds provides Revolving, Working Capital, and Trust Fund entities the option to establish its own capitalization thresholds for PP&E and Internal Use Software. If this option is exercised, the thresholds must not conflict with the standard capitalization thresholds, but may be more restrictive, at the discretion of the entity. Federal Prison Industries, Inc., a revolving fund, exercised this option and established a threshold to capitalize personal property acquisition costs exceeding \$10. Financial Management Information Bulletin 2024-04, *Update to Program Statement 1404.04*,

**Note 1. Summary of Significant Accounting Policies (continued)**

**J. Property, Plant and Equipment (continued)**

*Capitalization of Capital Improvements* allows DOJ components to adapt thresholds less than \$1 million for real property capital improvements that is supported by an analysis of their real property portfolio.

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

**K. Leases**

A lease is a contract or agreement where the lessor conveys the right to control the use of property, plant, and equipment to the lessee for a specified period of time. The right to control the use of underlying assets gives the lessee the right to obtain economic benefits or services from the use of the underlying asset, and the right to control access to the economic benefits or services of the underlying asset.

In FY 2024, the DOJ adopted *SFFAS No. 54, Leases*, and related amendments. *SFFAS No. 54, Leases*, requires federal lessees recognize a lease liability and a lease asset at the commencement of the lease term, unless it is immaterial or meets the definition of a non-intragovernmental short-term lease, contract or agreement that transfers ownership, or intragovernmental lease. Lessors, recognize a lease receivable and unearned revenue, unless it is immaterial or meets the definition of a non-intragovernmental short-term lease, contract or agreement that transfers ownership, or intragovernmental lease.

*DOJ Policy Memorandum 2024-01*, requires the Department and its components to review their lease portfolios annually for new lease activity, terminations, or modifications that would result in remeasurement. Additionally, in accordance with *Technical Release 22, Leases Implementation Guidance Updates*, for leases on international soil the U.S. Department of State (DOS) acts as an agent on DOJ's behalf. There is not an exchange of funds between the DOJ and DOS, as such DOS provides DOJ leasing information necessary to record right-to-use lease assets and liabilities quarterly.

Pursuant to *SFFAS No. 62, Transitional Amendment to SFFAS No. 54*, lease contracts containing both lease and non-lease components may be treated as non-lease and expensed through the transitional period. These contracts, often referred to as embedded leases, must be primarily non-lease in nature based on management's assessment. DOJ has elected to adopt *SFFAS No. 62* through the end of the accommodation period September 30, 2026. Further details regarding lease assets, liabilities, and other types of leases are disclosed in Note 9, Property, Plant, Equipment, Net, and Note 13, Leases.

**Note 1. Summary of Significant Accounting Policies (continued)**

**L. Advances and Prepayments**

Advances and prepayments, classified as assets on the Consolidated Balance Sheets, consist primarily of funds disbursed to finance operations that exceed the total expenditures incurred. Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of payment and are recognized as expenses when the goods and services are received.

**M. Forfeited and Seized Property**

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

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

| Asset Type                          | Valuation Documentation  |
|-------------------------------------|--|
| Cash/Currency, Monetary Instruments | Copy of Check, cash management company (e.g., Brinks) receipt, EFT, wire confirmation, in accordance with DOJ policy |
| Financial Instruments               | Web-based valuation tools, financial market, account statement, other sources in accordance with DOJ policy          |
| Digital Assets                      | Web-based valuation tools (e.g., CoinMarketCap.com) and other sources in accordance with DOJ policy                  |
| Vehicles                            | National Automobile Dealers Association (NADA) or Kelley Blue Book value in accordance with DOJ policy               |
| Real Property                       | Real Property Appraisal/Broker's Price Opinion (BPO)   |
| Other Valued Assets                 | Professional appraisal, web-based valuation tools (e.g., Usedprice.com), other source in accordance with DOJ policy  |

Seized property is property that the government has taken possession of, in consequence of an alleged violation of public law. Seized property can include cash and monetary instruments, digital assets, real property, and tangible personal property of others in the actual or constructive possession of the custodial agency.

Most seized property is held by the USMS from the point of seizure until its disposition. In certain cases, the investigative agency will keep seized property in its custody if the intention is to place the property into official use after forfeiture or to use the property as evidence in a court proceeding. This property is valued at fair market value upon seizure, or, as soon as reasonably possible when market value could not be readily determined. Seized cash and monetary instruments are presented as assets with offsetting liabilities on the Consolidated Balance Sheets. Seized property other than cash and monetary instruments are only presented in the notes to the financial statements.

**Note 1. Summary of Significant Accounting Policies (continued)**

**N. Digital Assets**

Only central bank digital currencies are considered monetary instruments. All other digital assets are non-monetary assets and refer to cryptocurrencies, stablecoins, and Non-Fungible Tokens (NFT). DOJ primarily encounters digital assets through seizure and forfeitures activities of the law enforcement components (ATF, DEA, FBI) and the Asset Forfeiture Program (AFP). DOJ records digital assets at market value at the point of seizure and records the seized value in Note 8, Forfeited and Seized Property, Net. Once an order of forfeiture is obtained and prior to liquidation, forfeited values would be included on the Balance Sheet as assets with offsetting liabilities. Once digital assets are liquidated, proceeds from the sale are recorded as forfeiture revenue and are presented on the Statement of Changes in Net Position as Donations and Forfeitures of Property.

The Department may hold seized digital assets for evidence, not for forfeiture or for use in limited law enforcement operations. In addition, DOJ may obtain digital assets for limited law enforcement operations to secure information and or evidence. These operations are assessed annually, and the value of cryptocurrencies used is determined to be immaterial.

**O. Liabilities**

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

Accounts payable recorded under liabilities are amounts owed by DOJ for goods and services received. When DOJ accepts title to goods, whether the goods are delivered or in transit, or incurs costs for services received, DOJ recognizes a liability for the unpaid amount of the goods and services. If invoices for those goods and services are not available when the financial statements are prepared, the amounts owed are estimated. Intragovernmental accounts payable consists of amounts owed to other Federal Government agencies for goods and services received. The remaining accounts payable consist of amounts due to the public.

**P. Accrued Grant Liabilities**

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



**Note 1. Summary of Significant Accounting Policies (continued)**

**P. Accrued Grant Liabilities (continued)**

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

**Q. Commitments and Contingencies**

The Department is involved in various administrative proceedings, legal actions, and claims. Legal actions where management and the Chief Counsel consider adverse decisions “probable” or “reasonably possible” and the amounts are reasonably estimable are disclosed in Commitments and Contingencies, Note 17. However, there are cases where amounts have not been accrued or disclosed because the amounts of the potential loss cannot be estimated, or the likelihood of an unfavorable outcome is considered “remote”. Where adverse decisions are considered “probable,” the Department considers those liabilities current as claims are generally paid shortly after settlement.

**R. Annual, Sick, and Other Leave**

Annual and compensatory unfunded leave is expensed with an offsetting liability as it is earned, and the liability is reduced as leave is taken. Each year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to fund annual and compensatory unfunded leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of nonvested leave are expensed as taken.

**S. Interest on Late Payments**

Pursuant to the *Prompt Payment Act*, 31 U.S.C. § 3901-3907, the Department pays interest on payments for goods or services made to business concerns after the due date. The due date is generally 30 days after receipt of a proper invoice or acceptance of the goods or services, whichever is later.



**Note 1. Summary of Significant Accounting Policies (continued)**

**T. Retirement Plan**

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

- 1) Employees hired before January 1, 1984, are covered by the Civil Service Retirement System (CSRS). The Department contributes 7% of the gross pay for regular employees and 7.5% for law enforcement officers.
- 2) Employees hired January 1, 1984 or later, are covered by the Federal Employees Retirement System (FERS):
  - a. Employees hired January 1, 1984 through December 31, 2012, are covered by the FERS. The Department contributes 18.4% of the gross pay for regular employees and 38.2% for law enforcement officers.
  - b. Employees hired January 1, 2013 through December 31, 2013, are covered by the Federal Employees Retirement System-Revised Annuity Employees (FERS-RAE). The Department contributes 16.5% of the gross pay for regular employees and 36.4% for law enforcement officers.
  - c. Employees hired January 1, 2014 or later are covered by the Federal Employees System-Further Revised Annuity Employees (FERS-FRAE). The Department contributes 16.5% of the gross pay for regular employees and 36.4% for law enforcement officers.

All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For those employees covered by the FERS, FERS-RAE and FERS-FRAE, a TSP account is automatically established to which the Department is required to contribute an additional 1% of gross pay and match employee contributions up to 4%. No government contributions are made to the TSP accounts established by the CSRS employees.

The Department does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to its employees. Such reporting is the responsibility of the Office of Personnel Management (OPM). *SFFAS No. 5, Accounting for Liabilities of the Federal Government*, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service. Refer to Note 20, Imputed Financing, for additional details.

**U. Federal Employee Compensation Benefits**

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

**Note 1. Summary of Significant Accounting Policies (continued)**

**U. Federal Employee Compensation Benefits (continued)**

Actuarial Liability: The Department of Labor (DOL) calculates the liability of the federal government for future compensation benefits, which includes the expected liability for death, disability, medical, and other approved costs. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments are discounted to present value. The resulting federal government liability is then distributed by agency. The Department's portion of this liability includes the estimated future cost of death benefits, workers' compensation, medical, and miscellaneous cost for approved compensation cases for the Department employees. The Department liability is further allocated to component reporting entities on the basis of actual payments made to the FECA Special Benefits Fund (SBF) for the three prior years as compared to the total Department payments made over the same period. The FECA actuarial liability is recorded for reporting purposes only. This liability constitutes an extended future estimate of cost, which will not be obligated against budgetary resources until the fiscal year in which the cost is actually billed to the Department. The cost associated with this liability cannot be met by the Department without further appropriation action.

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

**V. Intragovernmental Activity**

Intragovernmental costs and exchange revenue represent transactions made between two reporting entities within the federal government. Costs and earned revenues with other than intragovernmental represent exchange transactions made between the reporting entity and a non-federal entity. With the exception of certain accruals, the classification of revenue or cost as "intragovernmental" or "other than intragovernmental" is defined on a transaction-by-transaction basis. The purpose of this classification is to enable the federal government to prepare consolidated financial statements, not to match other than intragovernmental and intragovernmental revenue with the cost incurred to produce other than intragovernmental and intragovernmental revenue.

**W. Revenues and Other Financing Sources**

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

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

**Note 1. Summary of Significant Accounting Policies (continued)**

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

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

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

The Department's nonexchange revenue consists of forfeiture income resulting from the sale of forfeited property, penalties in lieu of forfeiture, recovery of returned asset management cost, judgment collections, and other miscellaneous income. Other nonexchange revenue includes the OJP Crime Victims Fund receipts attributable to the collections of fines, penalty assessments, and bond forfeitures from defendants convicted of federal crimes, and AFF/SADF interest on investments with the Treasury. Refer to Note 18, Funds from Dedicated Collections for further details.

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

**X. Funds from Dedicated Collections**

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

- 1) A statute committing the federal government to use specifically identified revenues and/or other financing sources that are originally provided to the federal government by a non-federal source only for designated activities, benefits or purposes;
- 2) Explicit authority for the funds to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and

**Note 1. Summary of Significant Accounting Policies (continued)**

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

- 3) A requirement to account for and report on the receipt, use, and retention of the revenues and other financing sources that distinguishes the fund from the federal government's general revenues.

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

**Y. Allocation Transfer of Appropriation**

The Department is a party to allocation transfers with other federal agencies as a transferring (parent) entity and/or a receiving (child) entity. Allocation transfers are legal delegations by one department of its authority to obligate budget authority and outlay funds to another department. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations, and budget apportionments are derived.

Two exceptions to this general rule affecting the Department include the funds transferred from the Judicial Branch to the USMS, and funds transferred from the Executive Office of the President to OJP. Per *OMB A-136*, USMS and OJP report all activity relative to these allocation transfers in the respective financial statements. The activity related to these transfers, included as part of these financial statements, is highlighted below:

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

OJP receives, as a child entity, allocation transfers of appropriations from the Executive Office of the President. This transfer is authorized by *Consolidated Appropriations Act, 2010 (Public Law 111-117)*, and *Consolidated Appropriations Act, 2012 (Public Law 112-74)*. Per *Office of Management and Budget Circular A-11 (OMB A-11), Preparation, Submission, and Execution of the Budget* guidance, OJP reports all budgetary and proprietary activity for *Do Right by Youth Pilot* transferred from the Executive Office of the President to OJP.

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

**Note 1. Summary of Significant Accounting Policies (continued)**

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

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

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

**Z. Tax Exempt Status**

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

**AA. Use of Estimates**

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

**AB. Reclassifications**

The FY 2023 financial statements were reclassified to conform to the FY 2024 Departmental financial statement presentation requirements. Specifically, accrued funded payroll and leave previously shown in Other than Intragovernmental Other Liabilities was reclassified to balance sheet line Federal Employee Salary, Leave, and Benefits. In addition, actuarial FECA liability was reclassified to Post-Employment Benefits. These reclassifications have no material effect on total assets, liabilities, net cost, net position, change in net position, budgetary resources, or custodial activity as previously reported.

**AC. Subsequent Events**

Subsequent events and transactions occurring after September 30, 2024 through the date of the auditors' opinion have been evaluated for potential recognition or disclosure in the financial statements. The date of the auditors' opinion also represents the date that the financial statements were available to be issued.

**Note 1. Summary of Significant Accounting Policies (continued)**

**AD. Classified Activities**

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

**AE. Public-Private Partnerships**

*SFFAS No. 49, Public-Private Partnerships: Disclosure Requirements* establishes principles to ensure that disclosures about public-private partnerships (P3) are presented in the reporting entity's general purpose Federal financial reports (GPFFR). The principles guide financial reporting by establishing a P3 definition and identifying risk-based characteristics that need to exist before considering the P3 arrangement or transaction for disclosure. *SFFAS No. 49* exempts certain arrangements or transactions from the P3 disclosure requirements. Such exempt arrangements or transactions are subject to existing disclosure requirements in other FASAB standards applicable to such arrangements or transactions. For FYs 2024 and 2023, the Department identified P3 relationships that met the *SFFAS No. 49* disclosure requirements. Additional details regarding the P3 arrangements are provided in Note 24, Public-Private Partnerships.



**U.S. Department of Justice Annual Financial Statements**  
**Notes to the Principal Financial Statements**  
(Dollars in Thousands, Except as Noted)

**Note 2. Non-Entity Assets**

As of September 30, 2024 and 2023

|                                    | 2024                | 2023                |
|------------------------------------|---------------------|---------------------|
| Intragovernmental                  |                     |                     |
| Fund Balance with Treasury         | \$ 576,505          | \$ 439,985          |
| Investments, Net                   | 1,580,000           | 1,580,000           |
| Accounts Receivable, Net           | 60                  | 60                  |
| Other Assets                       | 5,420               | 14,660              |
| Total Intragovernmental            | <u>\$ 2,161,985</u> | <u>\$ 2,034,705</u> |
| Other than Intragovernmental       |                     |                     |
| Cash and Other Monetary Assets     | \$ 3,358,800        | \$ 3,224,387        |
| Accounts Receivable, Net           | 366,847             | 1,068,900           |
| Total Other than Intragovernmental | <u>3,725,647</u>    | <u>4,293,287</u>    |
| Total Non-Entity Assets            | 5,887,632           | 6,327,992           |
| Total Entity Assets                | 52,501,167          | 51,073,531          |
| Total Assets                       | <u>\$58,388,799</u> | <u>\$57,401,523</u> |

**Note 3. Fund Balance with Treasury**

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

As of September 30, 2024 and 2023

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| Status of Fund Balances With Treasury       |                     |                     |
| Unobligated Balance - Available             | \$13,466,544        | \$12,335,534        |
| Unobligated Balance - Unavailable           | 1,744,845           | 1,363,591           |
| Obligated Balance Not Yet Disbursed         | 23,863,560          | 26,111,727          |
| Non-Budgetary Fund Balance with Treasury    | 3,036,607           | 1,655,695           |
| Budgetary Resources from Invested Balances  | (4,735,430)         | (4,616,921)         |
| Total Status of Fund Balances with Treasury | <u>\$37,376,126</u> | <u>\$36,849,626</u> |

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



**Note 3. Fund Balance with Treasury (continued)**

Unobligated Balance – Available includes amounts restricted for use in future fiscal years (apportioned as Category C), and available for obligation in subsequent periods. For the fiscal years ended September 30, 2024 and 2023, the amounts restricted for future use are \$116,988 and \$161,576, respectively.

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

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

As of September 30, 2024 and 2023, the respective immaterial variances of \$7,424 and \$4,047 between Fund Balance with Treasury line item on the Balance Sheet and Total Status of Fund Balances on the note represent sequestered BOP balances, respectively.

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

As of September 30, 2024 and 2023

|                                      | 2024                       | 2023                       |
|--------------------------------------|----------------------------|----------------------------|
| Cash                                 |                            |                            |
| Undeposited Collections              | \$ 287                     | \$ 7                       |
| Imprest Funds                        | 59,400                     | 57,185                     |
| Seized Cash Deposited                | 3,219,521                  | 3,086,171                  |
| Other                                | 58,671                     | 46,699                     |
| Total Cash                           | <u>3,337,879</u>           | <u>3,190,062</u>           |
| Other Monetary Assets                |                            |                            |
| Seized Monetary Instruments          | 80,621                     | 91,511                     |
| Total Other Monetary Assets          | <u>80,621</u>              | <u>91,511</u>              |
| Total Cash and Other Monetary Assets | <u><u>\$ 3,418,500</u></u> | <u><u>\$ 3,281,573</u></u> |

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

**U.S. Department of Justice Annual Financial Statements**  
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(Dollars in Thousands, Except as Noted)

**Note 5. Investments, Net**

|   | Cost/<br>Acquisition<br>Value | Amortization<br>Method | Amortized<br>(Premium)<br>Discount | Interest<br>Receivable | Investments,<br>Net | Market Value |
|---|-------------------------------|------------------------|------------------------------------|------------------------|---------------------|--------------|
| As of September 30, 2024                            |                               |                        |                                    |                        |                     |              |
| Intragovernmental<br>Securities and<br>Investments: |                               |                        |                                    |                        |                     |              |
| Non-Marketable: Market<br>Based                     | \$ 6,452,136                  | Straight-Line          | \$ 44,784                          | \$ —                   | \$ 6,496,920        | \$ 6,504,053 |
| As of September 30, 2023                            |                               |                        |                                    |                        |                     |              |
| Intragovernmental<br>Securities and<br>Investments: |                               |                        |                                    |                        |                     |              |
| Non-Marketable: Market<br>Based                     | \$ 6,386,207                  | Straight-Line          | \$ 65,113                          | \$ 104                 | \$ 6,451,424        | \$ 6,434,615 |

**Note 6. Accounts Receivable, Net**

As of September 30, 2024 and 2023

|                                      | 2024         | 2023         |
|--------------------------------------|--------------|--------------|
| Intragovernmental                    |              |              |
| Accounts Receivable                  | \$ 606,361   | \$ 656,923   |
| Total Intragovernmental              | \$ 606,361   | \$ 656,923   |
| Other than Intragovernmental         |              |              |
| Accounts Receivable                  | \$ 5,193,575 | \$ 8,818,791 |
| Allowance for Uncollectible Accounts | (4,667,457)  | (7,367,658)  |
| Total Other than Intragovernmental   | 526,118      | 1,451,133    |
| Total Accounts Receivable, Net       | \$ 1,132,479 | \$ 2,108,056 |

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

The accounts receivable other than intragovernmental primarily consists of custodial receivables, OBDs U.S. Trustee Chapter 11 quarterly fees, FBI Non-Federal User Fee Program, and FBI National Name Check Program.

Accounts receivable related to criminal restitution orders the Department monitors is not included in this note, as the Department is not the ultimate recipient of the collections. Additionally, in many cases, the potential collections are not specifically identifiable, and the amount cannot be reasonably estimated.

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

As of September 30, 2024 and 2023

|   | 2024              | 2023              |
|---|-------------------|-------------------|
| Inventory                                 |                   |                   |
| Raw Materials                             | \$ 55,843         | \$ 53,082         |
| Work in Process                           | 15,290            | 13,868            |
| Finished Goods                            | 15,606            | 15,769            |
| Inventory Purchased for Resale            | 25,845            | 28,112            |
| Excess, Obsolete, and Unserviceable       | 3,644             | 1,193             |
| Inventory Allowance                       | (9,819)           | (5,864)           |
| Operating Materials and Supplies          |                   |                   |
| Held for Current Use                      | 20,352            | 22,055            |
| Total Inventory and Related Property, Net | <u>\$ 126,761</u> | <u>\$ 128,215</u> |

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

**Analysis of Change in Forfeited Property:**

The number of items represents quantities calculated using many different units of measure. If necessary, the adjustments column includes property status, asset group changes, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year.

**Method of Disposition of Forfeited Property:**

For the fiscal years ended September 30, 2024 and 2023, \$407,214 and \$155,218 of forfeited property were sold, \$395 and \$35,169 were destroyed or donated, \$3,631 and \$1,777 were returned to owners, \$114,500 and \$66,225 were converted to cash, and \$2,556 and \$4,181 were disposed of by other means. Other means of disposition include property transferred to other federal agencies for official use or equitable sharing, or property distributed to a state or local agency.

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

As of September 30, 2024

| <b>Forfeited Property Category</b> |               | <b>Beginning Balance</b> | <b>Adjustments (1)</b> | <b>Forfeitures</b> | <b>Disposals</b> | <b>Ending Balance</b> | <b>Liens and Claims</b> | <b>Ending Balance, Net of Liens</b> |
|------------------------------------|---------------|--------------------------|------------------------|--------------------|------------------|-----------------------|-------------------------|-------------------------------------|
| Financial Instruments              | Number        | 231                      | 354                    | 755                | (1,117)          | 223                   | —                       | 223                                 |
|                                    | Value         | \$ 913                   | \$ 1,730               | \$ 127,720         | \$ (116,239)     | \$ 14,124             | \$ —                    | \$ 14,124                           |
| Digital Assets                     | Number        | 136                      | 75                     | 269                | (255)            | 225                   | —                       | 225                                 |
|                                    | Value         | \$ 6,701                 | \$ (2,302)             | \$ 460,996         | \$ (280,662)     | \$ 184,733            | \$ (10)                 | \$ 184,723                          |
| Real Property                      | Number        | 106                      | (3)                    | 166                | (184)            | 85                    | —                       | 85                                  |
|                                    | Value         | \$ 59,567                | \$ (9,965)             | \$ 121,178         | \$ (88,012)      | \$ 82,768             | \$ (469)                | \$ 82,299                           |
| Personal Property                  | Number        | 4,487                    | (421)                  | 3,188              | (2,594)          | 4,660                 | —                       | 4,660                               |
|                                    | Value         | \$ 40,940                | \$ (10,638)            | \$ 64,546          | \$ (43,383)      | \$ 51,465             | \$ (569)                | \$ 50,896                           |
| Non-Valued Firearms                | Number        | 58,476                   | 182                    | 27,431             | (21,045)         | 65,044                | —                       | 65,044                              |
| <b>Total</b>                       | <b>Number</b> | 63,436                   | 187                    | 31,809             | (25,195)         | 70,237                | —                       | 70,237                              |
|                                    | <b>Value</b>  | \$ 108,121               | \$ (21,175)            | \$ 774,440         | \$ (528,296)     | \$ 333,090            | \$ (1,048)              | \$ 332,042                          |

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Property status changes include appealed forfeitures and other actions that change the status of an asset between seized and forfeited classifications. Asset group changes occur primarily when cash is substituted for a different asset category. Valuation changes occur primarily due to changes in appraisals.

As of September 30, 2023

| <b>Forfeited Property Category</b> |               | <b>Beginning Balance</b> | <b>Adjustments (1)</b> | <b>Forfeitures</b> | <b>Disposals</b> | <b>Ending Balance</b> | <b>Liens and Claims</b> | <b>Ending Balance, Net of Liens</b> |
|------------------------------------|---------------|--------------------------|------------------------|--------------------|------------------|-----------------------|-------------------------|-------------------------------------|
| Financial Instruments              | Number        | 215                      | 461                    | 651                | (1,096)          | 231                   | —                       | 231                                 |
|                                    | Value         | \$ 1,783                 | \$ 2,065               | \$ 101,799         | \$ (104,734)     | \$ 913                | \$ —                    | \$ 913                              |
| Digital Assets                     | Number        | 58                       | (9)                    | 212                | (125)            | 136                   | —                       | 136                                 |
|                                    | Value         | \$ 8,127                 | \$ 1,528               | \$ 25,370          | \$ (28,324)      | \$ 6,701              | \$ —                    | \$ 6,701                            |
| Real Property                      | Number        | 113                      | 3                      | 178                | (188)            | 106                   | —                       | 106                                 |
|                                    | Value         | \$ 50,545                | \$ (2,675)             | \$ 97,450          | \$ (85,753)      | \$ 59,567             | \$ (1,888)              | \$ 57,679                           |
| Personal Property                  | Number        | 4,035                    | 157                    | 3,003              | (2,708)          | 4,487                 | —                       | 4,487                               |
|                                    | Value         | \$ 36,571                | \$ (6,761)             | \$ 54,889          | \$ (43,759)      | \$ 40,940             | \$ (237)                | \$ 40,703                           |
| Non-Valued Firearms                | Number        | 56,058                   | (511)                  | 23,482             | (20,553)         | 58,476                | —                       | 58,476                              |
| <b>Total</b>                       | <b>Number</b> | 60,479                   | 101                    | 27,526             | (24,670)         | 63,436                | —                       | 63,436                              |
|                                    | <b>Value</b>  | \$ 97,026                | \$ (5,843)             | \$ 279,508         | \$ (262,570)     | \$ 108,121            | \$ (2,125)              | \$ 105,996                          |

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Property status changes include appealed forfeitures and other actions that change the status of an asset between seized and forfeited classifications. Asset group changes occur primarily when cash is substituted for a different asset category. Valuation changes occur primarily due to changes in appraisals.

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

### **Analysis of Change in Seized Property:**

A seizure is the act of taking possession of goods in consequence of a violation of public law. Seized property consists of seized cash, monetary instruments, digital assets, real property and tangible personal property in the actual or constructive possession of the seizing and the custodial agencies. The Department, until judicially or administratively forfeited, does not legally own such property. Seized evidence includes cash, financial instruments, non-monetary valuables, digital assets, firearms, and drugs. The AFF/SADF reports property seized for forfeiture and the FBI, DEA, and ATF report property seized for evidence.

Property seized for any purpose other than forfeiture and held by the seizing agency or a custodial agency should be disclosed by the seizing agency. All property seized for forfeiture, including property with evidentiary value, will be reported by the AFF/SADF. The Department has established a reporting threshold of \$1 or more for Personal Property seized for evidentiary purposes.

Adjustments include property status, asset group changes, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year.

The DEA, FBI, and ATF have custody of drugs taken as evidence for legal proceedings. In accordance with *FASAB TR No. 4, Reporting on Non-Valued Seized and Forfeited Property*, the Department reports the total amount of seized drugs by quantity only, as drugs have no value and are destroyed upon resolution of legal proceedings.

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

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

Unanalyzed drug evidence is qualitatively different from analyzed and bulk drug evidence because unanalyzed drug evidence includes the weight of packaging and drug categories are based on the determination of Special Agents instead of laboratory chemists. For these reasons, unanalyzed drug evidence is not reported by the Department. Seized drug evidence must be analyzed and confirmed through laboratory testing to be placed in one of the five categories of drug above. “Disposals” occur when seized property is forfeited, returned to parties with a bona fide interest, or destroyed in accordance with federal guidelines.

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

**Method of Disposition of Seized Property:**

For the fiscal years ended September 30, 2024 and 2023, \$1,980,731 and \$2,124,047 of seized property were forfeited, \$314,171 and \$190,079 were returned to parties with a bona fide interest, and \$16,621 and \$11,408 were either released to a designated party or transferred to the appropriate federal entity under forfeiture or abandonment procedures, respectively. Non-valued property was primarily disposed of through destruction.

As of September 30, 2024

| Seized Property Category           |               | Beginning Balance   | Adjustments (1)   | Seizures            | Disposals             | Ending Balance      | Liens and Claims      | Ending Balance, Net of Liens |
|------------------------------------|---------------|---------------------|-------------------|---------------------|-----------------------|---------------------|-----------------------|------------------------------|
| <b>Seized for Forfeiture</b>       |               |                     |                   |                     |                       |                     |                       |                              |
| Seized Cash & Monetary Instruments | Number        | 20,549              | 485               | 9,843               | (9,398)               | 21,479              | —                     | 21,479                       |
|                                    | Value         | \$ 4,685,697        | \$ 225,548        | \$ 1,528,603        | \$ (1,619,069)        | \$ 4,820,779        | \$ (1,276,719)        | \$ 3,544,060                 |
| Financial Instruments              | Number        | 535                 | (87)              | 670                 | (537)                 | 581                 | —                     | 581                          |
|                                    | Value         | \$ 246,774          | \$ (133,948)      | \$ 242,088          | \$ (52,382)           | \$ 302,532          | \$ (43,895)           | \$ 258,637                   |
| Digital Assets                     | Number        | 1,220               | 22                | 421                 | (316)                 | 1,347               | —                     | 1,347                        |
|                                    | Value         | \$ 1,185,540        | \$ 64,772         | \$ 400,212          | \$ (479,960)          | \$ 1,170,564        | \$ (297,175)          | \$ 873,389                   |
| Real Property                      | Number        | 32                  | 2                 | 38                  | (27)                  | 45                  | —                     | 45                           |
|                                    | Value         | \$ 81,468           | \$ (6,697)        | \$ 43,974           | \$ (54,110)           | \$ 64,635           | \$ (32,202)           | \$ 32,433                    |
| Personal Property                  | Number        | 8,028               | 327               | 3,580               | (3,990)               | 7,945               | —                     | 7,945                        |
|                                    | Value         | \$ 454,688          | \$ (8,083)        | \$ 161,621          | \$ (85,575)           | \$ 522,651          | \$ (317,309)          | \$ 205,342                   |
| Non-Valued Firearms                | Number        | 46,465              | 7,324             | 20,301              | (29,918)              | 44,172              | —                     | 44,172                       |
| <b>Total</b>                       | <b>Number</b> | <b>76,829</b>       | <b>8,073</b>      | <b>34,853</b>       | <b>(44,186)</b>       | <b>75,569</b>       | <b>—</b>              | <b>75,569</b>                |
|                                    | <b>Value</b>  | <b>\$ 6,654,167</b> | <b>\$ 141,592</b> | <b>\$ 2,376,498</b> | <b>\$ (2,291,096)</b> | <b>\$ 6,881,161</b> | <b>\$ (1,967,300)</b> | <b>\$ 4,913,861</b>          |

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Property status changes include appealed forfeitures and other actions that change the status of an asset between seized and forfeited classifications. Asset group changes occur primarily when cash is substituted for a different asset category.

As of September 30, 2023

| Seized Property Category           |               | Beginning Balance   | Adjustments (1)    | Seizures            | Disposals             | Ending Balance      | Liens and Claims    | Ending Balance, Net of Liens |
|------------------------------------|---------------|---------------------|--------------------|---------------------|-----------------------|---------------------|---------------------|------------------------------|
| <b>Seized for Forfeiture</b>       |               |                     |                    |                     |                       |                     |                     |                              |
| Seized Cash & Monetary Instruments | Number        | 21,578              | 571                | 8,214               | (9,814)               | 20,549              | —                   | 20,549                       |
|                                    | Value         | \$ 2,825,248        | \$ (1,317)         | \$ 4,018,237        | \$ (2,156,471)        | \$ 4,685,697        | \$ (415,551)        | \$ 4,270,146                 |
| Financial Instruments              | Number        | 479                 | (66)               | 551                 | (429)                 | 535                 | —                   | 535                          |
|                                    | Value         | \$ 233,655          | \$ (12,418)        | \$ 51,896           | \$ (26,359)           | \$ 246,774          | \$ (43,535)         | \$ 203,239                   |
| Digital Assets                     | Number        | 753                 | 82                 | 620                 | (235)                 | 1,220               | —                   | 1,220                        |
|                                    | Value         | \$ 287,907          | \$ 12,754          | \$ 912,738          | \$ (27,859)           | \$ 1,185,540        | \$ (16,674)         | \$ 1,168,866                 |
| Real Property                      | Number        | 47                  | (2)                | 28                  | (41)                  | 32                  | —                   | 32                           |
|                                    | Value         | \$ 48,324           | \$ (10,974)        | \$ 65,137           | \$ (21,019)           | \$ 81,468           | \$ (72,549)         | \$ 8,919                     |
| Personal Property                  | Number        | 8,328               | (28)               | 3,343               | (3,615)               | 8,028               | —                   | 8,028                        |
|                                    | Value         | \$ 438,059          | \$ (24,110)        | \$ 114,837          | \$ (74,098)           | \$ 454,688          | \$ (56,022)         | \$ 398,666                   |
| Non-Valued Firearms                | Number        | 40,706              | 6,796              | 24,886              | (25,923)              | 46,465              | —                   | 46,465                       |
| <b>Total</b>                       | <b>Number</b> | <b>71,891</b>       | <b>7,353</b>       | <b>37,642</b>       | <b>(40,057)</b>       | <b>76,829</b>       | <b>—</b>            | <b>76,829</b>                |
|                                    | <b>Value</b>  | <b>\$ 3,833,193</b> | <b>\$ (36,065)</b> | <b>\$ 5,162,845</b> | <b>\$ (2,305,806)</b> | <b>\$ 6,654,167</b> | <b>\$ (604,331)</b> | <b>\$ 6,049,836</b>          |

(1) Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Property status changes include appealed forfeitures and other actions that change the status of an asset between seized and forfeited classifications. Asset group changes occur primarily when cash is substituted for a different asset category.

These notes are an integral part of the financial statements.

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

As of September 30, 2024

| <b>Seized Property Category</b> |        | <b>Beginning Balance</b> | <b>Adjustments (1)</b> | <b>Seizures</b> | <b>Disposals</b> | <b>Ending Balance</b> |
|---------------------------------|--------|--------------------------|------------------------|-----------------|------------------|-----------------------|
| <b>Seized for Evidence</b>      |        |                          |                        |                 |                  |                       |
| Seized Monetary Instruments     | Value  | \$ 71,985                | \$ (14,727)            | \$ 20,227       | \$ (18,122)      | \$ 59,363             |
| Digital Assets                  | Number | 118                      | (41)                   | 168             | (6)              | 239                   |
|                                 | Value  | \$ 179,534               | \$ (38,707)            | \$ 176,079      | \$ (415)         | \$ 316,491            |
| Personal Property               | Number | 293                      | (16)                   | 62              | (53)             | 286                   |
|                                 | Value  | \$ 4,504                 | \$ (367)               | \$ 973          | \$ (1,890)       | \$ 3,220              |
| Non-Valued Firearms             | Number | 83,312                   | (3,530)                | 19,071          | (11,653)         | 87,200                |
| Drug Evidence                   |        |                          |                        |                 |                  |                       |
| Cocaine                         | KG     | 173,090                  | 965                    | 96,017          | (101,085)        | 168,987               |
| Heroin                          | KG     | 8,374                    | (55)                   | 745             | (1,276)          | 7,788                 |
| Marijuana                       | KG     | 6,891                    | 65                     | 858             | (1,060)          | 6,754                 |
| Bulk Drug Evidence              | KG     | 94,987                   | (248)                  | 40,746          | (58,695)         | 76,790                |
| Methamphetamine                 | KG     | 78,094                   | 572                    | 28,192          | (20,623)         | 86,235                |
| Other                           | KG     | 25,376                   | 390                    | 7,486           | (4,119)          | 29,133                |
| <b>Total Drug Evidence</b>      | KG     | <b>386,812</b>           | <b>1,689</b>           | <b>174,044</b>  | <b>(186,858)</b> | <b>375,687</b>        |

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

As of September 30, 2023

| <b>Seized Property Category</b> |        | <b>Beginning Balance</b> | <b>Adjustments (1)</b> | <b>Seizures</b> | <b>Disposals</b> | <b>Ending Balance</b> |
|---------------------------------|--------|--------------------------|------------------------|-----------------|------------------|-----------------------|
| <b>Seized for Evidence</b>      |        |                          |                        |                 |                  |                       |
| Seized Monetary Instruments     | Value  | \$ 61,030                | \$ (6,348)             | \$ 25,679       | \$ (8,376)       | \$ 71,985             |
| Digital Assets                  | Number | 61                       | (10)                   | 79              | (12)             | 118                   |
|                                 | Value  | \$ 441,131               | \$ (413,021)           | \$ 160,542      | \$ (9,118)       | \$ 179,534            |
| Personal Property               | Number | 386                      | (65)                   | 41              | (69)             | 293                   |
|                                 | Value  | \$ 6,368                 | \$ (880)               | \$ 1,250        | \$ (2,234)       | \$ 4,504              |
| Non-Valued Firearms             | Number | 78,832                   | (4,141)                | 21,694          | (13,073)         | 83,312                |
| Drug Evidence                   |        |                          |                        |                 |                  |                       |
| Cocaine                         | KG     | 137,806                  | 637                    | 105,798         | (71,151)         | 173,090               |
| Heroin                          | KG     | 8,835                    | (24)                   | 914             | (1,351)          | 8,374                 |
| Marijuana                       | KG     | 7,366                    | 29                     | 243             | (747)            | 6,891                 |
| Bulk Drug Evidence              | KG     | 110,794                  | 425                    | 57,076          | (73,308)         | 94,987                |
| Methamphetamine                 | KG     | 72,644                   | (2,092)                | 29,510          | (21,968)         | 78,094                |
| Other                           | KG     | 18,206                   | 306                    | 9,785           | (2,921)          | 25,376                |
| <b>Total Drug Evidence</b>      | KG     | <b>355,651</b>           | <b>(719)</b>           | <b>203,326</b>  | <b>(171,446)</b> | <b>386,812</b>        |

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



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

As of September 30, 2024

|  | Acquisition<br>Cost  | Accumulated<br>Depreciation | Net Book<br>Value   | Useful<br>Life |
|--|----------------------|-----------------------------|---------------------|----------------|
| Land and Land Rights                       | \$ 185,739           | \$ —                        | \$ 185,739          | N/A            |
| Construction in Progress                   | 1,297,592            | —                           | 1,297,592           | N/A            |
| Buildings, Improvements and<br>Renovations | 12,237,261           | (8,036,874)                 | 4,200,387           | 2-50 yrs       |
| Other Structures and Facilities            | 1,060,893            | (655,184)                   | 405,709             | 10-50 yrs      |
| Equipment & Vehicles <sup>1</sup>          | 2,342,274            | (1,484,420)                 | 857,854             | 5-30 yrs       |
| Leasehold Improvements                     | 2,264,152            | (1,540,674)                 | 723,478             | 2-20 yrs       |
| Internal Use Software                      | 2,789,637            | (2,400,754)                 | 388,883             | 2-10 yrs       |
| Internal Use Software in<br>Development    | 49,532               | —                           | 49,532              | N/A            |
| Other Property, Plant and<br>Equipment     | 1,484                | (380)                       | 1,104               | 10-20 yrs      |
| Lessee Right-to-Use Lease Asset            | 477,728              | (68,215)                    | 409,513             | 2-30 yrs       |
| <b>Total</b>                               | <b>\$ 22,706,292</b> | <b>\$(14,186,501)</b>       | <b>\$ 8,519,791</b> |                |

As of September 30, 2023

|  | Acquisition<br>Cost  | Accumulated<br>Depreciation | Net Book<br>Value   | Useful<br>Life |
|--|----------------------|-----------------------------|---------------------|----------------|
| Land and Land Rights                       | \$ 185,834           | \$ —                        | \$ 185,834          | N/A            |
| Construction in Progress                   | 800,081              | —                           | 800,081             | N/A            |
| Buildings, Improvements and<br>Renovations | 12,036,496           | (7,678,200)                 | 4,358,296           | 2-50 yrs       |
| Other Structures and Facilities            | 1,035,068            | (617,842)                   | 417,226             | 10-50 yrs      |
| Equipment & Vehicles                       | 2,283,688            | (1,432,044)                 | 851,644             | 5-30 yrs       |
| Assets Under Capital Lease                 | 443                  | (335)                       | 108                 | 2-30 yrs       |
| Leasehold Improvements                     | 2,005,745            | (1,383,189)                 | 622,556             | 2-20 yrs       |
| Internal Use Software                      | 2,715,775            | (2,300,525)                 | 415,250             | 2-10 yrs       |
| Internal Use Software in<br>Development    | 114,945              | —                           | 114,945             | N/A            |
| Other Property, Plant and<br>Equipment     | 854                  | (5)                         | 849                 | 10-20 yrs      |
| <b>Total</b>                               | <b>\$ 21,178,929</b> | <b>\$(13,412,140)</b>       | <b>\$ 7,766,789</b> |                |

Information concerning deferred maintenance and repairs and estimated land acreage is discussed in unaudited required supplementary information.

<sup>1</sup> Vehicles and equipment include passenger vehicles, boats, aircraft, and general equipment

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

As of September 30, 2024 and 2023

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| Balance Beginning of Year                 | \$ 7,766,789        | \$ 8,265,779        |
| Effects of SFFAS 54 Implementation        | 395,593             | —                   |
| Balance Beginning of Year, adjusted       | 8,162,382           | —                   |
| Capitalized Acquisitions                  | 1,236,003           | 662,344             |
| Right-to-Use Lease Assets, CY activity    | 82,222              | —                   |
| Amortization of Right-to-Use Lease Assets | (68,673)            | —                   |
| Disposition                               | (28,454)            | (346,940)           |
| Transfers in/out without Reimbursements   | 15,769              | (1,790)             |
| Revaluations                              | (3,484)             | (5,530)             |
| Depreciation Expense                      | (876,825)           | (807,182)           |
| Other                                     | 851                 | 108                 |
|   | <u>\$ 8,519,791</u> | <u>\$ 7,766,789</u> |

The Effects of *SFFAS No. 54* Implementation represents right-to-use lease assets that existed as of October 1, 2023 whereas Right-to-Use Lease Assets, CY activity represents lease asset activity after October 1, 2023. The presentation above, is in accordance with OMB Circular A-136. However, DOJ did not record an adjustment to beginning balances per the implementation guidance contained in *SFFAS No. 54*. For lease liability information, refer to Note 13, Leases.

**Note 10. Other Assets**

As of September 30, 2024 and 2023

|   | 2024             | 2023             |
|---|------------------|------------------|
| Intragovernmental                         |                  |                  |
| Other Assets Intragovernmental            | \$ 48,689        | \$ 55,914        |
| Total Intragovernmental                   | <u>\$ 48,689</u> | <u>\$ 55,914</u> |
| Other than Intragovernmental              |                  |                  |
| Other Assets Other than Intragovernmental | \$ 253           | \$ 337           |
| Total Other Assets                        | <u>\$ 48,942</u> | <u>\$ 56,251</u> |

These notes are an integral part of the financial statements.

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

As of September 30, 2024 and 2023

|   | 2024                        | 2023                        |
|---|-----------------------------|-----------------------------|
| Intragovernmental   |                             |                             |
| Other Liabilities   |                             |                             |
| Accrued FECA Liabilities  | \$ 330,850                  | \$ 295,613                  |
| Other Unfunded Employment Related Liabilities                             | 1,579                       | 2,313                       |
| Other   | 8,008                       | 2,744                       |
| Total Intragovernmental   | <u>\$ 340,437</u>           | <u>\$ 300,670</u>           |
| Other than Intragovernmental  |                             |                             |
| Unfunded Leave and Other Employment Related Liabilities                   | \$ 1,114,803                | 1,074,578                   |
| Actuarial FECA  | 1,715,715                   | 1,647,072                   |
| Environmental and Disposal Liabilities (Note 12)                          | 88,204                      | 86,017                      |
| Advances from Others and Deferred Revenue                                 | 886,202                     | 861,916                     |
| Other Liabilities   |                             |                             |
| Contingent Liabilities (Note 17)  | 330,555                     | 161,905                     |
| Unfunded Lessee Lease Liability   | 381,677                     | —                           |
| Radiation Exposure Compensation Act Liabilities (Note 26)                 | 33,474                      | 48,779                      |
| September 11 <sup>th</sup> Victim Compensation Fund Liabilities (Note 26) | 2,753,703                   | 2,981,356                   |
| Other   | 413,660                     | 362,450                     |
| Total Other than Intragovernmental  | <u>\$ 7,717,993</u>         | <u>\$ 7,224,073</u>         |
| Total Liabilities Not Covered by Budgetary Resources                      | <u>\$ 8,058,430</u>         | <u>\$ 7,524,743</u>         |
| Total Liabilities Covered by Budgetary Resources                          | 9,333,771                   | 8,911,514                   |
| Total Liabilities Not Requiring Budgetary Resources                       | 6,101,842                   | 6,291,744                   |
| Total Liabilities   | <u><u>\$ 23,494,043</u></u> | <u><u>\$ 22,728,001</u></u> |

Generally, liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. The Department expects that liabilities not covered by budgetary resources will be funded from future budgetary resources when required. These amounts are detailed above. Liabilities covered by budgetary resources are liabilities that do not require appropriations and can be liquidated by the assets of the entities holding these liabilities. Liabilities not requiring budgetary resources are liabilities that have not in the past required and will not in the future require the use of budgetary resources, such as liabilities for clearing accounts, non-fiduciary deposit funds, custodial collections, and unearned revenue.

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**Note 12. Environmental and Disposal Liabilities**

As of September 30, 2024 and 2023

|  | 2024                    | 2023                    |
|--|-------------------------|-------------------------|
| Firing Ranges                                |                         |                         |
| Beginning Balance, Brought Forward           | \$ 34,674               | \$ 34,338               |
| Inflation Adjustment                         | 334                     | 336                     |
| Total Firing Range Liability                 | <u>\$ 35,008</u>        | <u>\$ 34,674</u>        |
| Asbestos                                     |                         |                         |
| Beginning Balance, Brought Forward           | \$ 51,343               | \$ 49,052               |
| New Asbestos                                 | 190                     | —                       |
| Abatements                                   | —                       | (42)                    |
| Inflation Adjustment                         | 1,615                   | 2,285                   |
| Future Funded Expenses                       | 48                      | 48                      |
| Total Asbestos Liability                     | <u>\$ 53,196</u>        | <u>\$ 51,343</u>        |
| Total Environmental and Disposal Liabilities | <u><u>\$ 88,204</u></u> | <u><u>\$ 86,017</u></u> |

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

**Firing Ranges**

The BOP operates firing ranges on 66 of the sites where its institutions are located. Use of these firing ranges generates waste consisting primarily of lead shot and spent rounds from rifles, shotguns, pistols, and automatic weapons. At operational firing ranges, lead-containing bullets are fired and eventually fall to the ground at or near the range. As of September 30, 2024 and 2023, BOP Management determined their estimated clean-up liability to be \$32,705 and \$32,371, respectively.

The FBI-owned ranges in Quantico, VA and El Toro, CA that contain possible contamination issues based on the Federal Financial Accounting and Auditing *TR No. 2, Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, and *EPA-902-B-01-001, Best Management Practices for Lead at Outdoor Shooting Ranges*. The FBI completed a remedial investigation/feasibility study (RI/FS) for the Quantico ranges in March 2015 which is used to estimate the cost of cleanup for the Quantico ranges. The FBI has not conducted a RI/FS for the El Toro ranges. *TR No. 2* then requires the agency to recognize the anticipated cost of conducting a future study, plus any other identifiable costs, as a future environmental and disposal liability. The FBI has estimated the cost of the RI/FS for El Toro based on the cost of the Quantico study, adjusted for range size. The estimated total firing range liability is based on the estimated costs for contamination remediation. As of September 30, 2024 and 2023, the FBI reported the estimated firing range cleanup liability of \$2,303 and \$2,303, respectively.

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

### **Asbestos**

BOP conducted a review of 46 institutions that were built prior to 1980; the review provided an estimate of the extent of friable and non-friable asbestos containing materials remaining in each of the institutions as of October 30, 2009. In FY 2024, BOP Management increased clean-up liability in the amount of \$1,804 by the U.S. inflation rate of 3.3 percent as determined by Treasury. As of September 30, 2024 and 2023, BOP Management recorded a clean-up liability in the amount of \$50,524 and \$48,720, respectively.

The FBI has identified FBI-owned facilities in Quantico, VA that contain hazardous friable and non-friable asbestos. The facilities have a useful life of 70 years. The total estimated asbestos liability of is based on an environmental survey of the facilities that may be contaminated. The current estimated asbestos cleanup liability is the total estimated asbestos liability divided by the useful life and multiplied by the number of years in service, less any current year abatements, and adjusted for inflation. The estimated asbestos cleanup liability is adjusted each quarter by recording future funded expenses for the asbestos cleanup costs. As of September 30, 2024 and 2023, the FBI reported the estimated asbestos cleanup liability of \$2,672 and \$2,623, respectively.

## **Note 13. Leases**

In accordance with *SFFAS No. 54* effective FY 2024, the Department reviewed current lease agreements with underlying assets, excluding those having terms of 24 months or less as of October 1, 2023, lease arrangements that transfer ownership of the underlying assets and intragovernmental leases. Other than Intragovernmental Lessee Agreements include leases for buildings, office space, other facilities, machinery, vehicles, and equipment to support the operations of the Department. The majority of Other than Intragovernmental Lessee Agreements for machinery, vehicles, and aircrafts have terms between 5 to 10 years. Terms Other than Intragovernmental Lease Agreements for office space and other real property typically range from 10 to 20 years. In instances where the contract or agreement does not stipulate a discount rate, DOJ utilizes the Treasury Par Yield Curve to calculate discount rates based on the day and month a contract or agreement was executed.

Approximately half of the principal total for land, buildings, and operational space is attributed to international lease housing arrangements. Acting as an agent in these arrangements, DOS provides federal agencies quarterly analysis of their respective housing pools which can vary from quarter to quarter as they can increase or decrease due to quarterly acquisitions and disposals. Housing lease terms can vary, but the majority of terms currently range from 2-20 years. As of September 30, 2024, DOJ reported approximately \$223,087 in lessee right-to-use lease assets and approximately \$196,309 in lessee lease liability related to DOS housing pool and dedicated leases. Consistent with DOJ's implementation, DOS utilized Treasury's discount rate ranging from 4.1 to 5.2 percent to calculate net present value, when the contract or agreement did not stipulate a discount rate. See Note 9 for more information on Lessee Right-to-Use Lease Assets.

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**Note 13. Leases (continued)**

As of September 30, 2024

**Other than Intragovernmental Lessee Agreements**

Land, Building, and Operational Space:

| Fiscal Year                                     | Principal  | Interest  | Total      |
|---|------------|-----------|------------|
| 2025  | \$ 55,409  | \$ 16,632 | \$ 72,041  |
| 2026  | 54,753     | 13,801    | 68,554     |
| 2027  | 50,200     | 11,306    | 61,506     |
| 2028  | 39,065     | 9,215     | 48,280     |
| 2029  | 33,736     | 7,518     | 41,254     |
| 2030-2034                                       | 89,822     | 21,274    | 111,096    |
| 2035-2039                                       | 26,586     | 9,328     | 35,914     |
| 2040-2044                                       | 19,842     | 3,498     | 23,340     |
| 2045+   | 6,791      | 1,269     | 8,060      |
| Subtotal: Land, Buildings and Operational Space | \$ 376,204 | \$ 93,841 | \$ 470,045 |

Machinery, Equipment, and Vehicles:

| Fiscal Year                       | Principal  | Interest   | Total      |
|-----------------------------------|------------|------------|------------|
| 2025                              | \$ 11,849  | \$ 1,834   | \$ 13,683  |
| 2026                              | 11,000     | 1,257      | 12,257     |
| 2027                              | 6,432      | 865        | 7,297      |
| 2028                              | 5,007      | 631        | 5,638      |
| 2029                              | 4,920      | 397        | 5,317      |
| 2030-2034                         | 3,714      | 680        | 4,394      |
| 2035-2039                         | 1,793      | 648        | 2,441      |
| 2040-2044                         | —          | —          | —          |
| 2045+                             | —          | —          | —          |
| Subtotal: Machinery and Equipment | \$ 44,715  | \$ 6,312   | \$ 51,027  |
| Total                             | \$ 420,919 | \$ 100,153 | \$ 521,072 |

Intragovernmental lease agreements are typically through the General Service Administration (GSA), and predominantly include buildings or office space with typical terms of 5 to 15 years.

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**Note 13. Leases (continued)**

**Intragovernmental Lease Expense**

As of September 30, 2024

|                        |                            |
|------------------------|----------------------------|
| Buildings              | \$ 1,963,268               |
| Equipment and Vehicles | 59,657                     |
| Other                  | 6,310                      |
| <b>Total</b>           | <b><u>\$ 2,029,235</u></b> |

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

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

As of September 30, 2024 and 2023

|   | 2024                       | 2023                       |
|---|----------------------------|----------------------------|
| Investments, Net                                  | \$ 1,580,000               | \$ 1,580,000               |
| Seized Cash Deposited                             | 3,219,521                  | 3,086,171                  |
| Seized Monetary Instruments                       | 80,621                     | 91,511                     |
| Cash in Transit to (AFF)/SADF                     | (11,297)                   | (5,581)                    |
| <b>Total Seized Cash and Monetary Instruments</b> | <b><u>\$ 4,868,845</u></b> | <b><u>\$ 4,752,101</u></b> |

**Note 15. Federal Employee Benefits**

Employee benefits include employer portion of payroll taxes, retirement contributions, estimated salaries, wages, leave that has been earned but unpaid and post-employment benefits. The entirety of post-employment benefits reported from the balance sheet relates to the Federal Employees' Compensation Act (FECA) actuarial liability. This liability constitutes an extended future estimate of cost, and will not be obligated against budgetary resources until the fiscal year in which the cost is billed to the Department. Federal employee benefits related to current and former employees of the Department are summarized below.

As of September 30, 2024 and 2023

|   | 2024                       | 2023                       |
|---|----------------------------|----------------------------|
| Federal Employee Salary, Leave, and Benefits              |                            |                            |
| Accrued Funded Payroll and Leave                          | \$ 291,737                 | \$ 818,773                 |
| Employer Contributions and Payroll Taxes                  | 15,532                     | 35,616                     |
| Unfunded Leave  | 1,119,213                  | 1,066,989                  |
| <b>Total Federal Employee Salary, Leave, and Benefits</b> | <b><u>\$ 1,426,482</u></b> | <b><u>\$ 1,921,378</u></b> |
| Post-Employment Benefits                                  |                            |                            |
| Actuarial FECA  | \$ 1,715,715               | \$ 1,650,154               |
| <b>Total</b>  | <b><u>\$ 3,142,197</u></b> | <b><u>\$ 3,571,532</u></b> |

These notes are an integral part of the financial statements.



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**Note 16. Other Liabilities**

As of September 30, 2024 and 2023

|  | 2024                       | 2023                       |
|--|----------------------------|----------------------------|
| Intragovernmental:   |                            |                            |
| Benefit Program Contributions Payable  | \$ 452,269                 | \$ 571,710                 |
| Employer Contributions and Payroll Taxes Payable                                       | 25,304                     | 59,938                     |
| Liability for Nonfiduciary Deposit Funds<br>and Undeposited Collections                | —                          | 536                        |
| Liability for Clearing Accounts  | 33                         | 5                          |
| Liability for Non-Entity Assets Not Reported on the<br>Statement of Custodial Activity | 13,414                     | 16,790                     |
| Other Liabilities  | 15,114                     | 3,617                      |
| Total Intragovernmental  | <u>\$ 506,134</u>          | <u>\$ 652,596</u>          |
| Other than Intragovernmental   |                            |                            |
| Other Liabilities without Related Budgetary Obligations                                | \$ 472,309                 | \$ 409,150                 |
| Other Liabilities with Related Budgetary Obligations                                   | 36,634                     | 46,113                     |
| Liability for Nonfiduciary Deposit Funds<br>and Undeposited Collections                | 96,405                     | 111,075                    |
| Liability for Clearing Accounts  | 1,126                      | 1,120                      |
| Custodial Liabilities  | 37,450                     | 19,260                     |
| Contingent Liabilities (Note 17)   | 330,555                    | 161,905                    |
| Other Liabilities  | 5,603                      | 6,257                      |
| Total Other than Intragovernmental   | <u>\$ 980,082</u>          | <u>\$ 754,880</u>          |
| Total Other Liabilities  | <u><u>\$ 1,486,216</u></u> | <u><u>\$ 1,407,476</u></u> |

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

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

Most of the Other Liabilities other than intragovernmental are composed of future funded energy savings performance contracts and utilities. In addition, Other Liabilities other than intragovernmental consists of project-generated proceeds from undercover operations. The proceeds not subject to forfeiture will be returned to the Department of Treasury General Fund at the conclusion of the project. The majority of Total Other Liabilities are current, the only exception is Other Liabilities without related Budgetary Obligations associated with future funded energy saving performance contracts.

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**Note 17. Commitments and Contingencies**

| As of September 30, 2024 | Accrued<br>Liabilities | Estimated Range of Loss |              |
|--------------------------|------------------------|-------------------------|--------------|
|                          |                        | Lower                   | Upper        |
| Legal Contingencies:     |                        |                         |              |
| Probable                 | \$ 330,555             | \$ 330,555              | \$ 570,913   |
| Reasonably Possible      |                        | \$ 182,924              | \$ 1,611,038 |
|                          |                        |                         |              |
| As of September 30, 2023 | Accrued<br>Liabilities | Estimated Range of Loss |              |
|                          |                        | Lower                   | Upper        |
| Legal Contingencies:     |                        |                         |              |
| Probable                 | \$ 161,905             | \$ 161,905              | \$ 835,777   |
| Reasonably Possible      |                        | \$ 63,238               | \$ 235,943   |

**Note 18. Funds from Dedicated Collections**

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

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**Note 18. Funds from Dedicated Collections (continued)**

| As of September 30, 2024                       | Assets<br>Forfeiture<br>Fund (AFF) | Federal Prison<br>Commissary<br>Account<br>(BOP) | Diversion<br>Control Fee<br>Account<br>(DEA) | Antitrust<br>Division<br>(OBD) | U.S. Trustee<br>System Fund<br>(OBD) | U.S. VSST<br>(OBD) | Crime<br>Victims<br>Fund<br>(OJP) | Domestic<br>Trafficking<br>Victims<br>Fund (OJP) | Eliminations<br>Between<br>Dedicated<br>Funds | Total Funds<br>from Dedicated<br>Collections<br>(Consolidated) |
|--|------------------------------------|--|--|--------------------------------|--------------------------------------|--------------------|-----------------------------------|--|---|--|
| Balance Sheet                                  |                                    |  |  |                                |                                      |                    |                                   |  |   |  |
| Assets   |                                    |  |  |                                |                                      |                    |                                   |  |   |  |
| Intragovernmental Assets:                      |                                    |  |  |                                |                                      |                    |                                   |  |   |  |
| Fund Balance with Treasury                     | \$ 2,895,849                       | \$ 245,196                                       | \$ 343,284                                   | \$ 147,953                     | \$ 300,803                           | \$1,049,002        | \$6,518,914                       | \$ 6,108   | \$ —  | \$ 11,507,109  |
| Investments, Net                               | 1,054,314                          | —  | —  | —                              | 40,593                               | 3,475,414          | —                                 | —  | —   | 4,570,321  |
| Accounts Receivable, Net                       | 9,955                              | —  | —  | 171                            | —                                    | —                  | —                                 | —  | —   | 10,126   |
| Advances and Prepayments                       | 881                                | —  | —  | —                              | 445                                  | —                  | 60,917                            | —  | —   | 62,243   |
| Total Intragovernmental Assets                 | <u>\$ 3,960,999</u>                | <u>\$ 245,196</u>                                | <u>\$ 343,284</u>                            | <u>\$ 148,124</u>              | <u>\$ 341,841</u>                    | <u>\$4,524,416</u> | <u>\$6,579,831</u>                | <u>\$ 6,108</u>                                  | <u>\$ —</u>                                   | <u>\$ 16,149,799</u>   |
| Other than Intragovernmental Assets:           |                                    |  |  |                                |                                      |                    |                                   |  |   |  |
| Accounts Receivable, Net                       | \$ 46                              | \$ 595   | \$ —   | \$ 37                          | \$ 77,832                            | \$ 482             | \$ —                              | \$ —   | \$ —  | \$ 78,992  |
| Inventory and Related Property, Net            | 332,042                            | 25,845   | —  | —                              | —                                    | —                  | —                                 | —  | —   | 357,887  |
| Property, Plant, and Equipment, Net            | 848                                | 2,175  | 14,691                                       | 81                             | 7,730                                | —                  | —                                 | —  | —   | 25,525   |
| Advances and Prepayments                       | 1,957                              | 19   | —  | —                              | —                                    | —                  | 497                               | —  | —   | 2,473  |
| Other Assets                                   | 2                                  | —  | —  | —                              | 10                                   | —                  | —                                 | —  | —   | 12   |
| Total Other than Intragovernmental Assets      | <u>\$ 334,895</u>                  | <u>\$ 28,634</u>                                 | <u>\$ 14,691</u>                             | <u>\$ 118</u>                  | <u>\$ 85,572</u>                     | <u>\$ 482</u>      | <u>\$ 497</u>                     | <u>\$ —</u>                                      | <u>\$ —</u>                                   | <u>\$ 464,889</u>  |
| Total Assets                                   | <u>\$ 4,295,894</u>                | <u>\$ 273,830</u>                                | <u>\$ 357,975</u>                            | <u>\$ 148,242</u>              | <u>\$ 427,413</u>                    | <u>\$4,524,898</u> | <u>\$6,580,328</u>                | <u>\$ 6,108</u>                                  | <u>\$ —</u>                                   | <u>\$ 16,614,688</u>   |
| Liabilities                                    |                                    |  |  |                                |                                      |                    |                                   |  |   |  |
| Intragovernmental Liabilities                  |                                    |  |  |                                |                                      |                    |                                   |  |   |  |
| Accounts Payable                               | \$ 46,626                          | \$ 1,329   | \$ 8,802                                     | \$ 3,653                       | \$ 6,983                             | \$ 249             | \$ 109,587                        | \$ —   | \$ —  | \$ 177,229   |
| Other Liabilities                              | 822                                | 4,007  | 2,314  | 7,231                          | 1,075                                | 7                  | —                                 | —  | —   | 15,456   |
| Total Intragovernmental Liabilities            | <u>\$ 47,448</u>                   | <u>\$ 5,336</u>                                  | <u>\$ 11,116</u>                             | <u>\$ 10,884</u>               | <u>\$ 8,058</u>                      | <u>\$ 256</u>      | <u>\$ 109,587</u>                 | <u>\$ —</u>                                      | <u>\$ —</u>                                   | <u>\$ 192,685</u>  |
| Other than Intragovernmental Liabilities:      |                                    |  |  |                                |                                      |                    |                                   |  |   |  |
| Accounts Payable                               | \$ 596,104                         | \$ 36,368  | \$ 12,398                                    | \$ 684                         | \$ 746                               | \$ 323             | \$ 4,249                          | \$ —   | \$ —  | \$ 650,872   |
| Federal Employee Salary, Leave and Benefits    | 6,400                              | 5,851  | 26,734                                       | 2,791                          | 15,068                               | 56                 | —                                 | —  | —   | 56,900   |
| Advances from Others and Deferred Revenue      | 332,042                            | —  | 882,547                                      | —                              | —                                    | —                  | —                                 | —  | —   | 1,214,589  |
| Other Liabilities                              | (11,297)                           | 91   | 360  | —                              | 9                                    | 4,556,817          | 209,878                           | 15   | —   | 4,755,873  |
| Total Other than Intragovernmental Liabilities | <u>\$ 923,249</u>                  | <u>\$ 42,310</u>                                 | <u>\$ 922,039</u>                            | <u>\$ 3,475</u>                | <u>\$ 15,823</u>                     | <u>\$4,557,196</u> | <u>\$ 214,127</u>                 | <u>\$ 15</u>                                     | <u>\$ —</u>                                   | <u>\$ 6,678,234</u>  |
| Total Liabilities                              | <u>\$ 970,697</u>                  | <u>\$ 47,646</u>                                 | <u>\$ 933,155</u>                            | <u>\$ 14,359</u>               | <u>\$ 23,881</u>                     | <u>\$4,557,452</u> | <u>\$ 323,714</u>                 | <u>\$ 15</u>                                     | <u>\$ —</u>                                   | <u>\$ 6,870,919</u>  |
| Net Position                                   |                                    |  |  |                                |                                      |                    |                                   |  |   |  |
| Unexpended Appropriations                      | \$ —                               | \$ —   | \$ —   | \$ 19,300                      | \$ (264)                             | \$3,038,140        | \$ —                              | \$ —   | \$ —  | \$ 3,057,176   |
| Cumulative Results of Operations               | 3,325,197                          | 226,184  | (575,180)                                    | 114,583                        | 403,796                              | (3,070,694)        | 6,256,614                         | 6,093  | —   | 6,686,593  |
| Total Net Position                             | <u>\$ 3,325,197</u>                | <u>\$ 226,184</u>                                | <u>\$ (575,180)</u>                          | <u>\$ 133,883</u>              | <u>\$ 403,532</u>                    | <u>\$ (32,554)</u> | <u>\$6,256,614</u>                | <u>\$ 6,093</u>                                  | <u>\$ —</u>                                   | <u>\$ 9,743,769</u>  |
| Total Liabilities and Net Position             | <u>\$ 4,295,894</u>                | <u>\$ 273,830</u>                                | <u>\$ 357,975</u>                            | <u>\$ 148,242</u>              | <u>\$ 427,413</u>                    | <u>\$4,524,898</u> | <u>\$6,580,328</u>                | <u>\$ 6,108</u>                                  | <u>\$ —</u>                                   | <u>\$ 16,614,688</u>   |

These notes are an integral part of the financial statements.

**U.S. Department of Justice Annual Financial Statements**  
**Notes to the Principal Financial Statements**  
(Dollars in Thousands, Except as Noted)

**Note 18. Funds from Dedicated Collections (continued)**

| <b>For the Fiscal Year Ended September 30, 2024</b> | <b>Assets<br/>Forfeiture<br/>Fund (AFF)</b> | <b>Federal Prison<br/>Commissary<br/>Account<br/>(BOP)</b> | <b>Diversion<br/>Control Fee<br/>Account<br/>(DEA)</b> | <b>Antitrust<br/>Division<br/>(OBD)</b> | <b>U.S. Trustee<br/>System Fund<br/>(OBD)</b> | <b>U.S. VSST<br/>(OBD)</b> | <b>Crime<br/>Victims<br/>Fund<br/>(OJP)</b> | <b>Domestic<br/>Trafficking<br/>Victims<br/>Fund (OJP)</b> | <b>Eliminations<br/>Between<br/>Dedicated<br/>Funds</b> | <b>Total Funds<br/>from Dedicated<br/>Collections<br/>(Consolidated)</b> |
|---|---|--|--|---|---|----------------------------|---|--|---|--|
| Statement of Net Cost                               |   |  |  |   |   |                            |   |  |   |  |
| Gross Cost of Operations                            | \$ 1,567,430                                | \$ 344,459   | \$ 599,923   | \$ 239,831                              | \$ 305,491                                    | \$ 1,238,130               | \$ 2,152,998                                | \$ 927   | \$ —  | \$ 6,449,189   |
| Less: Earned Revenues                               | 15,774                                      | 350,334  | 578,844  | 245,169                                 | 267,445                                       | —                          | —   | —  | —   | 1,457,566  |
| Net Program Costs                                   | <u>\$ 1,551,656</u>                         | <u>\$ (5,875)</u>  | <u>\$ 21,079</u>                                       | <u>\$ (5,338)</u>                       | <u>\$ 38,046</u>                              | <u>\$ 1,238,130</u>        | <u>\$ 2,152,998</u>                         | <u>\$ 927</u>  | <u>\$ —</u>   | <u>\$ 4,991,623</u>  |
| <b>For the Fiscal Year Ended September 30, 2024</b> | <b>Assets<br/>Forfeiture<br/>Fund (AFF)</b> | <b>Federal Prison<br/>Commissary<br/>Account<br/>(BOP)</b> | <b>Diversion<br/>Control Fee<br/>Account<br/>(DEA)</b> | <b>Antitrust<br/>Division<br/>(OBD)</b> | <b>U.S. Trustee<br/>System Fund<br/>(OBD)</b> | <b>U.S. VSST<br/>(OBD)</b> | <b>Crime<br/>Victims<br/>Fund<br/>(OJP)</b> | <b>Domestic<br/>Trafficking<br/>Victims<br/>Fund (OJP)</b> | <b>Eliminations<br/>Between<br/>Dedicated<br/>Funds</b> | <b>Total Funds<br/>from Dedicated<br/>Collections<br/>(Consolidated)</b> |
| Statement of Changes in Net Position                |   |  |  |   |   |                            |   |  |   |  |
| <b>Unexpended Appropriations</b>                    |   |  |  |   |   |                            |   |  |   |  |
| Beginning Balance                                   | \$ —  | \$ —   | \$ —   | \$ (821)                                | \$ (263)                                      | \$ 3,038,138               | \$ —  | \$ —   | \$ —  | \$ 3,037,054   |
| Appropriations Transferred in/out                   | —   | —  | —  | 19,300                                  | —   | —                          | —   | —  | —   | 19,300   |
| Other Adjustments                                   | —   | —  | —  | —                                       | —   | (1)                        | —   | —  | —   | (1)  |
| Appropriations Used                                 | —   | —  | —  | 821                                     | (1)   | 3                          | —   | —  | —   | 823  |
| Total Unexpended Appropriations                     | <u>\$ —</u>                                 | <u>\$ —</u>  | <u>\$ —</u>  | <u>\$ 19,300</u>                        | <u>\$ (264)</u>                               | <u>\$ 3,038,140</u>        | <u>\$ —</u>                                 | <u>\$ —</u>  | <u>\$ —</u>   | <u>\$ 3,057,176</u>  |
| <b>Cumulative Results of Operations</b>             |   |  |  |   |   |                            |   |  |   |  |
| Beginning Balance                                   | \$ 2,928,974                                | \$ 207,081   | \$ (589,637)   | \$ 110,065                              | \$ 394,154                                    | \$ (3,036,389)             | \$ 6,185,715                                | \$ 5,037   | \$ —  | \$ 6,205,000   |
| Appropriations Used                                 | —   | —  | —  | (821)                                   | —   | (2)                        | —   | —  | —   | (823)  |
| Other than Intragovernmental Non-exchange revenue   |   |  |  |   |   |                            |   |  |   |  |
| Miscellaneous Receipts: Fines and Fees              | —   | —  | —  | —                                       | 172   | —                          | 2,313,897                                   | 1,983  | —   | 2,316,052  |
| Intragovernmental Non-exchange revenue              | 442,879                                     | —  | —  | —                                       | —   | 200,432                    | —   | —  | —   | 643,311  |
| Donations and forfeitures of cash and property      | 2,002,136                                   | —  | —  | —                                       | —   | 1,003,396                  | —   | —  | —   | 3,005,532  |
| Transfers in/out without reimbursements             | (3,394)                                     | —  | —  | —                                       | —   | —                          | (90,000)                                    | —  | —   | (93,394)   |
| Imputed Financing                                   | 6,258                                       | 13,228   | 35,536   | —                                       | 47,504  | —                          | —   | —  | —   | 102,526  |
| Other   | (500,000)                                   | —  | —  | 1                                       | 12  | (1)                        | —   | —  | —   | (499,988)  |
| Net Costs of Operations                             | <u>(1,551,656)</u>                          | <u>5,875</u>   | <u>(21,079)</u>  | <u>5,338</u>                            | <u>(38,046)</u>                               | <u>(1,238,130)</u>         | <u>(2,152,998)</u>                          | <u>(927)</u>   | <u>—</u>  | <u>(4,991,623)</u>   |
| Net Change and Cumulative Results of Operations     | <u>396,223</u>                              | <u>19,103</u>  | <u>14,457</u>  | <u>4,518</u>                            | <u>9,642</u>                                  | <u>(34,305)</u>            | <u>70,899</u>                               | <u>1,056</u>   | <u>—</u>  | <u>481,593</u>   |
| Total Cumulative Results of Operation               | <u>\$ 3,325,197</u>                         | <u>\$ 226,184</u>  | <u>\$ (575,180)</u>                                    | <u>\$ 114,583</u>                       | <u>\$ 403,796</u>                             | <u>\$ (3,070,694)</u>      | <u>\$ 6,256,614</u>                         | <u>\$ 6,093</u>  | <u>\$ —</u>   | <u>\$ 6,686,593</u>  |
| <b>Net Position, End of Period</b>                  | <u>\$ 3,325,197</u>                         | <u>\$ 226,184</u>  | <u>\$ (575,180)</u>                                    | <u>\$ 133,883</u>                       | <u>\$ 403,532</u>                             | <u>\$ (32,554)</u>         | <u>\$ 6,256,614</u>                         | <u>\$ 6,093</u>  | <u>\$ —</u>   | <u>\$ 9,743,769</u>  |

These notes are an integral part of the financial statements.

**U.S. Department of Justice Annual Financial Statements**  
**Notes to the Principal Financial Statements**  
(Dollars in Thousands, Except as Noted)

**Note 18. Funds from Dedicated Collections (continued)**

| As of September 30, 2023                       | Assets<br>Forfeiture<br>Fund (AFF) | Federal Prison<br>Commissary<br>Account<br>(BOP) | Diversion<br>Control Fee<br>Account<br>(DEA) | Antitrust<br>Division<br>(OBD) | U.S. Trustee<br>System Fund<br>(OBD) | U.S. VSST<br>(OBD)        | Crime<br>Victims<br>Fund<br>(OJP) | Domestic<br>Trafficking<br>Victims<br>Fund (OJP) | Eliminations<br>Between<br>Dedicated<br>Funds | Total Funds<br>from Dedicated<br>Collections<br>(Consolidated) |
|--|------------------------------------|--|--|--------------------------------|--------------------------------------|---------------------------|-----------------------------------|--|---|--|
| Balance Sheet                                  |                                    |  |  |                                |                                      |                           |                                   |  |   |  |
| Assets   |                                    |  |  |                                |                                      |                           |                                   |  |   |  |
| Intragovernmental Assets:                      |                                    |  |  |                                |                                      |                           |                                   |  |   |  |
| Fund Balance with Treasury                     | \$ 2,647,870                       | \$ 208,760                                       | \$ 303,255                                   | \$ 121,025                     | \$ 143,215                           | \$ 32,656                 | \$6,183,342                       | \$ 5,418   | \$ —  | \$ 9,645,541   |
| Investments, Net                               | 1,055,482                          | —  | —  | —                              | 200,670                              | 3,291,328                 | —                                 | —  | —   | 4,547,480  |
| Accounts Receivable, Net                       | 11,929                             | —  | —  | 792                            | 4                                    | —                         | —                                 | —  | —   | 12,725   |
| Advances and Prepayments                       | 2,713                              | —  | 171  | —                              | 281                                  | —                         | (39,694)                          | —  | —   | (36,529)   |
| Total Intragovernmental Assets                 | <u>\$ 3,717,994</u>                | <u>\$ 208,760</u>                                | <u>\$ 303,426</u>                            | <u>\$ 121,817</u>              | <u>\$ 344,170</u>                    | <u>\$3,323,984</u>        | <u>\$6,143,648</u>                | <u>\$ 5,418</u>                                  | <u>\$ —</u>                                   | <u>\$ 14,169,217</u>   |
| Other than Intragovernmental Assets:           |                                    |  |  |                                |                                      |                           |                                   |  |   |  |
| Cash and Other Monetary Assets                 | \$ —                               | \$ —   | \$ —   | \$ (758)                       | \$ —                                 | \$ —                      | \$ —                              | \$ —   | \$ —  | \$ (758)   |
| Accounts Receivable, Net                       | 48                                 | 8,536  | 59   | —                              | 76,171                               | —                         | 224,328                           | —  | —   | 309,142  |
| Inventory and Related Property, Net            | 105,996                            | 28,112   | —  | —                              | —                                    | —                         | —                                 | —  | —   | 134,108  |
| Property, Plant, and Equipment, Net            | 973                                | 2,297  | 17,828                                       | 124                            | 7,466                                | —                         | —                                 | —  | —   | 28,688   |
| Advances and Prepayments                       | —                                  | 142  | —  | —                              | —                                    | —                         | 632                               | —  | —   | 774  |
| Other Assets                                   | 143                                | —  | —  | 10                             | 10                                   | —                         | —                                 | —  | —   | 163  |
| Total Other than Intragovernmental Assets      | <u>107,160</u>                     | <u>39,087</u>                                    | <u>17,887</u>                                | <u>(624)</u>                   | <u>83,647</u>                        | <u>—</u>                  | <u>224,960</u>                    | <u>—</u>   | <u>—</u>                                      | <u>472,117</u>   |
| Total Assets                                   | <u><u>\$ 3,825,154</u></u>         | <u><u>\$ 247,847</u></u>                         | <u><u>\$ 321,313</u></u>                     | <u><u>\$ 121,193</u></u>       | <u><u>\$ 427,817</u></u>             | <u><u>\$3,323,984</u></u> | <u><u>\$6,368,608</u></u>         | <u><u>\$ 5,418</u></u>                           | <u><u>\$ —</u></u>                            | <u><u>\$ 14,641,334</u></u>                                    |
| Liabilities                                    |                                    |  |  |                                |                                      |                           |                                   |  |   |  |
| Intragovernmental Liabilities:                 |                                    |  |  |                                |                                      |                           |                                   |  |   |  |
| Accounts Payable                               | \$ 41,970                          | \$ 1,262   | \$ 7,624                                     | \$ 2,803                       | \$ 10,603                            | \$ —                      | \$ 3,901                          | \$ —   | \$ —  | \$ 68,163  |
| Other Liabilities                              | 1,536                              | 4,614  | 5,559  | 1,916                          | 2,632                                | 14                        | —                                 | —  | —   | 16,271   |
| Total Intragovernmental Liabilities            | <u>\$ 43,506</u>                   | <u>\$ 5,876</u>                                  | <u>\$ 13,183</u>                             | <u>\$ 4,719</u>                | <u>\$ 13,235</u>                     | <u>\$ 14</u>              | <u>\$ 3,901</u>                   | <u>\$ —</u>                                      | <u>\$ —</u>                                   | <u>\$ 84,434</u>   |
| Other than Intragovernmental Liabilities:      |                                    |  |  |                                |                                      |                           |                                   |  |   |  |
| Accounts Payable                               | \$ 744,619                         | \$ 24,341  | \$ 10,077                                    | \$ 463                         | \$ 1,620                             | \$ 788                    | \$ 4,265                          | \$ —   | \$ —  | \$ 786,173   |
| Federal Employee Salary, Leave and Benefits    | 7,574                              | 7,296  | 20,641                                       | 6,767                          | 19,071                               | 86                        | —                                 | —  | —   | 61,435   |
| Advances from Others and Deferred Revenue      | 105,996                            | —  | 856,284                                      | —                              | —                                    | —                         | —                                 | —  | —   | 962,280  |
| Other Liabilities                              | (5,515)                            | 3,253  | 10,765                                       | —                              | —                                    | 3,321,347                 | 174,727                           | 381  | —   | 3,504,958  |
| Total Other than Intragovernmental Liabilities | <u>852,674</u>                     | <u>34,890</u>                                    | <u>897,767</u>                               | <u>7,230</u>                   | <u>20,691</u>                        | <u>3,322,221</u>          | <u>178,992</u>                    | <u>381</u>                                       | <u>—</u>                                      | <u>5,314,846</u>   |
| Total Liabilities                              | <u><u>\$ 896,180</u></u>           | <u><u>\$ 40,766</u></u>                          | <u><u>\$ 910,950</u></u>                     | <u><u>\$ 11,949</u></u>        | <u><u>\$ 33,926</u></u>              | <u><u>\$3,322,235</u></u> | <u><u>\$ 182,893</u></u>          | <u><u>\$ 381</u></u>                             | <u><u>\$ —</u></u>                            | <u><u>\$ 5,399,280</u></u>                                     |
| Net Position                                   |                                    |  |  |                                |                                      |                           |                                   |  |   |  |
| Unexpended Appropriations                      | \$ —                               | \$ —   | \$ —   | \$ (821)                       | \$ (263)                             | \$3,038,138               | \$ —                              | \$ —   | \$ —  | \$ 3,037,054   |
| Cumulative Results of Operations               | 2,928,974                          | 207,081  | (589,637)                                    | 110,065                        | 394,154                              | (3,036,389)               | 6,185,715                         | 5,037  | —   | 6,205,000  |
| Total Net Position                             | <u>2,928,974</u>                   | <u>207,081</u>                                   | <u>(589,637)</u>                             | <u>109,244</u>                 | <u>393,891</u>                       | <u>1,749</u>              | <u>6,185,715</u>                  | <u>5,037</u>                                     | <u>—</u>                                      | <u>9,242,054</u>   |
| Total Liabilities and Net Position             | <u><u>\$ 3,825,154</u></u>         | <u><u>\$ 247,847</u></u>                         | <u><u>\$ 321,313</u></u>                     | <u><u>\$ 121,193</u></u>       | <u><u>\$ 427,817</u></u>             | <u><u>\$3,323,984</u></u> | <u><u>\$6,368,608</u></u>         | <u><u>\$ 5,418</u></u>                           | <u><u>\$ —</u></u>                            | <u><u>\$ 14,641,334</u></u>                                    |

These notes are an integral part of the financial statements.

**U.S. Department of Justice Annual Financial Statements**  
**Notes to the Principal Financial Statements**  
(Dollars in Thousands, Except as Noted)

**Note 18. Funds from Dedicated Collections (continued)**

| <b>For the Fiscal Year Ended September 30, 2023</b> | <b>Assets<br/>Forfeiture<br/>Fund (AFF)</b> | <b>Federal Prison<br/>Commissary<br/>Account<br/>(BOP)</b> | <b>Diversion<br/>Control Fee<br/>Account<br/>(DEA)</b> | <b>Antitrust<br/>Division<br/>(OBD)</b> | <b>U.S. Trustee<br/>System Fund<br/>(OBD)</b> | <b>United<br/>States<br/>VSST<br/>(OBD)</b> | <b>Crime<br/>Victims<br/>Fund<br/>(OJP)</b> | <b>Domestic<br/>Trafficking<br/>Victims<br/>Fund (OJP)</b> | <b>Eliminations<br/>Between<br/>Dedicated<br/>Funds</b> | <b>Total Funds<br/>from Dedicated<br/>Collections<br/>(Consolidated)</b> |
|---|---|--|--|---|---|---|---|--|---|--|
| Statement of Net Cost                               |   |  |  |   |   |   |   |  |   |  |
| Gross Cost of Operations                            | \$ 1,613,032                                | \$ 338,865   | \$ 546,085   | \$ 214,057                              | \$ 266,156                                    | \$5,834,553                                 | \$ 2,176,584                                | \$ 1,405   | \$ —  | \$ 10,990,737  |
| Less: Earned Revenues                               | 15,220                                      | 365,741  | 544,551  | 171,814                                 | 236,980                                       | —   | —   | —  | —   | 1,334,306  |
| Net Cost of Operations                              | <u>\$ 1,597,812</u>                         | <u>\$ (26,876)</u>   | <u>\$ 1,534</u>  | <u>\$ 42,243</u>                        | <u>\$ 29,176</u>                              | <u>\$5,834,553</u>                          | <u>\$ 2,176,584</u>                         | <u>\$ 1,405</u>  | <u>\$ —</u>   | <u>\$ 9,656,431</u>  |

| <b>For the Fiscal Year Ended September 30, 2023</b> | <b>Assets<br/>Forfeiture<br/>Fund (AFF)</b> | <b>Federal Prison<br/>Commissary<br/>Account<br/>(BOP)</b> | <b>Diversion<br/>Control Fee<br/>Account<br/>(DEA)</b> | <b>Antitrust<br/>Division<br/>(OBD)</b> | <b>U.S. Trustee<br/>System Fund<br/>(OBD)</b> | <b>United<br/>States<br/>VSST<br/>(OBD)</b> | <b>Crime<br/>Victims<br/>Fund<br/>(OJP)</b> | <b>Domestic<br/>Trafficking<br/>Victims<br/>Fund (OJP)</b> | <b>Eliminations<br/>Between<br/>Dedicated<br/>Funds</b> | <b>Total Funds<br/>from<br/>Dedicated<br/>Collections<br/>(Consolidated)</b> |
|---|---|--|--|---|---|---|---|--|---|--|
| Statement of Changes in Net Position                |   |  |  |   |   |   |   |  |   |  |
| <b>Unexpended Appropriations</b>                    |   |  |  |   |   |   |   |  |   |  |
| Beginning Balance                                   | \$ —  | \$ —   | \$ —   | \$ (1,444)                              | \$ —  | \$ —  | \$ —  | \$ —   | \$ —  | \$ (1,444)   |
| Appropriations Received                             | —   | —  | —  | 53,186                                  | —   | 5,654,410                                   | —   | —  | —   | 5,707,596  |
| Appropriations Transferred in/out                   | —   | —  | —  | —                                       | —   | —   | —   | —  | —   | —  |
| Other Adjustments                                   | —   | —  | —  | (143)                                   | (263)   | —   | —   | —  | —   | (406)  |
| Appropriations Used                                 | <u>\$ —</u>                                 | <u>\$ —</u>  | <u>\$ —</u>  | <u>\$ (52,420)</u>                      | <u>\$ —</u>                                   | <u>\$ (2,616,272)</u>                       | <u>\$ —</u>                                 | <u>\$ —</u>  | <u>\$ —</u>   | <u>\$ (2,668,692)</u>  |
| Total Unexpended Appropriations                     | <u>\$ —</u>                                 | <u>\$ —</u>  | <u>\$ —</u>  | <u>\$ (821)</u>                         | <u>\$ (263)</u>                               | <u>\$ 3,038,138</u>                         | <u>\$ —</u>                                 | <u>\$ —</u>  | <u>\$ —</u>   | <u>\$ 3,037,054</u>  |
| <b>Cumulative Results of Operations</b>             |   |  |  |   |   |   |   |  |   |  |
| Beginning Balance                                   | \$ 1,570,492                                | \$ 170,082   | \$ (615,501)   | \$ 99,887                               | \$ 401,812                                    | \$ 41,796                                   | \$6,765,804                                 | \$ 4,521   | \$ —  | \$ 8,438,893   |
| Appropriations Used                                 | —   | —  | —  | 52,420                                  | —   | 2,616,272                                   | —   | —  | —   | 2,668,692  |
| Other than Intragovernmental Non-exchange revenue   |   |  |  |   |   |   |   |  |   |  |
| Miscellaneous Receipts: Fines and Fees              | —   | —  | —  | —                                       | —   | —   | 1,610,850                                   | 1,921  | —   | 1,612,771  |
| Intragovernmental Non-exchange revenue              | 276,467                                     | —  | —  | —                                       | 67  | 93,413                                      | —   | —  | —   | 369,947  |
| Donations and forfeitures of cash and property      | 3,184,871                                   | —  | —  | —                                       | —   | 46,683                                      | —   | —  | —   | 3,231,554  |
| Transfers in/out without reimbursements             | (9,696)                                     | —  | —  | —                                       | —   | —   | (14,355)                                    | —  | —   | (24,051)   |
| Imputed Financing                                   | 4,652                                       | 10,123   | 27,398   | —                                       | 21,451  | —   | —   | —  | —   | 63,624   |
| Other   | (500,000)                                   | —  | —  | 1                                       | —   | —   | —   | —  | —   | (499,999)  |
| Net Costs of Operations                             | <u>(1,597,812)</u>                          | <u>26,876</u>  | <u>(1,534)</u>   | <u>(42,243)</u>                         | <u>(29,176)</u>                               | <u>(5,834,553)</u>                          | <u>(2,176,584)</u>                          | <u>(1,405)</u>   | <u>—</u>  | <u>(9,656,431)</u>   |
| Net Change and Cumulative Results of Operations     | <u>1,358,482</u>                            | <u>36,999</u>  | <u>25,864</u>  | <u>10,178</u>                           | <u>(7,658)</u>                                | <u>(3,078,185)</u>                          | <u>(580,089)</u>                            | <u>516</u>   | <u>—</u>  | <u>(2,233,893)</u>   |
| Total Cumulative Results of Operation               | <u>\$ 2,928,974</u>                         | <u>\$ 207,081</u>  | <u>\$ (589,637)</u>                                    | <u>\$ 110,065</u>                       | <u>\$ 394,154</u>                             | <u>\$ (3,036,389)</u>                       | <u>\$6,185,715</u>                          | <u>\$ 5,037</u>  | <u>\$ —</u>   | <u>\$ 6,205,000</u>  |
| <b>Net Position, End of Period</b>                  | <u>\$ 2,928,974</u>                         | <u>\$ 207,081</u>  | <u>\$ (589,637)</u>                                    | <u>\$ 109,244</u>                       | <u>\$ 393,891</u>                             | <u>\$ 1,749</u>                             | <u>\$6,185,715</u>                          | <u>\$ 5,037</u>  | <u>\$ —</u>   | <u>\$ 9,242,054</u>  |

These notes are an integral part of the financial statements.

**Note 18. Funds from Dedicated Collections (continued)**

*The Comprehensive Crime Control Act of 1984 (Public Law 98-473)* established the AFF to receive the proceeds of forfeiture and to pay the costs associated with such forfeitures, including the costs of managing and disposing of property, satisfying valid liens, mortgages, and other innocent owner claims, victim payments, equitable sharing and costs associated with accomplishing the legal forfeiture of the property. Authorities of the fund have been amended by various public laws enacted since 1984. Under current law, authority to use the fund for certain investigative expenses shall be specified in annual appropriation acts. Expenses necessary to seize, detain, inventory, safeguard, maintain, advertise or sell property under seizure are funded through a permanent, indefinite appropriation. In addition, beginning in FY 1993, other general expenses of managing and operating the Asset Forfeiture Program are paid from the permanent, indefinite portion of the fund. Once all expenses are covered, the balance is maintained to meet ongoing expenses of the program. Excess unobligated balances may also be allocated by the Attorney General in accordance with 28 U.S.C. §524(c)(8)(E).

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

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

In FY 2023, Justice Department's Antitrust Division submitted a project proposal to the GSA Technology Modernization Fund (TMF) and was subsequently awarded \$45.5 million, with a total repayment amount of \$11.4 million over five years to significantly improve its outdated case management and interoffice communications tools. Specifically, the award will be devoted to the acquisition of updated review platforms, improvements to internal IT service management, enhancements to case management systems, and a simplified public complaints process. The ATR has committed to repaying the entire amount solely from ATR funds and will not request any additional funding from the Department for repayment. As of September 30, 2024, \$25.7 million of the GSA award has been made available as budgetary resources for the ATR. The related repayment amount is \$6.4 million.

The *Victims of State Sponsored Terrorism Act (USVSST Act)* provides for the establishment and administration of the USVSSTF to provide compensation to certain U.S. persons who were injured in acts of international state sponsored terrorism. On February 23, 2024, the United States District Court for the Western District of Washington entered a judgment in a criminal case against Binance Holdings Limited d/b/a Binance.com (Binance) for conspiracy to operate an unlicensed money transmitting business and to violate the Bank Secrecy Act (BSA), conducting an unlicensed money transmitting business, and violating the International Emergency Economic Powers Act (IEEPA) in



**Note 18. Funds from Dedicated Collections (continued)**

connection with a scheme to profit from the U.S. market without implementing controls required by U.S. law. Specifically, in connection with the IEEPA violation, Binance violated sanctions against Iran. The court ordered Binance to pay, among other penalties, a \$898.6 million criminal forfeiture money judgment reflecting the proceeds Binance obtained from its commission of the IEEPA violation involving Iran. On March 21, 2024, Binance satisfied the \$898.6 million IEEPA portion of its forfeiture money judgment in full for deposit into the USVSSTF.

In FY 2023, the USVSSTF received an additional \$5.6 billion in appropriated funds as lump sum catch-up payments for eligible 9/11 related claimants, the 1983 Beirut barracks bombing victims, and the 1996 Khobar Towers bombing victims. Although for FYs 2023 and 2024, the predominant funding source of the USVSSTF program is appropriated funds, the long-term expectation of the USVSSTF program is that it will continue to be financed by non-federal sources.

Therefore, in accordance with *SFFAS No. 43 Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds*, which states, “Funds that are financed by specifically identified revenues, provided to the government by non-federal sources, which remain available over time, are considered funds from dedicated collections”, the Department reported the USVSSTF activity as Funds from Dedicated Collections.

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

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

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

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

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**Note 19. Suborganization Program Costs**

For the fiscal year ended September 30, 2024

| Dollars in Thousands  | AFF/SADF            | ATF                 | BOP                 | DEA                 | FBI                 | FPI              | OBDs                | OJP                 | USMS                | Eliminations       | Consolidated         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| <b>Major Program 1: Law Enforcement</b>                               |                     |                     |                     |                     |                     |                  |                     |                     |                     |                    |                      |
| Gross Cost  | \$ 1,567,430        | \$ 1,894,475        | \$ —                | \$ 3,443,206        | \$13,096,699        | \$ —             | \$ 538,381          | \$ —                | \$ 2,606,222        | \$ (745,102)       | \$ 22,401,311        |
| Less: Earned Revenues   | \$ 15,774           | \$ 39,990           | \$ —                | \$ 607,084          | \$ 1,190,516        | \$ —             | \$ 858              | \$ —                | \$ 54,078           | \$ (355,222)       | \$ 1,553,078         |
| Net Cost of Operations  | \$ 1,551,656        | \$ 1,854,485        | \$ —                | \$ 2,836,122        | \$11,906,183        | \$ —             | \$ 537,523          | \$ —                | \$ 2,552,144        | \$ (389,880)       | \$ 20,848,233        |
| <b>Major Program 2: Litigation and Compensation</b>                   |                     |                     |                     |                     |                     |                  |                     |                     |                     |                    |                      |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 8,712,927        | \$ —                | \$ —                | \$ (49,532)        | \$ 8,663,395         |
| Less: Earned Revenues   | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 545,240          | \$ —                | \$ —                | \$ (48,650)        | \$ 496,590           |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 8,167,687        | \$ —                | \$ —                | \$ (882)           | \$ 8,166,805         |
| <b>Major Program 3: Prisons and Detention</b>                         |                     |                     |                     |                     |                     |                  |                     |                     |                     |                    |                      |
| Gross Cost  | \$ —                | \$ —                | \$10,078,135        | \$ —                | \$ —                | \$ 605,963       | \$ 7,587            | \$ —                | \$ 2,160,816        | \$ (305,182)       | \$ 12,547,319        |
| Less: Earned Revenues   | \$ —                | \$ —                | \$ 381,419          | \$ —                | \$ —                | \$ 589,644       | \$ —                | \$ —                | \$ 381              | \$ (81,098)        | \$ 890,346           |
| Net Cost of Operations  | \$ —                | \$ —                | \$ 9,696,716        | \$ —                | \$ —                | \$ 16,319        | \$ 7,587            | \$ —                | \$ 2,160,435        | \$ (224,084)       | \$ 11,656,973        |
| <b>Major Program 4: Grants</b>  |                     |                     |                     |                     |                     |                  |                     |                     |                     |                    |                      |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 989,218          | \$ 5,016,283        | \$ —                | \$ (107,893)       | \$ 5,897,608         |
| Less: Earned Revenues   | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 1,130            | \$ 25,979           | \$ —                | \$ (13,330)        | \$ 13,779            |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 988,088          | \$ 4,990,304        | \$ —                | \$ (94,563)        | \$ 5,883,829         |
| <b>Major Program 5: Executive Oversight and Enterprise Technology</b> |                     |                     |                     |                     |                     |                  |                     |                     |                     |                    |                      |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 2,742,118        | \$ —                | \$ —                | \$ (19,367)        | \$ 2,722,751         |
| Less: Earned Revenues   | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 1,228,963        | \$ —                | \$ —                | \$ (711,898)       | \$ 517,065           |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —             | \$ 1,513,155        | \$ —                | \$ —                | \$ 692,531         | \$ 2,205,686         |
| <b>Net Cost of Operations</b>   | <b>\$ 1,551,656</b> | <b>\$ 1,854,485</b> | <b>\$ 9,696,716</b> | <b>\$ 2,836,122</b> | <b>\$11,906,183</b> | <b>\$ 16,319</b> | <b>\$11,214,040</b> | <b>\$ 4,990,304</b> | <b>\$ 4,712,579</b> | <b>\$ (16,878)</b> | <b>\$ 48,761,526</b> |

These notes are an integral part of the financial statements.

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**Note 19. Suborganization Program Costs (continued)**

For the fiscal year ended September 30, 2023

| Dollars in Thousands  | AFF/SADF            | ATF                 | BOP                 | DEA                 | FBI                  | FPI              | OBDs                 | OJP                 | USMS                | Eliminations       | Consolidated         |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|------------------|----------------------|---------------------|---------------------|--------------------|----------------------|
| <b>Major Program 1: Law Enforcement</b>                               |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                      |
| Gross Cost  | \$ 1,613,032        | \$ 1,721,096        | \$ —                | \$ 3,267,444        | \$ 12,534,515        | \$ —             | \$ 541,939           | \$ —                | \$ 2,449,373        | \$ (797,171)       | \$ 21,330,228        |
| Less: Earned Revenues   | \$ 15,220           | \$ 48,924           | \$ —                | \$ 573,658          | \$ 1,125,236         | \$ —             | \$ (13,837)          | \$ —                | \$ 57,805           | \$ (360,274)       | \$ 1,446,732         |
| Net Cost of Operations  | \$ 1,597,812        | \$ 1,672,172        | \$ —                | \$ 2,693,786        | \$ 11,409,279        | \$ —             | \$ 555,776           | \$ —                | \$ 2,391,568        | \$ (436,897)       | \$ 19,883,496        |
| <b>Major Program 2: Litigation and Compensation</b>                   |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                      |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 11,813,658        | \$ —                | \$ —                | \$ (27,162)        | \$ 11,786,496        |
| Less: Earned Revenues   | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 457,129           | \$ —                | \$ —                | \$ (45,098)        | \$ 412,031           |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 11,356,529        | \$ —                | \$ —                | \$ 17,936          | \$ 11,374,465        |
| <b>Major Program 3: Prisons and Detention</b>                         |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                      |
| Gross Cost  | \$ —                | \$ —                | \$ 9,943,664        | \$ —                | \$ —                 | \$ 708,192       | \$ 10,567            | \$ —                | \$ 2,194,267        | \$ (322,329)       | \$ 12,534,361        |
| Less: Earned Revenues   | \$ —                | \$ —                | \$ 376,769          | \$ —                | \$ —                 | \$ 677,536       | \$ —                 | \$ —                | \$ 305              | \$ (107,090)       | \$ 947,520           |
| Net Cost of Operations  | \$ —                | \$ —                | \$ 9,566,895        | \$ —                | \$ —                 | \$ 30,656        | \$ 10,567            | \$ —                | \$ 2,193,962        | \$ (215,239)       | \$ 11,586,841        |
| <b>Major Program 4: Grants</b>  |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                      |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 865,606           | \$ 5,051,382        | \$ —                | \$ (106,079)       | \$ 5,810,909         |
| Less: Earned Revenue  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 4,434             | \$ 38,599           | \$ —                | \$ (21,885)        | \$ 21,148            |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 861,172           | \$ 5,012,783        | \$ —                | \$ (84,194)        | \$ 5,789,761         |
| <b>Major Program 5: Executive Oversight and Enterprise Technology</b> |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                      |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 2,639,190         | \$ —                | \$ —                | \$ (38,203)        | \$ 2,600,987         |
| Less: Earned Revenues   | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 1,224,007         | \$ —                | \$ —                | \$ (740,082)       | \$ 483,925           |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 1,415,183         | \$ —                | \$ —                | \$ 701,879         | \$ 2,117,062         |
| <b>Net Cost of Operations</b>   | <b>\$ 1,597,812</b> | <b>\$ 1,672,172</b> | <b>\$ 9,566,895</b> | <b>\$ 2,693,786</b> | <b>\$ 11,409,279</b> | <b>\$ 30,656</b> | <b>\$ 14,199,227</b> | <b>\$ 5,012,783</b> | <b>\$ 4,585,530</b> | <b>\$ (16,515)</b> | <b>\$ 50,751,625</b> |

These notes are an integral part of the financial statements.

## Note 20. Imputed Financing

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

Business-type activities are significantly self-sustaining activities that finance their accounting cycle of operations through collections of exchange revenues. The Treasury Judgment Fund was established by the Congress and funded at *31 U.S.C. §1304* to pay in whole or in part the court judgments and settlement agreements negotiated by the Department on behalf of agencies, as well as certain types of administrative awards. *Federal Financial Accounting Standards Interpretation No. 2, Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS No. 4 and SFFAS No. 5*, requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable, and the amount can be estimated and will be paid by the Treasury Judgment Fund.

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

|  | Category   | Cost Factor (%) |
|--|--|-----------------|
| Civil Service Retirement System (CSRS)     | Regular Employees  | 56.5            |
|  | Regular Employees Offset                                     | 40.7            |
|  | Law Enforcement Officers                                     | 95.3            |
|  | Law Enforcement Officers Offset                              | 79.7            |
| Federal Employees Retirement System (FERS) | Regular Employees  | 24.7            |
|  | Regular Employees - Revised Annuity Employees (RAE)          | 25.2            |
|  | Regular Employees - Further Revised Annuity Employees (FRAE) | 25.5            |
|  | Law Enforcement Officers                                     | 52.7            |
|  | Law Enforcement Officers - RAE                               | 53.5            |
|  | Law Enforcement Officers - FRAE                              | 53.9            |

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

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**Note 20. Imputed Financing (continued)**

For the fiscal years ended September 30, 2024 and 2023

|                                      | 2024                | 2023                |
|--------------------------------------|---------------------|---------------------|
| Imputed Inter-Departmental Financing |                     |                     |
| U.S. Treasury Judgment Fund          | \$ 199,441          | \$ 32,668           |
| Health Insurance                     | 950,853             | 962,325             |
| Life Insurance                       | 2,730               | 2,542               |
| Pension                              | 1,239,598           | 714,678             |
| Total Imputed Inter-Departmental     | <u>\$ 2,392,622</u> | <u>\$ 1,712,213</u> |

Imputed Intra-Departmental Financing Sources as defined in *SFFAS No. 4, Managerial Cost Accounting Standards and Concepts*, are the unreimbursed portion of the full costs of goods and services received by a Department component from a providing entity that is part of the Department. Recognition is required for those transactions determined to be material to the receiving entity. The determination of whether the cost is material requires considerable judgment based on the specific facts and circumstances of each type of good or service provided. *SFFAS No. 4* also states that costs for broad and general support need not be recognized by the receiving entity unless such services form a vital and integral part of the operations or output of the receiving entity. Costs are considered broad and general if they are provided to many, if not all, reporting components and not specifically related to the receiving entity's output. The FPI's imputed costs relates to OPM employee benefits and unreimbursed costs for BOP warehouse space used in the production of goods by the FPI and for managerial and operational services BOP provided to FPI. These imputed costs have been eliminated from the consolidated financial statements. For the fiscal years ended September 30, 2024 and 2023, the FPI imputed costs were \$16,878 and \$16,515, respectively.

**Note 21. Information Related to the Statement of Budgetary Resources**

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

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

As of September 30, 2024 and 2023

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| Unobligated balance brought forward from prior year               | \$ 13,699,125        | \$ 9,790,365         |
| <b>Adjustment to Budgetary Resources made during current year</b> |                      |                      |
| Downward Adjustments of prior year undelivered                    | 1,637,171            | 1,448,168            |
| Downward Adjustments of prior year delivered                      | 241,806              | 120,219              |
| Other Adjustments   | 404,713              | 607,025              |
| Total Adjustments   | <u>2,283,690</u>     | <u>2,175,412</u>     |
| Unobligated balance brought forward from Prior Year               | <u>\$ 15,982,815</u> | <u>\$ 11,965,777</u> |

These notes are an integral part of the financial statements.

**Note 21. Information Related to the Statement of Budgetary Resources (continued)**

**Status of Undelivered Orders:**

Undelivered Orders (UDO) represents the amount of goods and/or services ordered, which have not been actually or constructively received. This amount includes any orders which may have been prepaid or advanced but for which delivery or performance has not yet occurred.

As of September 30, 2024 and 2023

|  | 2024                        | 2023                        |
|--|-----------------------------|-----------------------------|
| Intragovernmental:                     |                             |                             |
| UDO Obligations Unpaid                 | \$ 1,954,894                | \$ 2,278,157                |
| UDO Obligations Prepaid/Advanced       | 447,979                     | 282,947                     |
| Total Intragovernmental UDO            | <u>\$ 2,402,873</u>         | <u>\$ 2,561,104</u>         |
| Other than Intragovernmental:          |                             |                             |
| UDO Obligations Unpaid                 | \$ 18,949,808               | \$ 19,859,291               |
| UDO Obligations Prepaid/Advanced       | 549,441                     | 515,308                     |
| Total Other than Intragovernmental UDO | <u>19,499,249</u>           | <u>20,374,599</u>           |
| Total UDO                              | <u><u>\$ 21,902,122</u></u> | <u><u>\$ 22,935,703</u></u> |

**Permanent Indefinite Appropriations:**

A permanent indefinite appropriation is open-ended as to both its period of availability (amount of time the agency has to spend the funds) and its amount. Following are the Department's permanent indefinite appropriations:

- 28 U.S.C. §524(c)(4) authorized the Attorney General to retain AFF receipts to pay operations expenses, equitable sharing to state and local law enforcement agencies who assist in forfeiture cases, and lien holders.
- On October 5, 1990, Congress passed the *Radiation Exposure Compensation Act (RECA, Public Law 101-426)*, providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the DOJ and published in the *Federal Register* on April 10, 1992. These regulations established procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the *Federal Register* on March 22, 1999, served to greater assist claimants in establishing entitlement to an award. On July 10, 2000, the *RECA Amendments of 2000 (the 2000 Amendments, Public Law 106-245)* were passed. On November 2, 2002, the President signed the *21st Century Department of Justice Appropriation Authorization Act (Public Law 107-273)*. Contained in the law were several provisions relating to RECA. While most of these amendments were technical in nature, some affected eligibility criteria and revised claims adjudication procedures. The *Consolidated Appropriations Act, 2005* provides a permanent indefinite appropriation for the OBDs' RECA program beginning FY 2006. The *RECA Extension Act of 2022, (Public Law 117-139)* extends the RECA Trust Fund and the filing deadline for new claims for two years from its date of enactment (June 7, 2022).



**Note 21. Information Related to the Statement of Budgetary Resources (continued)**

- Congress established the Federal Prison Commissary Fund (Trust Fund) in 1932 to allow inmates a means to purchase additional products and services above the necessities provided by appropriated Federal funds. The Trust Fund is a self-sustaining trust revolving fund account that is funded through sales of goods and services, rather than annual or no-year appropriations.
- The *Public Safety Officers' Benefits Act of 1976 (PSOB Act, 42 U.S.C §46 Subchapter XII)*.

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

- Death Benefits, a one-time financial benefit to survivors of public safety officers whose deaths resulted from injuries sustained in the line of duty. Under the *Hometown Heroes Survivors Benefit Act of 2003 (Public Law 108-182)*, survivors of public safety officers who die of a heart attack or stroke within 24 hours of stressful, non-routine public safety activities may also qualify for death benefits.
  - Disability Benefits, a one-time financial benefit to public safety officers permanently disabled by catastrophic injuries sustained in the line of duty.
  - Education Benefits, which provide financial support for higher education expenses (such as tuition and fees, books, supplies, and room and board) to the eligible spouses and children of public safety officers killed or permanently disabled in the line of duty.
- *Public Law 100-202, §101 (a) [title II], 101 Statute 1329, 1329-9*, as amended by *Public Law 111-68, Division A, title I, §1501(d), 123 Statute 2041*, provided that a permanent indefinite appropriation is established within the Department of Justice to pay all necessary expenses of investigations and prosecutions by independent counsel appointed pursuant to provisions of *28 U.S.C. § 591*.
  - On July 29, 2019, the President signed into law the *Never Forget the Heroes: James Zadroga, Ray Pfeifer, and Luis Alvarez Permanent Authorization of the September 11<sup>th</sup> Victim Compensation Fund Act (VCF Permanent Authorization Act, Public Law 116-34)*. The *VCF Permanent Authorization Act* extends the VCF's claim filing deadline to October 1, 2090 and appropriates such funds as may be necessary to pay all approved claims in each fiscal year from fiscal year 2019 through fiscal year 2092.



**Note 21. Information Related to the Statement of Budgetary Resources (continued)**

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

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

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

The reconciliation as of September 30, 2023 is presented below. The reconciliation as of September 30, 2024 is not presented because the submission of the *Budget of the United States (Budget)* for FY 2026, which presents the execution of the FY 2024 Budget, occurs after publication of these financial statements. The *DOJ Budget Appendix* can be found on the OMB website and will be published at a later date in 2025.

For the Fiscal Year Ended September 30, 2023

(Dollars in Millions)

|  | Total<br>Budgetary<br>Resources | New<br>Obligations<br>and Upward<br>Adjustments | Distributed<br>Offsetting<br>Receipts | Agency<br>Outlays,<br>Net |
|--|---------------------------------|---|---------------------------------------|---------------------------|
| Statement of Budgetary Resources (SBR)             | \$ 69,954                       | \$ 56,255                                       | \$ 1,194                              | \$ 44,952                 |
| Funds not Reported in the Budget                   |                                 |   |                                       |                           |
| Expired Funds: ATF, BOP, DEA, FBI,<br>OBDs, & USMS | (1,590)                         | (548)   | (1)                                   | 1                         |
| USMS Court Security Funds                          | (739)                           | (670)   | —                                     | (614)                     |
| Distributed Offsetting Receipts                    | —                               | —   | (12)                                  | 250                       |
| Special and Trust Fund Receipts                    | —                               | —   | —                                     | 943                       |
| Other  | (1)                             | 3   | (2)                                   | 2                         |
| Budget of the United States Government             | <u>\$ 67,624</u>                | <u>\$ 55,040</u>                                | <u>\$ 1,179</u>                       | <u>\$ 45,534</u>          |

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

## **Note 22. Custodial Revenues**

The Department collects for Federal debts, fines, penalties and restitution; fees and licenses, and other non-exchange miscellaneous collections. Accrual adjustments may be necessary to adjust cash collections and refund disbursements. For example, collections are refunded to the applicants who withdraw from the process or are rejected by the Licensing Center. If payments are not processed before the quarter end, an accrual is established. These activities are recognized as non-exchange custodial revenue and reported on the Statement of Custodial Activity (SCA). The Department is aware of settlements and judgements where the respective Court has not formally accepted the settlement, or the judgments are pending on appeal. The Department is also aware of formally accepted court settlements that do not meet the standards for collectability based on management's determination. The sources of custodial revenue as presented on the SCA are described below.

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

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

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

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

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

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

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**Note 22. Custodial Revenues (continued)**

For the above-related activities, funds for which the Department has no authority to use are transmitted to the Treasury General Fund at the end of the fiscal year. As of September 30, 2024 and 2023, the Department reported total custodial revenue on the SCA in the amounts of \$6,973,011 and \$5,842,262, respectively. The custodial revenue represented \$7,675,194 and \$6,866,226 in custodial collections and (\$702,183) and (\$1,023,964) in accrual adjustments. The custodial collections that have yet to be disbursed are included in the assets and liabilities sections on the balance sheet. As of September 30, 2024 and 2023, the assets and liabilities related to custodial activities were \$845,294 and \$1,386,492, respectively. As of September 30, 2024 and 2023, the total funds returned to the Treasury General Fund were (\$531,696) and (\$1,796,590), respectively.

The table below shows collection activity by revenue type.

For the year ended September 30, 2024 and 2023

|  | 2024<br>Collections | 2023<br>Collections |
|--|---------------------|---------------------|
| <b>Non-Exchange Revenue</b>                      |                     |                     |
| Excise Taxes                                     | \$ 161,015          | \$ 111,371          |
| Fines, penalties, interest and other revenue     | 7,514,179           | 6,754,855           |
| Less: amounts collected for non-Federal entities | 422,095             | 630,973             |
| Total amount of federal revenues collected       | <u>\$ 7,253,099</u> | <u>\$ 6,235,253</u> |
| <b>Refund/Payments</b>                           |                     |                     |
| Excise Taxes                                     | \$ 8,183            | \$ 8,296            |
| Total amount of federal revenues collected       | <u>\$ 8,183</u>     | <u>\$ 8,296</u>     |

**Note 23. Reconciliation of Net Cost to Net Outlays**

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

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

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

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**Note 23. Reconciliation of Net Cost to Net Outlays (continued)**

For the year ended September 30, 2024

|  | Intra-<br>governmental | Other than<br>Intra-<br>governmental | Total                 |
|--|------------------------|--------------------------------------|-----------------------|
| <b>NET COST</b>  | \$ 11,331,242          | \$ 37,430,284                        | \$ 48,761,526         |
| <b>Components of Net Cost That Are Not Part of the Budgetary Outlays:</b>              |                        |                                      |                       |
| Property, Plant, and Equipment Depreciation Expense                                    | \$ 1                   | \$ (871,346)                         | \$ (871,345)          |
| Property, Plant, and Equipment Disposal and Revaluation                                | —                      | 2,958                                | 2,958                 |
| Lessee Lease Amortization  | —                      | (68,751)                             | (68,751)              |
| Gain/Losses on lease cancellations   | —                      | (623)                                | (623)                 |
| Costs of Goods Sold  | —                      | (222,650)                            | (222,650)             |
| Applied Overhead /Costs Capitalization Offset  | —                      | (61,771)                             | (61,771)              |
| Other  | —                      | (34,584)                             | (34,584)              |
| <b>Increase/(Decrease) in Assets</b>   |                        |                                      |                       |
| Accounts Receivable, Net   | (130,503)              | 1,140                                | (129,363)             |
| Securities and Investments   | 3,094                  | —                                    | 3,094                 |
| Other Assets   | 145,925                | 125,932                              | 271,857               |
| <b>(Increase)/Decrease in Liabilities</b>  |                        |                                      |                       |
| Accounts Payable   | 133,532                | 184,369                              | 317,901               |
| Lessee Lease Liability   | (5,167)                | 2,328                                | (2,839)               |
| Environmental and Disposal Liabilities   | —                      | (2,187)                              | (2,187)               |
| Federal Employee Salary, Leave and Benefits  | —                      | 492,486                              | 492,486               |
| Post-Employment Benefits   | —                      | (65,561)                             | (65,561)              |
| Other Liabilities  | 100,366                | (1,313,756)                          | (1,213,390)           |
| <b>Financing Sources</b>   |                        |                                      |                       |
| Imputed Costs  | (2,392,622)            | —                                    | (2,392,622)           |
| <b>Total Components of Net Costs That Are Not Part of the Budgetary Outlays:</b>       | <u>\$ (2,145,374)</u>  | <u>\$ (1,832,016)</u>                | <u>\$ (3,977,390)</u> |
| <b>Component of Budgetary Outlays That Are Not Part of Net Operating Costs:</b>        |                        |                                      |                       |
| Acquisition of Capital assets  | \$ 56,374              | \$ 990,546                           | \$ 1,046,920          |
| Acquisition of Inventory   | 11                     | 223,140                              | 223,151               |
| Acquisition of Other Assets  | 23,453                 | 170,561                              | 194,014               |
| <b>Financing Sources</b>   |                        |                                      |                       |
| Transfers out (in) without Reimbursements  | (570,389)              | —                                    | (570,389)             |
| <b>Total Components of Budgetary Outlays That Are Not Part of Net Operating Costs:</b> | <u>\$ (490,551)</u>    | <u>\$ 1,384,247</u>                  | <u>\$ 893,696</u>     |
| <b>Misc Items</b>  |                        |                                      |                       |
| Distributed Offsetting Receipts  | \$ (742,393)           | \$ 603,741                           | \$ (138,652)          |
| Recognition of Right-to-Use Lease Assets   | —                      | 31,796                               | 31,796                |
| Custodial/Non-Exchange Revenue   | (192)                  | (10,648)                             | (10,840)              |
| Non-Entity Activity  | 206,572                | —                                    | 206,572               |
| Other Temporary Timing Differences   | 1,003                  | 92,938                               | 93,941                |
| Appropriated Receipts for Trust/Special Funds  | —                      | (605,170)                            | (605,170)             |
| <b>Total Other Reconciling Items</b>   | <u>\$ (535,010)</u>    | <u>\$ 112,657</u>                    | <u>\$ (422,353)</u>   |
| <b>Total Net Outlays</b>   | <u>\$ 8,160,307</u>    | <u>\$ 37,095,172</u>                 | <u>\$ 45,255,479</u>  |
| <b>Budgetary Agency Outlays, net (SBR 4210)</b>  |                        |                                      |                       |
| Budgetary Agency Outlays, Net  |                        |                                      | <u>\$ 45,255,479</u>  |

These notes are an integral part of the financial statements.

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**Note 23. Reconciliation of Net Cost to Net Outlays (continued)**

For the year ended September 30, 2023

|  | Intra-<br>governmental     | Other than<br>Intra-<br>governmental | Total                       |
|--|----------------------------|--------------------------------------|-----------------------------|
| <b>NET COST</b>  | \$ 9,648,719               | \$ 41,102,906                        | \$ 50,751,625               |
| <b>Components of Net Cost That Are Not Part of the Budgetary Outlays:</b>              |                            |                                      |                             |
| Property, Plant, and Equipment Depreciation Expense                                    | \$ —                       | \$ (807,182)                         | \$ (807,182)                |
| Property, Plant, and Equipment Disposal and Revaluation                                | —                          | (359,512)                            | (359,512)                   |
| Cost of Goods Sold   | —                          | (232,599)                            | (232,599)                   |
| Applied Overhead/Costs Capitalization Offset   | —                          | 9,044                                | 9,044                       |
| Other  | —                          | (22,749)                             | (22,749)                    |
| <b>Increase/(Decrease) in Assets</b>   |                            |                                      |                             |
| Accounts Receivable, Net   | 22,472                     | 22,988                               | 45,460                      |
| Securities and Investments   | (2,279)                    | —                                    | (2,279)                     |
| Other Assets   | (16,358)                   | 23,744                               | 7,386                       |
| <b>(Increase)/Decrease in Liabilities</b>  |                            |                                      |                             |
| Accounts Payable   | (81,317)                   | (105,000)                            | (186,317)                   |
| Environmental and Disposal Liabilities   | —                          | (2,627)                              | (2,627)                     |
| Federal Employee Salary, Leave and Benefits  | —                          | (72,892)                             | (72,892)                    |
| Post-Employment Benefits   | —                          | (43,517)                             | (43,517)                    |
| Other Liabilities  | (54,329)                   | (2,563,076)                          | (2,617,405)                 |
| <b>Financing Sources</b>   |                            |                                      |                             |
| Imputed Costs  | (1,712,213)                | —                                    | (1,712,213)                 |
| <b>Total Components of Net Costs That Are Not Part of the Budgetary Outlays:</b>       | <u>\$ (1,844,024)</u>      | <u>\$ (4,153,378)</u>                | <u>\$ (5,997,402)</u>       |
| <b>Component of Budgetary Outlays That Are Not Part of Net Operating Costs:</b>        |                            |                                      |                             |
| Acquisition of Capital Assets  | \$ 47,550                  | \$ 473,855                           | \$ 521,405                  |
| Acquisition of Inventory   | 9                          | 238,910                              | 238,919                     |
| Acquisition of Other Assets  | 1,232                      | 144,738                              | 145,970                     |
| <b>Financing Sources</b>   |                            |                                      |                             |
| Donated Revenue  | —                          | (681)                                | (681)                       |
| Transfers out (in) without Reimbursements  | (320,469)                  | —                                    | (320,469)                   |
| <b>Total Components of Budgetary Outlays That Are Not Part of Net Operating Costs:</b> | <u>\$ (271,678)</u>        | <u>\$ 856,822</u>                    | <u>\$ 585,144</u>           |
| <b>Misc Items</b>  |                            |                                      |                             |
| Distributed Offsetting Receipts  | \$ (292,776)               | \$ 480,913                           | \$ 188,137                  |
| Custodial/Non-Exchange Revenue   | (6,981)                    | 12,724                               | 5,743                       |
| Other Temporary Timing Differences   | 2,170                      | (583,185)                            | (581,015)                   |
| <b>Total Other Reconciling Items</b>   | <u>\$ (297,587)</u>        | <u>\$ (89,548)</u>                   | <u>\$ (387,135)</u>         |
| <b>Total Net Outlays</b>   | <u><u>\$ 7,235,430</u></u> | <u><u>\$ 37,716,802</u></u>          | <u><u>\$ 44,952,232</u></u> |
| <b>Budgetary Agency Outlays, net (SBR 4210)</b>  |                            |                                      |                             |
| Budgetary Agency Outlays, Net  |                            |                                      | <u><u>\$ 44,952,232</u></u> |

These notes are an integral part of the financial statements.

**Note 24. Public-Private Partnerships**

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

The average length of an ESPC is 17 years but may not exceed 25 years. Term length depends on the scope of work performed by the ESCO and the nature of energy upgrades required by the institution. Annual payments made to the ESCO are tied to the energy savings guaranteed for the project and validated by the ESCO through the annual measurement and verification activity plan. Unless otherwise stipulated in the payment schedules or amended by a procurement action, payments are applied to principal, interest expense, and operational expense. By contrast, Note 16 Other Liabilities includes only liabilities related to principal payments.

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

The schedule of actual and estimated payments is presented in the following table.

As of September 30, 2024 and 2023

| FY 2024                        |   |
|--------------------------------|---|
|                                | Estimated<br>Amount<br>to be Paid over<br>Expected Life |
| Actual<br>Amount<br>Paid in FY |   |
| ESPC                           | \$ 36,939 \$ 509,027                                    |
| Estimated Total                | \$ 36,939 \$ 509,027                                    |

| FY 2023                        |   |
|--------------------------------|---|
|                                | Estimated<br>Amount<br>to be Paid over<br>Expected Life |
| Actual<br>Amount<br>Paid in FY |   |
| ESPC                           | \$ 35,196 \$ 545,529                                    |
| Estimated Total                | \$ 35,196 \$ 545,529                                    |

These notes are an integral part of the financial statements.



**Note 25. Reclassification of Financial Statement Line Items for Financial Report Compilation Process**

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

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**Note 25. Reclassification of Financial Statement Line Items for Financial Report Compilation Process (continued)**

For the Year Ended September 30, 2024

| FY 2024 Department of Justice Statement of Net Cost        |                      | Line Items Used to Prepare FY 2024 Government-Wide Statement of Net Cost |  |                      |  |
|--|----------------------|--|--|----------------------|--|
| Financial Statement Line                                   | Amounts              | Dedicated Collections Consolidated                                       | Other than Dedicated Collections (with Eliminations) | Total                | Reclassified Financial Statement Line  |
| <b>Gross Costs</b>   |                      |  |  |                      | <b>Non-Federal Costs</b>   |
|  | \$ 39,490,338        | \$ 5,565,392   | \$ 33,924,946  | \$ 39,490,338        | Non-federal Gross Costs  |
|  | <b>\$ 39,490,338</b> | <b>\$ 5,565,392</b>  | <b>\$ 33,924,946</b>                                 | <b>\$ 39,490,338</b> | <b>Total Non-federal Costs</b>   |
|  | <b>12,742,046</b>    |  |  |                      | <b>Intragovernmental Costs</b>   |
|  |                      | 193,072  | 5,162,588  | 5,355,660            | Benefit Program Costs  |
|  |                      | 102,526  | 2,290,095  | 2,392,621            | Imputed Costs  |
|  |                      | 568,051  | 3,636,751  | 4,204,802            | Buy/Sell Costs   |
|  |                      | 11   | 79,828   | 79,839               | Purchase of Assets   |
|  |                      | —  | 143  | 143                  | Borrowing and Other Interest Expense   |
|  |                      | 20,148   | 768,672  | 788,820              | Other Expenses (w/o Reciprocals)   |
|  |                      | (11)   | (79,828)   | (79,839)             | Purchase of Assets Offset  |
|  | <b>\$ 12,742,046</b> | <b>\$ 883,797</b>  | <b>\$ 11,858,249</b>                                 | <b>\$ 12,742,046</b> | <b>Total Intragovernmental Costs</b>   |
| <i>Total Gross Costs</i>                                   | 52,232,384           | 6,449,189  | 45,783,195   | 52,232,384           | <i>Total Reclassified Gross Costs</i>  |
| <b>Earned Revenue</b>                                      | 2,060,054            | 1,508,117  | 551,937  | 2,060,054            | Non-federal Earned Revenue   |
|  | <b>1,410,804</b>     |  |  |                      | <b>Intragovernmental Revenue</b>   |
|  |                      | (62,180)   | 1,443,682  | 1,381,502            | Buy/Sell Revenue   |
|  |                      | 11,629   | 17,673   | 29,302               | Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange) |
|  | <b>\$ 1,410,804</b>  | <b>\$ (50,551)</b>   | <b>\$ 1,461,355</b>                                  | <b>\$ 1,410,804</b>  | <b>Total Intragovernmental Earned Revenue</b>                                    |
| <i>Total Earned Revenue</i>                                | <b>\$ 3,470,858</b>  | <b>\$ 1,457,566</b>  | <b>\$ 2,013,292</b>                                  | <b>\$ 3,470,858</b>  | <i>Total Reclassified Earned Revenue</i>   |
| <b>Net Cost</b>  | <b>\$ 48,761,526</b> | <b>\$ 4,991,623</b>  | <b>\$ 43,769,903</b>                                 | <b>\$ 48,761,526</b> | <b>Net Cost</b>  |
| <b>Exchange Statement of Custodial Activity</b>            |                      |  |  |                      |  |
| Exchange Custodial Collections from SCA                    | 15,000               | —  | 15,000   | 15,000               | Non-Federal Earned Revenue   |
|  |                      |  |  |                      |  |
| <i>Total Exchange Custodial Collections</i>                | 15,000               | —  | 15,000   | 15,000               | <i>Total Reclassified Exchange Custodial Collections</i>                         |
|  |                      |  |  |                      | <b>Intragovernmental Earned Revenue</b>  |
| Disposition of Exchange Custodial Collections from SCA     | (15,000)             | —  | (15,000)   | (15,000)             | Collections for others transferred to the General Fund of the U.S. Government    |
|  |                      |  |  |                      | <b>Total Intragovernmental Earned Revenue</b>                                    |
| <i>Total Disposition of Exchange Custodial Collections</i> | (15,000)             | —  | (15,000)   | (15,000)             | <i>Total Reclassified Disposition of Custodial Collections</i>                   |

These notes are an integral part of the financial statements.

**U.S. Department of Justice Annual Financial Statements**  
**Notes to the Principal Financial Statements**  
(Dollars in Thousands, Except as Noted)

**Note 25. Reclassification of Financial Statement Line Items for Financial Report Compilation Process (continued)**

For the Year Ended September 30, 2024

| FY 2024 Department of Justice Statement of Changes in Net Position |                       | Line Items Used to Prepare FY 2024 Government-Wide Statement of Changes in Net Position |  |                       |   |
|--|-----------------------|---|--|-----------------------|---|
| Financial Statement Line   | Amounts               | Dedicated Collections Consolidated  | Other than Dedicated Collections (with Eliminations) | Total                 | Reclassified Financial Statement Line   |
| <b>Unexpended Appropriations</b>                                   |                       |   |  |                       |   |
| Unexpended Appropriations, Beginning Balance                       | \$ 25,081,513         | \$ 3,037,054  | \$ 22,044,459  | \$ 25,081,513         | Unexpended Appropriations, Beginning Balance  |
| Appropriations Received  | 40,444,565            | —   | 40,444,565   | 40,444,565            | Appropriations Received   |
| Other Adjustments  | (298,501)             | (1)   | (298,500)  | (298,501)             | Other Adjustments   |
| Appropriations Transferred In/Out                                  | 654,691               | 19,300  | 635,391  | 654,691               | Non-Expenditure Transfers-In/Out of Unexpended Appropriations & Financing Sources (Federal) |
| Appropriations Used  | (41,245,596)          | 823   | (41,246,419)   | (41,245,596)          | Appropriations Used   |
| <b>Total Unexpended Appropriations</b>                             | <b>\$ 24,636,672</b>  | <b>\$ 3,057,176</b>   | <b>\$ 21,579,496</b>                                 | <b>\$ 24,636,672</b>  | <b>Total Unexpended Appropriations</b>  |
| <b>Cumulative Results of Operations</b>                            |                       |   |  |                       |   |
| Cumulative Results, Beginning Balance                              | \$ 9,592,009          | \$ 6,205,000  | \$ 3,387,009   | \$ 9,592,009          | Cumulative Results, Beginning Balance, as adjusted  |
| Other Adjustments  | (706,816)             | (500,000)   | (206,816)  | (706,816)             | Other Adjustments   |
| Appropriations Used  | 41,245,596            | (823)   | 41,246,419   | 41,245,596            | Appropriations Used   |
| Non-Exchange Revenue   | 2,985,615             |   |  |                       | <b>Non-federal Non-Exchange Revenues</b>  |
|  |                       | 2,316,052   | 26,252   | 2,342,304             | Other Taxes and Receipts  |
|  |                       | <b>\$ 2,316,052</b>   | <b>\$ 26,252</b>                                     | <b>\$ 2,342,304</b>   | <b>Total Non-Federal Non-Exchange Revenues</b>  |
|  |                       |   |  |                       | <b>Federal Non-Exchange Revenue</b>   |
|  |                       | 643,311   | —  | 643,311               | Federal Securities Interest Revenue including Associated Gains and Losses                   |
|  |                       | <b>\$ 643,311</b>   | <b>\$ —</b>  | <b>\$ 643,311</b>     | <b>Total Federal Non-Exchange Revenue</b>   |
| <b>Total Non-Exchange Revenues</b>                                 | <b>\$ 2,985,615</b>   | <b>\$ 2,959,363</b>   | <b>\$ 26,252</b>                                     | <b>\$ 2,985,615</b>   | <b>Total Non-Exchange Revenues</b>  |
| Donations and Forfeitures of Property                              | 525,581               | 525,581   | —  | 525,581               | Financing Sources   |
| Transfers In/Out w/o Reimbursement - Budgetary                     | 526,009               | (93,394)  | 619,403  | 526,009               |   |
| Other  | (20,962)              | 12  | (20,974)   | (20,962)              |   |
| Donations and Forfeitures of Cash and Equivalents                  | 2,479,956             | 2,479,951   | 5  | 2,479,956             |   |
| Imputed Financing  | 2,392,622             | 102,526   | 2,290,096  | 2,392,622             |   |
| <b>Total Donations, Transfers, &amp; Imputed</b>                   | <b>\$ 5,903,206</b>   | <b>\$ 3,014,676</b>   | <b>\$ 2,888,530</b>                                  | <b>\$ 5,903,206</b>   | <b>Total Financing Sources</b>  |
| <b>Net Cost of Operations</b>                                      | <b>(48,761,526)</b>   | <b>(4,991,623)</b>  | <b>(43,769,903)</b>                                  | <b>(48,761,526)</b>   | <b>Net Cost of Operations</b>   |
| <b>Ending Balance - Cumulative Results of Operations</b>           | <b>\$ 10,258,084</b>  | <b>\$ 6,686,593</b>   | <b>\$ 3,571,491</b>                                  | <b>\$ 10,258,084</b>  | <b>Cumulative Results of Operations</b>   |
| <b>Total Net Position</b>  | <b>\$ 34,894,756</b>  | <b>\$ 9,743,769</b>   | <b>\$ 25,150,987</b>                                 | <b>\$ 34,894,756</b>  | <b>Net Position</b>   |
| Non-Exchange Custodial Collections from the SCA                    | 6,958,011             | —   | 7,660,194  | 7,660,194             | Other Taxes and Receipts  |
| <b>Total Non-Exchange Custodial Collections</b>                    | <b>\$ 6,958,011</b>   | <b>\$ —</b>   | <b>\$ 7,660,194</b>                                  | <b>\$ 7,660,194</b>   | <b>Accrual Adjustments</b>  |
| Disposition of Non-Exchange Custodial Collections from the SCA     | (6,958,011)           | —   | (422,095)  | (422,095)             | Net Custodial Revenue   |
|  |                       | —   | (6,365,460)  | (6,365,460)           | Other Taxes and Receipts  |
|  |                       | —   | (516,696)  | (516,696)             | Collections Transferred to a TAS Other Than the General Fund of the U.S. Government         |
|  |                       | —   | 540,960  | 540,960               | Collections for Others Transferred to the General Fund of the U.S. Government               |
|  |                       | —   | (194,720)  | (194,720)             | Non-Cash Accrual Adjustment   |
| <b>Total Disposition of Non-Exchange Custodial Collections</b>     | <b>\$ (6,958,011)</b> | <b>\$ —</b>   | <b>\$ (6,958,011)</b>                                | <b>\$ (6,958,011)</b> | <b>Retained by Reporting Entity</b>   |
|  | —                     | —   | —  | —                     | <b>Total Distribution of Collections</b>  |
|  |                       |   |  |                       | <b>Net Custodial Activity</b>   |

These notes are an integral part of the financial statements.

## **Note 26. Compensation Funds**

The Department's Compensation Funds are classified as Other Liabilities, however *OMB A-136* allows agencies to disaggregate a required line title into two or more entity-specific line titles. DOJ elected to present the below compensation funds as separate line items on the balance sheet. In doing so, compensation funds are not presented in Note 16 - Other Liabilities. To comply with *SFFAS No. 1, Accounting for Selected Assets and Liabilities*, DOJ considers compensation fund liabilities as current liabilities.

### **Radiation Exposure Compensation Act**

On October 15, 1990, Congress passed the *RECA (the Act, Public Law 101-426)*, providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the Department and published in the *Federal Register* on April 10, 1992, establishing procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the *Federal Register* on March 22, 1999, served to greater assist claimants in establishing entitlement to an award.

On July 10, 2000, the *RECA Amendments of 2000 (Public Law 106-245)* was enacted. Some of the widespread changes include new claimant populations, additional compensable diseases, lower radiation exposure thresholds, modified medical documentation requirements, and removal of certain disease restrictions. Pursuant to the *RECA Amendments of 2000*, the Department was directed to issue implementing regulations. The Department published two related rule-makings in the *Federal Register* to implement the legislation.

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

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

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

## **Note 26. Compensation Funds (continued)**

The OBDs recognized liabilities of \$33,474 and \$48,779 for estimated future benefits payable by the Department as of September 30, 2024 and 2023 respectively. The estimated liability is based on activity between FYs 2007-2011 and FYs 2015-2024. Key factors in determining future liability include trends in the number of claims filed, trends in the percentage of claims adjudicated, and trends in the percentage of claims approved.

The *RECA Extension Act* of 2022 (*Public Law 117-139*), extends the RECA Trust Fund and the filing deadline for new claims for two years from its date of enactment (June 2022). Therefore, the Department estimates that final payments will be made in FY 2025. *H.R. 5338: Radiation Exposure Compensation Act Amendments of 2021*, to expand and extend the program for another 19 years to 2040 was introduced on December 8, 2021, in a previous session of Congress, but it did not receive a vote.

### **September 11<sup>th</sup> Victim Compensation Fund**

On December 18, 2015, the *James Zadroga 9/11 Health and Compensation Act* of 2010 was reauthorized (*Reauthorized Zadroga Act, Public Law 114-113*), extending the September 11<sup>th</sup> Victim Compensation Fund (VCF) for 5 years. The *Reauthorized Zadroga Act* made changes to the method in which the fund calculates awards for claimants receiving award determination letters dated on or after December 17, 2015. This included limiting the amount of non-economic loss that could be awarded, eliminating claims for future out-of-pocket medical expenses, and capping the gross annual income level that can be used when calculating future economic loss.

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

The VCF meets the criteria of a government-acknowledged event as defined by *SFFAS No. 5, Accounting for Liabilities of the Federal Government*. The OBDs recognized liabilities of \$2.8 billion and \$3.0 billion for estimated future benefits payable by the Department as of September 30, 2024 and 2023 respectively. In accordance with *SFFAS No. 5*, the September 30, 2024 liability for non-exchange transactions is based on unreported amounts due or estimated amount of claimants that will meet the eligibility criteria submitted by September 30, 2024. The VCF records an obligation and disburses the claim, only when both the claimant and the special master have final agreement of the claim settlement amount.

## **Note 26. Compensation Funds (continued)**

The Department recognizes there are uncertainties that will influence future claims submitted beyond those submitted by September 30, 2024 including:

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

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

The *USVSST Act* established the USVSSTF to provide compensation to individuals harmed as a result of an international act of terrorism by a state sponsor of terrorism. The USVSSTF awards compensation to victims who have final judgments issued under the *Foreign Sovereign Immunities Act* by U.S. district courts against a state sponsor of terrorism, as well as to hostages held at the U.S. Embassy in Tehran, Iran from November 4, 1979 through January 20, 1981, and their spouses and children.

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

On February 23, 2024, the United States District Court for the Western District of Washington entered a judgment in a criminal case against Binance Holdings Limited d/b/a Binance.com (Binance) for conspiracy to operate an unlicensed money transmitting business and to violate the Bank Secrecy Act (BSA), conducting an unlicensed money transmitting business, and violating the International



## **Note 26. Compensation Funds (continued)**

Emergency Economic Powers Act (IEEPA) in connection with a scheme to profit from the U.S. market without implementing controls required by U.S. law. The court ordered Binance to pay, among other penalties, a \$898.6 million criminal forfeiture money judgment reflecting the proceeds Binance obtained from its commission of the IEEPA. On March 21, 2024, Binance satisfied the \$898.6 million IEEPA portion of its forfeiture money judgment in full for deposit into the USVSSTF.

The *Fairness for 9/11 Families Act*, enacted by Congress on December 29, 2022 *Fairness Act*, *Public Law 117-328* required the Comptroller General of the United States to conduct an audit to determine proposed lump sum catch-up payments to certain 1983 Beirut Barracks bombing victims and certain 1996 Khobar Towers bombing victims. The *Fairness Act* also established a “lump sum catch-up payment reserve fund” within the USVSSTF, and appropriated \$3.0 billion to that reserve fund to make these catch-up payments. The Comptroller General must submit a report to Congress and the Special Master that includes determinations of the amount of the payments. The Special Master shall authorize the lump sum catch-up payments specific to Beirut and Khobar Towers victims, with payments to begin 90 days after the Comptroller General’s report is issued. On July 9, 2024, the Comptroller General published a notice in the Federal Register related to the estimated lump sum catch-up payments to eligible 1983 Beirut Barracks Bombing Victims and 1996 Khobar Towers Bombing Victims and planned methodology; request for comment.

The Comptroller General’s final report was issued in November 2024. However, not earlier than 90 days and not later than 1 year after submission of the report that is to follow this notice, the Special Master is to authorize lump sum catch-up payments from the reserve fund in amounts equal to those estimated by the Comptroller General. The earliest lump sum catch-up payments can be authorized is late January 2025.

The statute explicitly states “(bb) Remaining amounts: All amounts remaining in the lump sum catch-up payment reserve fund in excess of the amounts described in subclauses (i) and (ii) of clause (iii) shall be deposited into the Fund under this section.” As of September 30, 2024, there are unpaid eligible claims that exceed the \$3.0 billion in funding received through the Fairness Act.

As of September 30, 2024 and 2023, the USVSSTF recognized liabilities for future claims amounted to \$4.6 billion and \$3.3 billion, respectively.

## **Note 27. Subsequent Events**

TD Bank N.A. (TDBNA), the tenth largest bank in the United States and its parent company TD Bank Holding Company (TDBUSH) pleaded guilty October 10, 2024 and agreed to pay over \$1.8 billion in penalties to resolve the Justice Department’s Investigation into violations of the Bank Secrecy Act and money laundering. TD bank will pay a criminal fine of approximately \$1.4 billion to U.S. Courts no later than 10 business days after the court’s final judgement. OJP’s Crime Victims Fund expects to receive the funds in December 2024.



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## Required Supplementary Information (*Unaudited*)

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See Independent Auditors' Report

## Deferred Maintenance and Repairs

In accordance with *SFFAS No. 42, Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29 and 32*, Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29 and 32, the Department is required to measure and report Deferred Maintenance and Repairs (DM&R). Maintenance and repairs are activities directed toward keeping fixed assets in an acceptable condition. General maintenance activities include preventive maintenance; replacement of parts, systems, or components; and other activities needed to preserve or maintain the asset to an acceptable level.

The Department and its components primarily utilize condition assessment surveys from industry professionals to measure maintenance and repairs necessary to keep fixed assets operating at acceptable levels. Also, computerized systems are used to report and monitor maintenance and repair needs as well as importance. Mission critical assets and non-capitalized property are those having significant impact to the health and safety of DOJ involved individuals, or assets and non-capitalized property critical to performing the mission of DOJ. Such items undergo routine assessments and maintenance schedules. Generally, necessary maintenance and repairs are not deferred for critical items. Due to the varying degrees *SFFAS No. 42* applies to components, DOJ allows for components to independently rank, prioritize, and determine acceptable condition standards based on impact to mission, location, importance, and type. When considering DM&R, DOJ and its components only consider capitalized PP&E regardless of the depreciation status.

However, certain asset types are specifically excluded from the DM&R assessment such as land, construction in progress (CIP), leasehold improvements, and internal use software (IUS). Land is acquired for operational purposes, predominately to construct physical assets and for training. Land does not have a useful life, nor does it depreciate. Beyond general care necessary for the operational purpose for which it was acquired, land does not require maintenance and repairs as defined by *SFFAS No. 42* and therefore is excluded from the DM&R assessment. CIP refers to on-going construction where any maintenance and repairs is remediated through the construction process; and therefore, is excluded from the DM&R assessments. Leasehold improvements are improvements to non-DOJ owned assets and are amortized over the lease term. Leasehold improvements occur when modifications to leased spaces are required to accommodate operational activities in achievement of mission objectives. If additional modifications are necessary, it is either a capital improvement, which is specifically omitted from *SFFAS No. 42*, or expensed and therefore excluded from the DM&R assessment. IUS refers to purchased software that has been internally developed to meet critical operational needs. IUS is serviced through help desk initiatives and undergoes routine scheduled assessments. Maintenance and repairs are not deferred and therefore IUS is excluded from the DM&R assessment.

In FY 2024, the Department issued a data call to components to assess the department-wide DM&R. Based on the PP&E portfolio of the DOJ, other than BOP, the remaining components do not have a PP&E portfolio with significant DM&R.

With over 120 owned institutions, totaling over 66 million square feet, encompassing 46 thousand acres, the BOP is unlike other DOJ components. The BOP is solely responsible for managing and maintaining their aging infrastructure. Over 53 percent of BOP's prison facilities are over 30 years

## Deferred Maintenance and Repairs (continued)

old, with approximately 30 percent over 50 years old. Prison facilities are subject to greater than normal wear and tear as they are continuously operated. Older facilities tend to require repairs to infrastructure systems pertaining to water, sewer, electrical, HVAC, alarm systems, fences, roofs, etc. These older facilities present potentially higher needs for repair and renovation than newer facilities and consume a large portion of the BOP's maintenance and repair (M&R) resources to maintain facilities in an acceptable condition. BOP expects capital improvements are necessary in the near term to keep their aging facilities operational. In late FY 2024, the BOP received the initial results of a comprehensive survey of its building and facilities inventory. The survey results identified a significant number of repairs and improvements to be made across BOP's facilities portfolio. BOP is currently in the process of evaluating the survey results to determine the portion associated with DM&R vs. capital improvements. While BOP acknowledges the existence of DM&R, an estimate based on the survey was not available at the time of this report.

**U.S. Department of Justice**  
**Combining Statement of Budgetary Resources**  
**For the Fiscal Year Ended September 30, 2024**

| Dollars in Thousands  | AFF/SADF            | ATF                 | BOP                  | DEA                 | FBI                  | FPI                | OBDs                 | OJP                 | USMS                | Combined             |
|---|---------------------|---------------------|----------------------|---------------------|----------------------|--------------------|----------------------|---------------------|---------------------|----------------------|
| <b>Budgetary Resources</b>  |                     |                     |                      |                     |                      |                    |                      |                     |                     |                      |
| Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory) (Note 21) | \$ 2,582,347        | \$ 285,631          | \$ 1,995,734         | \$ 427,727          | \$ 3,605,702         | \$ 172,549         | \$ 5,636,135         | \$ 987,217          | \$ 289,773          | \$ 15,982,815        |
| Appropriations (discretionary and mandatory)  | 1,974,266           | 1,625,335           | 8,545,160            | 3,222,374           | 10,338,038           | —                  | 11,199,747           | 4,485,931           | 4,559,088           | 45,949,939           |
| Spending Authority from Offsetting Collections (discretionary and mandatory)                      | 28,169              | 47,910              | 471,721              | 31,335              | 1,324,125            | 671,760            | 2,926,019            | 366,970             | 85,430              | 5,953,439            |
| <b>Total Budgetary Resources</b>  | <b>\$ 4,584,782</b> | <b>\$ 1,958,876</b> | <b>\$ 11,012,615</b> | <b>\$ 3,681,436</b> | <b>\$ 15,267,865</b> | <b>\$ 844,309</b>  | <b>\$ 19,761,901</b> | <b>\$ 5,840,118</b> | <b>\$ 4,934,291</b> | <b>\$ 67,886,193</b> |
| <b>Status of Budgetary Resources</b>  |                     |                     |                      |                     |                      |                    |                      |                     |                     |                      |
| New Obligations and Upward Adjustments (Total)  | \$ 1,600,123        | \$ 1,825,880        | \$ 9,634,996         | \$ 3,313,275        | \$ 12,862,438        | \$ 652,158         | \$ 13,566,667        | \$ 4,469,167        | \$ 4,750,100        | \$ 52,674,804        |
| Unobligated Balance, End of Year:   |                     |                     |                      |                     |                      |                    |                      |                     |                     |                      |
| Apportioned, Unexpired Accounts   | 2,846,822           | 101,770             | 766,138              | 286,212             | 2,002,844            | —                  | 5,620,040            | 1,330,997           | 133,322             | 13,088,145           |
| Exempt from Apportionment, Unexpired Accounts   | —                   | —                   | 186,248              | —                   | —                    | 192,151            | —                    | —                   | —                   | 378,399              |
| Unapportioned, Unexpired Accounts   | 137,837             | 8,350               | 8,000                | 1,414               | 14,250               | —                  | 281,051              | 39,824              | 955                 | 491,681              |
| Unexpired, Unobligated Balance, End of Year   | 2,984,659           | 110,120             | 960,386              | 287,626             | 2,017,094            | 192,151            | 5,901,091            | 1,370,821           | 134,277             | 13,958,225           |
| Expired Unobligated Balance, End of Year  | —                   | 22,876              | 417,233              | 80,535              | 388,333              | —                  | 294,143              | 130                 | 49,914              | 1,253,164            |
| Unobligated Balance - End of Year (Total)   | 2,984,659           | 132,996             | 1,377,619            | 368,161             | 2,405,427            | 192,151            | 6,195,234            | 1,370,951           | 184,191             | 15,211,389           |
| <b>Total Status of Budgetary Resources</b>  | <b>\$ 4,584,782</b> | <b>\$ 1,958,876</b> | <b>\$ 11,012,615</b> | <b>\$ 3,681,436</b> | <b>\$ 15,267,865</b> | <b>\$ 844,309</b>  | <b>\$ 19,761,901</b> | <b>\$ 5,840,118</b> | <b>\$ 4,934,291</b> | <b>\$ 67,886,193</b> |
| <b>Outlays, Net</b>   |                     |                     |                      |                     |                      |                    |                      |                     |                     |                      |
| Outlays, Net (Total) (discretionary and mandatory)  | \$ 1,659,652        | \$ 1,751,314        | \$ 9,120,940         | \$ 3,239,776        | \$ 11,414,462        | \$ (64,827)        | \$ 10,068,270        | \$ 5,016,043        | \$ 4,663,034        | \$ 46,868,664        |
| Less: Distributed Offsetting Receipts   | 461,352             | 138                 | 1,307                | 605,170             | 105                  | —                  | 544,607              | —                   | 506                 | 1,613,185            |
| Agency Outlays, Net (discretionary and mandatory)   | <b>\$ 1,198,300</b> | <b>\$ 1,751,176</b> | <b>\$ 9,119,633</b>  | <b>\$ 2,634,606</b> | <b>\$ 11,414,357</b> | <b>\$ (64,827)</b> | <b>\$ 9,523,663</b>  | <b>\$ 5,016,043</b> | <b>\$ 4,662,528</b> | <b>\$ 45,255,479</b> |

**U.S. Department of Justice**  
**Combining Statement of Budgetary Resources**  
**For the Fiscal Year Ended September 30, 2023**

| Dollars in Thousands  | AFF/SADF            | ATF                 | BOP                 | DEA                 | FBI                 | FPI                | OBDs                | OJP                 | USMS                | Combined             |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|----------------------|
| <b>Budgetary Resources</b>  |                     |                     |                     |                     |                     |                    |                     |                     |                     |                      |
| Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory) (Note 20) | \$ 1,372,811        | \$ 213,425          | \$ 2,109,083        | \$ 379,061          | \$ 3,167,866        | \$ 162,965         | \$ 2,980,802        | \$ 1,277,806        | \$ 301,958          | \$ 11,965,777        |
| Appropriations (discretionary and mandatory)  | 2,742,379           | 1,747,264           | 8,672,588           | 3,169,232           | 11,357,768          | —                  | 15,330,721          | 5,276,760           | 4,549,727           | 52,846,439           |
| Spending Authority from Offsetting Collections (discretionary and mandatory)                      | 17,455              | 48,795              | 463,486             | 27,839              | 1,266,839           | 721,482            | 2,134,615           | 359,468             | 101,652             | 5,141,631            |
| <b>Total Budgetary Resources</b>  | <b>\$ 4,132,645</b> | <b>\$ 2,009,484</b> | <b>\$11,245,157</b> | <b>\$ 3,576,132</b> | <b>\$15,792,473</b> | <b>\$ 884,447</b>  | <b>\$20,446,138</b> | <b>\$ 6,914,034</b> | <b>\$ 4,953,337</b> | <b>\$ 69,953,847</b> |
| <b>Status of Budgetary Resources</b>  |                     |                     |                     |                     |                     |                    |                     |                     |                     |                      |
| New Obligations and Upward Adjustments (Total)  | \$ 1,622,470        | \$ 1,764,360        | \$ 9,770,630        | \$ 3,258,289        | \$12,748,200        | \$ 711,898         | \$15,479,722        | \$ 6,157,792        | \$ 4,741,361        | \$ 56,254,722        |
| Unobligated Balance, End of Year:   |                     |                     |                     |                     |                     |                    |                     |                     |                     |                      |
| Apportioned, Unexpired Accounts   | 2,416,464           | 215,641             | 921,196             | 262,907             | 2,724,976           | —                  | 4,593,368           | 712,198             | 148,097             | 11,994,847           |
| Exempt from Apportionment, Unexpired Accounts   | —                   | —                   | 168,138             | —                   | —                   | 172,549            | —                   | —                   | —                   | 340,687              |
| Unapportioned, Unexpired Accounts   | 93,711              | 5,717               | 8,802               | 7,116               | 5,500               | —                  | 112,490             | 43,914              | —                   | 277,250              |
| Unexpired, Unobligated Balance, End of Year   | 2,510,175           | 221,358             | 1,098,136           | 270,023             | 2,730,476           | 172,549            | 4,705,858           | 756,112             | 148,097             | 12,612,784           |
| Expired Unobligated Balance, End of Year  | —                   | 23,766              | 376,391             | 47,820              | 313,797             | —                  | 260,558             | 130                 | 63,879              | 1,086,341            |
| Unobligated Balance - End of Year (Total)   | 2,510,175           | 245,124             | 1,474,527           | 317,843             | 3,044,273           | 172,549            | 4,966,416           | 756,242             | 211,976             | 13,699,125           |
| <b>Total Status of Budgetary Resources</b>  | <b>\$ 4,132,645</b> | <b>\$ 2,009,484</b> | <b>\$11,245,157</b> | <b>\$ 3,576,132</b> | <b>\$15,792,473</b> | <b>\$ 884,447</b>  | <b>\$20,446,138</b> | <b>\$ 6,914,034</b> | <b>\$ 4,953,337</b> | <b>\$ 69,953,847</b> |
| <b>Outlays, Net</b>   |                     |                     |                     |                     |                     |                    |                     |                     |                     |                      |
| Outlays, Net (Total) (discretionary and mandatory)  | \$ 1,466,582        | \$ 1,586,568        | \$ 8,421,714        | \$ 3,061,295        | \$10,736,500        | \$ (45,477)        | \$11,517,563        | \$ 4,858,430        | \$ 4,543,374        | \$ 46,146,549        |
| Less: Distributed Offsetting Receipts   | 237,751             | 291                 | 1,643               | 583,117             | 596                 | —                  | 366,549             | —                   | 4,370               | 1,194,317            |
| Agency Outlays, Net (discretionary and mandatory)   | <b>\$ 1,228,831</b> | <b>\$ 1,586,277</b> | <b>\$ 8,420,071</b> | <b>\$ 2,478,178</b> | <b>\$10,735,904</b> | <b>\$ (45,477)</b> | <b>\$11,151,014</b> | <b>\$ 4,858,430</b> | <b>\$ 4,539,004</b> | <b>\$ 44,952,232</b> |

**U.S. Department of Justice  
Land Acreage  
As of September 30, 2024**

## Estimated Land Acreage

Pursuant to *SFFAS No. 59, Accounting and Reporting of Government Land*, federal reporting entities are required to report estimated land acres to increase transparency, comparability, consistency, and reliability of land information. As such, components of the DOJ own and maintain land for operational purposes in accordance with their individual missions. As of September 30, 2024, estimated land acres by component is presented in the following table:

| As of September 30, 2024 | ATF | BOP    | DEA | FBI   | Total  |
|--------------------------|-----|--------|-----|-------|--------|
| <b>PP&amp;E Land</b>     |     |        |     |       |        |
| Start of Prior Year      | 35  | 46,204 | 12  | 1,976 | 48,227 |
| Start of Current Year    | 35  | 45,283 | 12  | 1,976 | 47,306 |
| End of Current Year      | 35  | 44,110 | 12  | 1,975 | 46,132 |

Per *DOJ Policy Statement 1400.06, Accounting for General Property, Plant, and Equipment and Internal Use Software*, land is recognized at historical cost, categorized as real property, always capitalized, and never depreciated.

The ATF owns and operates the National Laboratory Center located in Ammendale, Maryland. It is the main hub of the ATF's scientific research that includes the Fire Research Laboratory (FRL), National Firearms Examiner Academy (NFEA), and one of three forensic science laboratories. Throughout its history and pursuant to its mission, the BOP has acquired 122 correctional facilities across the United States and the land those facilities reside upon. The DEA owns land for its Aviation Division in Ft. Worth, Texas. The FBI owns land for the purpose of constructing buildings, ranges, and other structures.

All DOJ reported land acres is considered operational by predominate use, as it is used for mission related activities. DOJ does not have any land considered as commercial by predominate use.

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### SECTION III: OTHER INFORMATION *(Unaudited)*

*Situated on the fifth floor of the RFK building, Louis Bouche's mural series, Activities of the Department of Justice, illustrates how the principles of law and justice are upheld by the Department*

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## Section III

### Other Information (*Unaudited*)

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## Overview

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Other information accompanies basic information and required supplementary information, but is not required by a GAAP establishing body. This information may enhance understanding of the Department's operations and financial condition. In addition, while other information is not required by a GAAP establishing body, it may be required laws or administrative directives.

# U.S. Department of Justice Consolidating Balance Sheet As of September 30, 2024

| Dollars in Thousands   | AFF/SADF            | ATF               | BOP                 | DEA                 | FBI                  | FPI               | OBDs                  | OJP                  | USMS                | Eliminations        | Consolidated         |
|--|---------------------|-------------------|---------------------|---------------------|----------------------|-------------------|-----------------------|----------------------|---------------------|---------------------|----------------------|
| <b>Assets (Note 2)</b>   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Intragovernmental Assets:  |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Fund Balance with Treasury (Note 3)  | \$ 2,895,849        | \$ 560,925        | \$ 2,921,072        | \$ 1,180,310        | \$ 5,866,086         | \$ 61,442         | \$ 8,142,530          | \$ 14,636,460        | \$ 1,118,876        | \$ —                | \$ 37,383,550        |
| Investments (Note 5)   | 2,634,314           | —                 | —                   | —                   | —                    | 346,600           | 3,516,006             | —                    | —                   | —                   | 6,496,920            |
| Accounts Receivable, Net (Note 6)  | 9,955               | 16,342            | 2,677               | 3,629               | 358,752              | 38,786            | 411,186               | 5,395                | 9,564               | (249,925)           | 606,361              |
| Advances and Prepayments   | 881                 | 1,715             | 118,548             | 34,480              | 28,760               | —                 | 20,459                | 100,117              | —                   | (2,531)             | 302,429              |
| Other Assets (Note 10)   | —                   | 351               | —                   | —                   | —                    | 48,347            | (9)                   | —                    | —                   | —                   | 48,689               |
| <b>Total Intragovernmental Assets</b>  | <b>\$ 5,540,999</b> | <b>\$ 579,333</b> | <b>\$ 3,042,297</b> | <b>\$ 1,218,419</b> | <b>\$ 6,253,598</b>  | <b>\$ 495,175</b> | <b>\$ 12,090,172</b>  | <b>\$ 14,741,972</b> | <b>\$ 1,128,440</b> | <b>\$ (252,456)</b> | <b>\$ 44,837,949</b> |
| Other than Intragovernmental Assets:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Cash and Other Monetary Assets (Note 4)  | \$ 3,240,779        | \$ 13,507         | \$ 475              | \$ 18,644           | \$ 145,015           | \$ —              | \$ 80                 | \$ —                 | \$ —                | \$ —                | \$ 3,418,500         |
| Accounts Receivable, Net (Note 6)  | 46                  | 458               | 20,464              | 3,045               | 50,223               | 4,442             | 445,781               | 1,051                | 608                 | —                   | 526,118              |
| Inventory and Related Property, Net:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Forfeited Property, Net (Note 8)   | 332,042             | —                 | —                   | —                   | —                    | —                 | —                     | —                    | —                   | —                   | 332,042              |
| Other Inventory and Related Property, Net (Note 7)                             | —                   | —                 | 25,845              | 13,362              | —                    | 80,564            | —                     | —                    | 6,990               | —                   | 126,761              |
| Property, Plant and Equipment, Net (Note 9)                                    | 848                 | 186,546           | 3,584,571           | 387,103             | 3,418,685            | 72,443            | 176,482               | 59,764               | 633,349             | —                   | 8,519,791            |
| Advances and Prepayments   | 1,957               | 2,754             | 22,705              | 808                 | 212,314              | 876               | 79,668                | 306,303              | —                   | —                   | 627,385              |
| Other Assets (Note 10)   | 2                   | —                 | —                   | —                   | 67                   | —                 | —                     | —                    | 184                 | —                   | 253                  |
| <b>Total Other than Intragovernmental Assets</b>                               | <b>\$ 3,575,674</b> | <b>\$ 203,265</b> | <b>\$ 3,654,060</b> | <b>\$ 422,962</b>   | <b>\$ 3,826,304</b>  | <b>\$ 158,325</b> | <b>\$ 702,011</b>     | <b>\$ 367,118</b>    | <b>\$ 641,131</b>   | <b>\$ —</b>         | <b>\$ 13,550,850</b> |
| <b>Total Assets</b>  | <b>\$ 9,116,673</b> | <b>\$ 782,598</b> | <b>\$ 6,696,357</b> | <b>\$ 1,641,381</b> | <b>\$ 10,079,902</b> | <b>\$ 653,500</b> | <b>\$ 12,792,183</b>  | <b>\$ 15,109,090</b> | <b>\$ 1,769,571</b> | <b>\$ (252,456)</b> | <b>\$ 58,388,799</b> |
| <b>Liabilities (Note 11)</b>   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Intragovernmental Liabilities:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Accounts Payable   | \$ 46,626           | \$ 21,266         | \$ 82,805           | \$ 111,274          | \$ 94,040            | \$ 2,833          | \$ 156,092            | \$ 35,819            | \$ 56,894           | \$ (249,925)        | \$ 357,724           |
| Advances from Others and Deferred Revenue                                      | —                   | —                 | —                   | —                   | 40,695               | 195,640           | 21,485                | 10,148               | —                   | (2,531)             | 265,437              |
| Other Liabilities:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Custodial Liabilities (Note 22)  | —                   | —                 | 611                 | 2,756               | 2,663                | —                 | 801,800               | —                    | 14                  | —                   | 807,844              |
| Other (Note 16)  | 822                 | 32,245            | 253,676             | 37,453              | 98,805               | 3,232             | 48,031                | 891                  | 30,979              | —                   | 506,134              |
| <b>Total Intragovernmental Liabilities</b>                                     | <b>\$ 47,448</b>    | <b>\$ 53,511</b>  | <b>\$ 337,092</b>   | <b>\$ 151,483</b>   | <b>\$ 236,203</b>    | <b>\$ 201,705</b> | <b>\$ 1,027,408</b>   | <b>\$ 46,858</b>     | <b>\$ 87,887</b>    | <b>\$ (252,456)</b> | <b>\$ 1,937,139</b>  |
| Other than Intragovernmental Liabilities:                                      |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Accounts Payable   | \$ 596,104          | \$ 35,367         | \$ 459,954          | \$ 79,668           | \$ 398,011           | \$ 43,793         | \$ 449,613            | \$ 92,027            | \$ 424,489          | \$ —                | \$ 2,579,026         |
| Federal Employee Salary, Leave and Benefits (Note 15)                          | 6,400               | 87,477            | 314,905             | 156,878             | 504,352              | 8,742             | 263,729               | 14,698               | 69,301              | —                   | 1,426,482            |
| Post-Employment Benefits (Note 15)   | —                   | 126,143           | 1,053,422           | 123,569             | 231,176              | 15,773            | 49,100                | —                    | 116,532             | —                   | 1,715,715            |
| Environmental and Disposal Liabilities (Note 12)                               | —                   | —                 | 83,229              | —                   | 4,975                | —                 | —                     | —                    | —                   | —                   | 88,204               |
| Advances from Others and Deferred Revenue                                      | 332,042             | —                 | 391                 | 882,559             | 3,643                | —                 | —                     | —                    | —                   | —                   | 1,218,635            |
| Other Liabilities:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Accrued Grant Liabilities  | —                   | —                 | —                   | —                   | —                    | —                 | 264,233               | 650,769              | —                   | —                   | 915,002              |
| Seized Cash and Monetary Instruments (Note 14)                                 | 4,809,482           | 4,746             | —                   | 589                 | 54,028               | —                 | —                     | —                    | —                   | —                   | 4,868,845            |
| Radiation Exposure Compensation Act Liabilities (Note 26)                      | —                   | —                 | —                   | —                   | —                    | —                 | 33,474                | —                    | —                   | —                   | 33,474               |
| September 11th Victim Compensation Fund Liabilities (Note 26)                  | —                   | —                 | —                   | —                   | —                    | —                 | 2,753,703             | —                    | —                   | —                   | 2,753,703            |
| United States Victims of State Sponsored Terrorism Act Liabilities (Note 26)   | —                   | —                 | —                   | —                   | —                    | —                 | 4,556,817             | —                    | —                   | —                   | 4,556,817            |
| Lessee Lease Liability (Note 13)   | —                   | 18,941            | 6,812               | 118,172             | 203,103              | 410               | 43,859                | —                    | 29,622              | —                   | 420,919              |
| Other (Note 16)  | —                   | 1,701             | 695,503             | 34,123              | 90,629               | 26                | 130,406               | —                    | 27,694              | —                   | 980,082              |
| <b>Total Other than Intragovernmental Liabilities</b>                          | <b>\$ 5,744,028</b> | <b>\$ 274,375</b> | <b>\$ 2,614,216</b> | <b>\$ 1,395,558</b> | <b>\$ 1,489,917</b>  | <b>\$ 68,744</b>  | <b>\$ 8,544,934</b>   | <b>\$ 757,494</b>    | <b>\$ 667,638</b>   | <b>\$ —</b>         | <b>\$ 21,556,904</b> |
| <b>Total Liabilities</b>   | <b>\$ 5,791,476</b> | <b>\$ 327,886</b> | <b>\$ 2,951,308</b> | <b>\$ 1,547,041</b> | <b>\$ 1,726,120</b>  | <b>\$ 270,449</b> | <b>\$ 9,572,342</b>   | <b>\$ 804,352</b>    | <b>\$ 755,525</b>   | <b>\$ (252,456)</b> | <b>\$ 23,494,043</b> |
| Commitments and Contingencies (Note 17)  |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| <b>NET POSITION</b>  |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Unexpended Appropriations - Funds from Dedicated Collections (Note 18)         | \$ —                | \$ —              | \$ —                | \$ —                | \$ —                 | \$ —              | \$ 3,057,176          | \$ —                 | \$ —                | \$ —                | \$ 3,057,176         |
| Unexpended Appropriations - Funds from other than Dedicated Collections        | —                   | 396,105           | 2,084,459           | 615,771             | 4,897,877            | —                 | 5,037,330             | 7,960,930            | 587,024             | —                   | 21,579,496           |
| <b>Total Unexpended Appropriations</b>   | <b>\$ —</b>         | <b>\$ 396,105</b> | <b>\$ 2,084,459</b> | <b>\$ 615,771</b>   | <b>\$ 4,897,877</b>  | <b>\$ —</b>       | <b>\$ 8,094,506</b>   | <b>\$ 7,960,930</b>  | <b>\$ 587,024</b>   | <b>\$ —</b>         | <b>\$ 24,636,672</b> |
| Cumulative Results of Operations - Funds from Dedicated Collections (Note 18)  | 3,325,197           | —                 | 226,184             | (575,180)           | —                    | —                 | (2,552,315)           | 6,262,707            | —                   | —                   | 6,686,593            |
| Cumulative Results of Operations - Funds from other than Dedicated Collections | —                   | 58,607            | 1,434,406           | 53,749              | 3,455,905            | 383,051           | (2,322,350)           | 81,101               | 427,022             | —                   | 3,571,491            |
| <b>Total Cumulative Results of Operations</b>                                  | <b>\$ 3,325,197</b> | <b>\$ 58,607</b>  | <b>\$ 1,660,590</b> | <b>\$ (521,431)</b> | <b>\$ 3,455,905</b>  | <b>\$ 383,051</b> | <b>\$ (4,874,665)</b> | <b>\$ 6,343,808</b>  | <b>\$ 427,022</b>   | <b>\$ —</b>         | <b>\$ 10,258,084</b> |
| <b>Total Net Position</b>  | <b>\$ 3,325,197</b> | <b>\$ 454,712</b> | <b>\$ 3,745,049</b> | <b>\$ 94,340</b>    | <b>\$ 8,353,782</b>  | <b>\$ 383,051</b> | <b>\$ 3,219,841</b>   | <b>\$ 14,304,738</b> | <b>\$ 1,014,046</b> | <b>\$ —</b>         | <b>\$ 34,894,756</b> |
| <b>Total Liabilities and Net Position</b>                                      | <b>\$ 9,116,673</b> | <b>\$ 782,598</b> | <b>\$ 6,696,357</b> | <b>\$ 1,641,381</b> | <b>\$ 10,079,902</b> | <b>\$ 653,500</b> | <b>\$ 12,792,183</b>  | <b>\$ 15,109,090</b> | <b>\$ 1,769,571</b> | <b>\$ (252,456)</b> | <b>\$ 58,388,799</b> |

# U.S. Department of Justice Consolidating Balance Sheet As of September 30, 2023

| Dollars in Thousands   | AFF/SADF            | ATF               | BOP                 | DEA                 | FBI                  | FPI               | OBDs                  | OJP                  | USMS                | Eliminations        | Consolidated         |
|--|---------------------|-------------------|---------------------|---------------------|----------------------|-------------------|-----------------------|----------------------|---------------------|---------------------|----------------------|
| <b>Assets (Note 2)</b>   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Intragovernmental Assets:  |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Fund Balance with Treasury (Note 3)  | \$ 2,647,870        | \$ 686,660        | \$ 3,568,627        | \$ 1,196,987        | \$ 6,603,222         | \$ 19,966         | \$ 6,960,912          | \$ 13,948,629        | \$ 1,220,800        | \$ —                | \$ 36,853,673        |
| Investments (Note 5)   | 2,635,482           | —                 | —                   | —                   | —                    | 323,944           | 3,491,998             | —                    | —                   | —                   | 6,451,424            |
| Accounts Receivable, Net (Note 6)  | 11,929              | 10,952            | 2,132               | 4,427               | 361,488              | 31,235            | 548,604               | 5,582                | 10,505              | (329,931)           | 656,923              |
| Advances and Prepayments   | 2,713               | 905               | 6,654               | 46,850              | 19,736               | —                 | 19,360                | 54,650               | —                   | (2,771)             | 148,097              |
| Other Assets (Note 10)   | —                   | 143               | —                   | —                   | —                    | 55,729            | 42                    | —                    | —                   | —                   | 55,914               |
| <b>Total Intragovernmental Assets</b>  | <b>\$ 5,297,994</b> | <b>\$ 698,660</b> | <b>\$ 3,577,413</b> | <b>\$ 1,248,264</b> | <b>\$ 6,984,446</b>  | <b>\$ 430,874</b> | <b>\$ 11,020,916</b>  | <b>\$ 14,008,861</b> | <b>\$ 1,231,305</b> | <b>\$ (332,702)</b> | <b>\$ 44,166,031</b> |
| Other than Intragovernmental Assets:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Cash and Other Monetary Assets (Note 4)  | \$ 3,105,697        | \$ 15,084         | \$ 473              | \$ 18,861           | \$ 141,407           | \$ —              | \$ 51                 | \$ —                 | \$ —                | \$ —                | \$ 3,281,573         |
| Accounts Receivable, Net (Note 6)  | 48                  | 122               | 25,347              | 3,603               | 45,843               | 5,243             | 1,145,421             | 225,346              | 160                 | —                   | 1,451,133            |
| Inventory and Related Property, Net:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Forfeited Property, Net (Note 8)   | 105,996             | —                 | —                   | —                   | —                    | —                 | —                     | —                    | —                   | —                   | 105,996              |
| Other Inventory and Related Property, Net (Note 7)                             | —                   | —                 | 28,112              | 14,779              | —                    | 78,048            | —                     | —                    | 7,276               | —                   | 128,215              |
| Property, Plant and Equipment, Net (Note 9)                                    | 973                 | 180,772           | 3,445,127           | 254,761             | 3,043,060            | 70,760            | 192,424               | 65,137               | 513,775             | —                   | 7,766,789            |
| Advances and Prepayments   | —                   | 1,368             | 15,711              | 801                 | 167,184              | 482               | 53                    | 315,850              | —                   | —                   | 501,449              |
| Other Assets (Note 10)   | 143                 | —                 | —                   | —                   | 2                    | 8                 | —                     | —                    | 184                 | —                   | 337                  |
| <b>Total Other than Intragovernmental Assets</b>                               | <b>\$ 3,212,857</b> | <b>\$ 197,346</b> | <b>\$ 3,514,770</b> | <b>\$ 292,805</b>   | <b>\$ 3,397,496</b>  | <b>\$ 154,541</b> | <b>\$ 1,337,949</b>   | <b>\$ 606,333</b>    | <b>\$ 521,395</b>   | <b>\$ —</b>         | <b>\$ 13,235,492</b> |
| <b>Total Assets</b>  | <b>\$ 8,510,851</b> | <b>\$ 896,006</b> | <b>\$ 7,092,183</b> | <b>\$ 1,541,069</b> | <b>\$ 10,381,942</b> | <b>\$ 585,415</b> | <b>\$ 12,358,865</b>  | <b>\$ 14,615,194</b> | <b>\$ 1,752,700</b> | <b>\$ (332,702)</b> | <b>\$ 57,401,523</b> |
| <b>Liabilities (Note 11)</b>   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Intragovernmental Liabilities:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Accounts Payable   | \$ 41,970           | \$ 20,350         | \$ 141,367          | \$ 89,309           | \$ 160,311           | \$ 3,663          | \$ 167,432            | \$ 57,564            | \$ 59,213           | \$ (329,931)        | \$ 411,248           |
| Advances from Others and Deferred Revenue                                      | —                   | —                 | —                   | —                   | 49,313               | 132,572           | 39,130                | 6,215                | —                   | (2,771)             | 224,459              |
| Other Liabilities:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Custodial Liabilities (Note 22)  | —                   | —                 | 518                 | 3,367               | 2,453                | —                 | 1,360,884             | —                    | 10                  | —                   | 1,367,232            |
| Other (Note 16)  | 1,536               | 39,149            | 281,944             | 50,736              | 151,918              | 4,272             | 80,775                | 1,916                | 40,350              | —                   | 652,596              |
| <b>Total Intragovernmental Liabilities</b>                                     | <b>\$ 43,506</b>    | <b>\$ 59,499</b>  | <b>\$ 423,829</b>   | <b>\$ 143,412</b>   | <b>\$ 363,995</b>    | <b>\$ 140,507</b> | <b>\$ 1,648,221</b>   | <b>\$ 65,695</b>     | <b>\$ 99,573</b>    | <b>\$ (332,702)</b> | <b>\$ 2,655,535</b>  |
| Other than Intragovernmental Liabilities:                                      |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Accounts Payable   | \$ 744,619          | \$ 35,771         | \$ 412,627          | \$ 70,879           | \$ 424,631           | \$ 50,258         | \$ 490,042            | \$ 142,094           | \$ 392,353          | \$ —                | \$ 2,763,274         |
| Federal Employee Salary, Leave, and Benefits (Note 15)                         | 7,574               | 108,328           | 419,187             | 198,235             | 644,644              | 11,713            | 409,828               | 16,796               | 105,073             | —                   | 1,921,378            |
| Pensions, Post-Employment Benefits (Note 15)                                   | —                   | 115,346           | 1,023,260           | 118,976             | 216,005              | 14,567            | 49,129                | —                    | 112,871             | —                   | 1,650,154            |
| Environmental and Disposal Liabilities (Note 12)                               | —                   | —                 | 81,091              | —                   | 4,926                | —                 | —                     | —                    | —                   | —                   | 86,017               |
| Advances from Others and Deferred Revenue                                      | 105,996             | —                 | 466                 | 856,986             | 4,930                | —                 | —                     | —                    | —                   | —                   | 968,378              |
| Other Liabilities:   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Accrued Grant Liabilities  | —                   | —                 | —                   | —                   | —                    | —                 | 212,164               | 613,264              | —                   | —                   | 825,428              |
| Seized Cash and Monetary Instruments (Note 14)                                 | 4,680,116           | 6,210             | —                   | 653                 | 65,122               | —                 | —                     | —                    | —                   | —                   | 4,752,101            |
| Radiation Exposure Compensation Act Liabilities (Note 26)                      | —                   | —                 | —                   | —                   | —                    | —                 | 48,779                | —                    | —                   | —                   | 48,779               |
| September 11th Victim Compensation Fund Liabilities (Note 26)                  | —                   | —                 | —                   | —                   | —                    | —                 | 2,981,356             | —                    | —                   | —                   | 2,981,356            |
| United States Victims of State Sponsored Terrorism Act Liabilities (Note 26)   | —                   | —                 | —                   | —                   | —                    | —                 | 3,320,721             | —                    | —                   | —                   | 3,320,721            |
| Lessee Lease Liability (Note 13)   | —                   | —                 | —                   | —                   | —                    | —                 | —                     | —                    | —                   | —                   | —                    |
| Other (Note 16)  | 66                  | 1,656             | 484,225             | 31,855              | 92,081               | 117               | 120,512               | —                    | 24,368              | —                   | 754,880              |
| <b>Total Other than Intragovernmental Liabilities</b>                          | <b>\$ 5,538,371</b> | <b>\$ 267,311</b> | <b>\$ 2,420,856</b> | <b>\$ 1,277,584</b> | <b>\$ 1,452,339</b>  | <b>\$ 76,655</b>  | <b>\$ 7,632,531</b>   | <b>\$ 772,154</b>    | <b>\$ 634,665</b>   | <b>\$ —</b>         | <b>\$ 20,072,466</b> |
| <b>Total Liabilities</b>   | <b>\$ 5,581,877</b> | <b>\$ 326,810</b> | <b>\$ 2,844,685</b> | <b>\$ 1,420,996</b> | <b>\$ 1,816,334</b>  | <b>\$ 217,162</b> | <b>\$ 9,280,752</b>   | <b>\$ 837,849</b>    | <b>\$ 734,238</b>   | <b>\$ (332,702)</b> | <b>\$ 22,728,001</b> |
| Commitment and Contingencies (Note 17)   |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| <b>NET POSITION</b>  |                     |                   |                     |                     |                      |                   |                       |                      |                     |                     |                      |
| Unexpended Appropriations - Funds from Dedicated Collections (Note 18)         | \$ —                | \$ —              | \$ —                | \$ —                | \$ —                 | \$ —              | \$ 3,037,054          | \$ —                 | \$ —                | \$ —                | \$ 3,037,054         |
| Unexpended Appropriations - Funds from other than Dedicated Collections        | —                   | 472,419           | 2,453,506           | 653,791             | 5,326,313            | —                 | 4,982,726             | 7,528,290            | 627,414             | —                   | 22,044,459           |
| <b>Total Unexpended Appropriations</b>   | <b>\$ —</b>         | <b>\$ 472,419</b> | <b>\$ 2,453,506</b> | <b>\$ 653,791</b>   | <b>\$ 5,326,313</b>  | <b>\$ —</b>       | <b>\$ 8,019,780</b>   | <b>\$ 7,528,290</b>  | <b>\$ 627,414</b>   | <b>\$ —</b>         | <b>\$ 25,081,513</b> |
| Cumulative Results of Operations - Funds from Dedicated Collections (Note 18)  | \$ 2,928,974        | \$ —              | \$ 207,081          | \$ (589,637)        | \$ —                 | \$ —              | \$ (2,532,170)        | \$ 6,190,752         | \$ —                | \$ —                | \$ 6,205,000         |
| Cumulative Results of Operations - Funds from other than Dedicated Collections | —                   | 96,777            | 1,586,911           | 55,919              | 3,239,295            | 368,253           | (2,409,497)           | 58,303               | 391,048             | —                   | 3,387,009            |
| <b>Total Cumulative Results of Operations</b>                                  | <b>\$ 2,928,974</b> | <b>\$ 96,777</b>  | <b>\$ 1,793,992</b> | <b>\$ (533,718)</b> | <b>\$ 3,239,295</b>  | <b>\$ 368,253</b> | <b>\$ (4,941,667)</b> | <b>\$ 6,249,055</b>  | <b>\$ 391,048</b>   | <b>\$ —</b>         | <b>\$ 9,592,009</b>  |
| <b>Total Net Position</b>  | <b>\$ 2,928,974</b> | <b>\$ 569,196</b> | <b>\$ 4,247,498</b> | <b>\$ 120,073</b>   | <b>\$ 8,565,608</b>  | <b>\$ 368,253</b> | <b>\$ 3,078,113</b>   | <b>\$ 13,777,345</b> | <b>\$ 1,018,462</b> | <b>\$ —</b>         | <b>\$ 34,673,522</b> |
| <b>Total Liabilities and Net Position</b>                                      | <b>\$ 8,510,851</b> | <b>\$ 896,006</b> | <b>\$ 7,092,183</b> | <b>\$ 1,541,069</b> | <b>\$ 10,381,942</b> | <b>\$ 585,415</b> | <b>\$ 12,358,865</b>  | <b>\$ 14,615,194</b> | <b>\$ 1,752,700</b> | <b>\$ (332,702)</b> | <b>\$ 57,401,523</b> |

**U.S. Department of Justice**  
**Consolidating Statement of Net Cost**  
**For the Fiscal Year Ended September 30, 2024**

| Dollars in Thousands  | AFF/SADF     | ATF          | BOP           | DEA          | FBI           | FPI        | OBDs          | OJP          | USMS         | Eliminations | Consolidated<br>(Note 19) |
|---|--------------|--------------|---------------|--------------|---------------|------------|---------------|--------------|--------------|--------------|---------------------------|
| <b>Major Program 1: Law Enforcement</b>                               |              |              |               |              |               |            |               |              |              |              |                           |
| Gross Cost  | \$ 1,567,430 | \$ 1,894,475 | \$ —          | \$ 3,443,206 | \$ 13,096,699 | \$ —       | \$ 538,381    | \$ —         | \$ 2,606,222 | \$ (745,102) | \$ 22,401,311             |
| Less: Earned Revenues   | 15,774       | 39,990       | —             | 607,084      | 1,190,516     | —          | 858           | —            | 54,078       | (355,222)    | 1,553,078                 |
| Subtotal Net Cost of Operations (Note 19)                             | \$ 1,551,656 | \$ 1,854,485 | \$ —          | \$ 2,836,122 | \$ 11,906,183 | \$ —       | \$ 537,523    | \$ —         | \$ 2,552,144 | \$ (389,880) | \$ 20,848,233             |
| <b>Major Program 2: Litigation and Compensation</b>                   |              |              |               |              |               |            |               |              |              |              |                           |
| Gross Cost  | \$ —         | \$ —         | \$ —          | \$ —         | \$ —          | \$ —       | \$ 8,712,927  | \$ —         | \$ —         | \$ (49,532)  | \$ 8,663,395              |
| Less: Earned Revenues   | —            | —            | —             | —            | —             | —          | 545,240       | —            | —            | (48,650)     | 496,590                   |
| Subtotal Net Cost of Operations (Note 19)                             | \$ —         | \$ —         | \$ —          | \$ —         | \$ —          | \$ —       | \$ 8,167,687  | \$ —         | \$ —         | \$ (882)     | \$ 8,166,805              |
| <b>Major Program 3: Prisons and Detention</b>                         |              |              |               |              |               |            |               |              |              |              |                           |
| Gross Cost  | \$ —         | \$ —         | \$ 10,078,135 | \$ —         | \$ —          | \$ 605,963 | \$ 7,587      | \$ —         | \$ 2,160,816 | \$ (305,182) | \$ 12,547,319             |
| Less: Earned Revenues   | —            | —            | 381,419       | —            | —             | 589,644    | —             | —            | 381          | (81,098)     | 890,346                   |
| Subtotal Net Cost of Operations (Note 19)                             | \$ —         | \$ —         | \$ 9,696,716  | \$ —         | \$ —          | \$ 16,319  | \$ 7,587      | \$ —         | \$ 2,160,435 | \$ (224,084) | \$ 11,656,973             |
| <b>Major Program 4: Grants</b>  |              |              |               |              |               |            |               |              |              |              |                           |
| Gross Cost  | \$ —         | \$ —         | \$ —          | \$ —         | \$ —          | \$ —       | \$ 989,218    | \$ 5,016,283 | \$ —         | \$ (107,893) | \$ 5,897,608              |
| Less: Earned Revenues   | —            | —            | —             | —            | —             | —          | 1,130         | 25,979       | —            | (13,330)     | 13,779                    |
| Subtotal Net Cost of Operations (Note 19)                             | \$ —         | \$ —         | \$ —          | \$ —         | \$ —          | \$ —       | \$ 988,088    | \$ 4,990,304 | \$ —         | \$ (94,563)  | \$ 5,883,829              |
| <b>Major Program 5: Executive Oversight and Enterprise Technology</b> |              |              |               |              |               |            |               |              |              |              |                           |
| Gross Cost  | \$ —         | \$ —         | \$ —          | \$ —         | \$ —          | \$ —       | \$ 2,742,118  | \$ —         | \$ —         | \$ (19,367)  | \$ 2,722,751              |
| Less: Earned Revenues   | —            | —            | —             | —            | —             | —          | 1,228,963     | —            | —            | (711,898)    | 517,065                   |
| Subtotal Net Cost of Operations (Note 19)                             | \$ —         | \$ —         | \$ —          | \$ —         | \$ —          | \$ —       | \$ 1,513,155  | \$ —         | \$ —         | \$ 692,531   | \$ 2,205,686              |
| <b>Net Cost of Operations</b>   | \$ 1,551,656 | \$ 1,854,485 | \$ 9,696,716  | \$ 2,836,122 | \$ 11,906,183 | \$ 16,319  | \$ 11,214,040 | \$ 4,990,304 | \$ 4,712,579 | \$ (16,878)  | \$ 48,761,526             |

**U.S Department of Justice**  
**Consolidating Statement of Net Cost**  
**For the Fiscal Year Ended September 30, 2023**

| Dollars in Thousands  | AFF/SADF            | ATF                 | BOP                 | DEA                 | FBI                  | FPI              | OBDs                 | OJP                 | USMS                | Eliminations       | Consolidated<br>(Note 19) |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|------------------|----------------------|---------------------|---------------------|--------------------|---------------------------|
| <b>Major Program 1: Law Enforcement</b>                               |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                           |
| Gross Cost  | \$ 1,613,032        | \$ 1,721,096        | \$ —                | \$ 3,267,444        | \$ 12,534,515        | \$ —             | \$ 541,939           | \$ —                | \$ 2,449,373        | \$ (797,171)       | \$ 21,330,228             |
| Less: Earned Revenues   | 15,220              | 48,924              | —                   | 573,658             | 1,125,236            | —                | (13,837)             | —                   | 57,805              | (360,274)          | 1,446,732                 |
| Net Cost of Operations  | \$ 1,597,812        | \$ 1,672,172        | \$ —                | \$ 2,693,786        | \$ 11,409,279        | \$ —             | \$ 555,776           | \$ —                | \$ 2,391,568        | \$ (436,897)       | \$ 19,883,496             |
| <b>Major Program 2: Litigation and Compensation</b>                   |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                           |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 11,813,658        | \$ —                | \$ —                | \$ (27,162)        | \$ 11,786,496             |
| Less: Earned Revenues   | —                   | —                   | —                   | —                   | —                    | —                | 457,129              | —                   | —                   | (45,098)           | 412,031                   |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 11,356,529        | \$ —                | \$ —                | \$ 17,936          | \$ 11,374,465             |
| <b>Major Program 3: Prisons and Detention</b>                         |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                           |
| Gross Cost  | \$ —                | \$ —                | \$ 9,943,664        | \$ —                | \$ —                 | \$ 708,192       | \$ 10,567            | \$ —                | \$ 2,194,267        | \$ (322,329)       | \$ 12,534,361             |
| Less: Earned Revenues   | —                   | —                   | 376,769             | —                   | —                    | 677,536          | —                    | —                   | 305                 | (107,090)          | 947,520                   |
| Net Cost of Operations  | \$ —                | \$ —                | \$ 9,566,895        | \$ —                | \$ —                 | \$ 30,656        | \$ 10,567            | \$ —                | \$ 2,193,962        | \$ (215,239)       | \$ 11,586,841             |
| <b>Major Program 4: Grants</b>  |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                           |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 865,606           | \$ 5,051,382        | \$ —                | \$ (106,079)       | \$ 5,810,909              |
| Less: Earned Revenues   | —                   | —                   | —                   | —                   | —                    | —                | 4,434                | 38,599              | —                   | (21,885)           | 21,148                    |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 861,172           | \$ 5,012,783        | \$ —                | \$ (84,194)        | \$ 5,789,761              |
| <b>Major Program 5: Executive Oversight and Enterprise Technology</b> |                     |                     |                     |                     |                      |                  |                      |                     |                     |                    |                           |
| Gross Cost  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 2,639,190         | \$ —                | \$ —                | \$ (38,203)        | \$ 2,600,987              |
| Less: Earned Revenues   | —                   | —                   | —                   | —                   | —                    | —                | 1,224,007            | —                   | —                   | (740,082)          | 483,925                   |
| Net Cost of Operations  | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                 | \$ —             | \$ 1,415,183         | \$ —                | \$ —                | \$ 701,879         | \$ 2,117,062              |
| <b>Net Cost of Operations</b>   | <b>\$ 1,597,812</b> | <b>\$ 1,672,172</b> | <b>\$ 9,566,895</b> | <b>\$ 2,693,786</b> | <b>\$ 11,409,279</b> | <b>\$ 30,656</b> | <b>\$ 14,199,227</b> | <b>\$ 5,012,783</b> | <b>\$ 4,585,530</b> | <b>\$ (16,515)</b> | <b>\$ 50,751,625</b>      |

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2024**

| Dollars in Thousands                               | AFF/SADF | ATF            | BOP            | DEA            | FBI             | FPI  | OBDs           | OJP            | USMS           | Eliminations | Consolidated    |
|--|----------|----------------|----------------|----------------|-----------------|------|----------------|----------------|----------------|--------------|-----------------|
| <b>Unexpended Appropriations</b>                   |          |                |                |                |                 |      |                |                |                |              |                 |
| <b>Beginning Balances</b>                          |          |                |                |                |                 |      |                |                |                |              |                 |
| <b>Funds from Dedicated Collections</b>            | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ 3,037,054   | \$ —           | \$ —           | \$ —         | \$ 3,037,054    |
| <b>Funds from other than Dedicated Collections</b> | \$ —     | \$ 472,419     | \$ 2,453,506   | \$ 653,791     | \$ 5,326,313    | \$ — | \$ 4,982,726   | \$ 7,528,290   | \$ 627,414     | \$ —         | \$ 22,044,459   |
| <b>Appropriations Received</b>                     |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from other than Dedicated Collections        | \$ —     | \$ 1,625,000   | \$ 8,572,350   | \$ 2,567,000   | \$ 10,673,713   | \$ — | \$ 9,677,641   | \$ 3,521,861   | \$ 3,807,000   | \$ —         | \$ 40,444,565   |
| <b>Appropriations Transferred-In/Out</b>           |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ 19,300      | \$ —           | \$ —           | \$ —         | \$ 19,300       |
| Funds from other than Dedicated Collections        | \$ —     | \$ 657         | \$ (67,141)    | \$ 16,059      | \$ 1,049        | \$ — | \$ (7,530)     | \$ (56,534)    | \$ 748,831     | \$ —         | \$ 635,391      |
| <b>Other Adjustments</b>                           |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ (1)         | \$ —           | \$ —           | \$ —         | \$ (1)          |
| Funds from other than Dedicated Collections        | \$ —     | \$ (157)       | \$ (19,000)    | \$ (100)       | \$ (306)        | \$ — | \$ (67,239)    | \$ (211,593)   | \$ (105)       | \$ —         | \$ (298,500)    |
| <b>Appropriations Used</b>                         |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ 823         | \$ —           | \$ —           | \$ —         | \$ 823          |
| Funds from other than Dedicated Collections        | \$ —     | \$ (1,701,814) | \$ (8,855,256) | \$ (2,620,979) | \$ (11,102,892) | \$ — | \$ (9,548,268) | \$ (2,821,094) | \$ (4,596,116) | \$ —         | \$ (41,246,419) |
| <b>Net Change in Unexpended Appropriations</b>     |          |                |                |                |                 |      |                |                |                |              |                 |
| <b>Funds from Dedicated Collections</b>            | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ 20,122      | \$ —           | \$ —           | \$ —         | \$ 20,122       |
| <b>Funds from other than Dedicated Collections</b> | \$ —     | \$ (76,314)    | \$ (369,047)   | \$ (38,020)    | \$ (428,436)    | \$ — | \$ 54,604      | \$ 432,640     | \$ (40,390)    | \$ —         | \$ (464,963)    |
| <b>Total Unexpended Appropriations: Ending</b>     |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ 3,057,176   | \$ —           | \$ —           | \$ —         | \$ 3,057,176    |
| Funds from other than Dedicated Collections        | \$ —     | \$ 396,105     | \$ 2,084,459   | \$ 615,771     | \$ 4,897,877    | \$ — | \$ 5,037,330   | \$ 7,960,930   | \$ 587,024     | \$ —         | \$ 21,579,496   |
| <b>Total All Funds</b>                             | \$ —     | \$ 396,105     | \$ 2,084,459   | \$ 615,771     | \$ 4,897,877    | \$ — | \$ 8,094,506   | \$ 7,960,930   | \$ 587,024     | \$ —         | \$ 24,636,672   |



**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2024 (continued)**

| Dollars in Thousands                               | AFF/SADF       | ATF            | BOP            | DEA            | FBI             | FPI         | OBDs           | OJP            | USMS           | Eliminations | Consolidated    |
|--|----------------|----------------|----------------|----------------|-----------------|-------------|----------------|----------------|----------------|--------------|-----------------|
| <b>Cumulative Results of Operations</b>            |                |                |                |                |                 |             |                |                |                |              |                 |
| <b>Beginning Balances</b>                          |                |                |                |                |                 |             |                |                |                |              |                 |
| <b>Funds from Dedicated Collections</b>            | \$ 2,928,974   | \$ —           | \$ 207,081     | \$ (589,637)   | \$ —            | \$ —        | \$ (2,532,170) | \$ 6,190,752   | \$ —           | \$ —         | \$ 6,205,000    |
| <b>Funds from other than Dedicated Collections</b> | \$ —           | \$ 96,777      | \$ 1,586,911   | \$ 55,919      | \$ 3,239,295    | \$ 368,253  | \$ (2,409,497) | \$ 58,303      | \$ 391,048     | \$ —         | \$ 3,387,009    |
| Other Adjustments                                  |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ (500,000)   | \$ —           | \$ —           | \$ —           | \$ —            | \$ —        | \$ —           | \$ —           | \$ —           | \$ —         | \$ (500,000)    |
| Funds from other than Dedicated Collections        | \$ —           | \$ —           | \$ —           | \$ —           | \$ (66)         | \$ —        | \$ (206,572)   | \$ —           | \$ (178)       | \$ —         | \$ (206,816)    |
| Appropriations Used                                |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —           | \$ —           | \$ —           | \$ —           | \$ —            | \$ —        | \$ (823)       | \$ —           | \$ —           | \$ —         | \$ (823)        |
| Funds from other than Dedicated Collections        | \$ —           | \$ 1,701,814   | \$ 8,855,256   | \$ 2,620,979   | \$ 11,102,892   | \$ —        | \$ 9,548,268   | \$ 2,821,094   | \$ 4,596,116   | \$ —         | \$ 41,246,419   |
| Nonexchange Revenues                               |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ 442,879     | \$ —           | \$ —           | \$ —           | \$ —            | \$ —        | \$ 200,604     | \$ 2,315,880   | \$ —           | \$ —         | \$ 2,959,363    |
| Funds from other than Dedicated Collections        | \$ —           | \$ —           | \$ 91          | \$ —           | \$ —            | \$ —        | \$ (4)         | \$ 26,165      | \$ —           | \$ —         | \$ 26,252       |
| Donations and Forfeitures of Cash and Cash         |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ 1,476,555   | \$ —           | \$ —           | \$ —           | \$ —            | \$ —        | \$ 1,003,396   | \$ —           | \$ —           | \$ —         | \$ 2,479,951    |
| Funds from other than Dedicated Collections        | \$ —           | \$ —           | \$ —           | \$ —           | \$ —            | \$ —        | \$ 5           | \$ —           | \$ —           | \$ —         | \$ 5            |
| Transfers-In/Out Without Reimbursement             |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ (3,394)     | \$ —           | \$ —           | \$ —           | \$ —            | \$ —        | \$ —           | \$ (90,000)    | \$ —           | \$ —         | \$ (93,394)     |
| Funds from other than Dedicated Collections        | \$ —           | \$ 364         | \$ —           | \$ 38,547      | \$ 182,703      | \$ —        | \$ 372,815     | \$ —           | \$ 24,974      | \$ —         | \$ 619,403      |
| Donations and Forfeitures of Property              |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ 525,581     | \$ —           | \$ —           | \$ —           | \$ —            | \$ —        | \$ —           | \$ —           | \$ —           | \$ —         | \$ 525,581      |
| Imputed Financing (Note 20)                        |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ 6,258       | \$ —           | \$ 13,228      | \$ 35,536      | \$ —            | \$ —        | \$ 47,504      | \$ —           | \$ —           | \$ —         | \$ 102,526      |
| Funds from other than Dedicated Collections        | \$ —           | \$ 114,137     | \$ 694,781     | \$ 153,347     | \$ 858,200      | \$ 31,117   | \$ 315,833     | \$ 11,918      | \$ 127,641     | \$ (16,878)  | \$ 2,290,096    |
| Other  |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —           | \$ —           | \$ —           | \$ —           | \$ —            | \$ —        | \$ 12          | \$ —           | \$ —           | \$ —         | \$ 12           |
| Funds from other than Dedicated Collections        | \$ —           | \$ —           | \$ (42)        | \$ —           | \$ (20,936)     | \$ —        | \$ 4           | \$ —           | \$ —           | \$ —         | \$ (20,974)     |
| <b>Net Cost of Operations</b>                      |                |                |                |                |                 |             |                |                |                |              |                 |
| <b>Funds from Dedicated Collections</b>            | \$ (1,551,656) | \$ —           | \$ 5,875       | \$ (21,079)    | \$ —            | \$ —        | \$ (1,270,838) | \$ (2,153,925) | \$ —           | \$ —         | \$ (4,991,623)  |
| <b>Funds from other than Dedicated Collections</b> | \$ —           | \$ (1,854,485) | \$ (9,702,591) | \$ (2,815,043) | \$ (11,906,183) | \$ (16,319) | \$ (9,943,202) | \$ (2,836,379) | \$ (4,712,579) | \$ 16,878    | \$ (43,769,903) |
| <b>Net Change in Cumulative Results of</b>         |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ 396,223     | \$ —           | \$ 19,103      | \$ 14,457      | \$ —            | \$ —        | \$ (20,145)    | \$ 71,955      | \$ —           | \$ —         | \$ 481,593      |
| Funds from other than Dedicated Collections        | \$ —           | \$ (38,170)    | \$ (152,505)   | \$ (2,170)     | \$ 216,610      | \$ 14,798   | \$ 87,147      | \$ 22,798      | \$ 35,974      | \$ —         | \$ 184,482      |
| <b>Cumulative Results of Operations: Ending</b>    |                |                |                |                |                 |             |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ 3,325,197   | \$ —           | \$ 226,184     | \$ (575,180)   | \$ —            | \$ —        | \$ (2,552,315) | \$ 6,262,707   | \$ —           | \$ —         | \$ 6,686,593    |
| Funds from other than Dedicated Collections        | \$ —           | \$ 58,607      | \$ 1,434,406   | \$ 53,749      | \$ 3,455,905    | \$ 383,051  | \$ (2,322,350) | \$ 81,101      | \$ 427,022     | \$ —         | \$ 3,571,491    |
| Total All Funds                                    | \$ 3,325,197   | \$ 58,607      | \$ 1,660,590   | \$ (521,431)   | \$ 3,455,905    | \$ 383,051  | \$ (4,874,665) | \$ 6,343,808   | \$ 427,022     |              | \$ 10,258,084   |
| <b>Net Position</b>                                |                |                |                |                |                 |             |                |                |                |              |                 |
| <b>Funds from Dedicated Collections</b>            | \$ 3,325,197   | \$ —           | \$ 226,184     | \$ (575,180)   | \$ —            | \$ —        | \$ 504,861     | \$ 6,262,707   | \$ —           | \$ —         | \$ 9,743,769    |
| <b>Funds from other than Dedicated Collections</b> | \$ —           | \$ 454,712     | \$ 3,518,865   | \$ 669,520     | \$ 8,353,782    | \$ 383,051  | \$ 2,714,980   | \$ 8,042,031   | \$ 1,014,046   | \$ —         | \$ 25,150,987   |
| <b>Net Position - Total</b>                        | \$ 3,325,197   | \$ 454,712     | \$ 3,745,049   | \$ 94,340      | \$ 8,353,782    | \$ 383,051  | \$ 3,219,841   | \$ 14,304,738  | \$ 1,014,046   | \$ —         | \$ 34,894,756   |

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2023**

| Dollars in Thousands                               | AFF/SADF | ATF            | BOP            | DEA            | FBI             | FPI  | OBDs           | OJP            | USMS           | Eliminations | Consolidated    |
|--|----------|----------------|----------------|----------------|-----------------|------|----------------|----------------|----------------|--------------|-----------------|
| <b>Unexpended Appropriations</b>                   |          |                |                |                |                 |      |                |                |                |              |                 |
| <b>Beginning Balances</b>                          |          |                |                |                |                 |      |                |                |                |              |                 |
| <b>Funds from Dedicated Collections</b>            | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ (1,444)     | \$ —           | \$ —           | \$ —         | \$ (1,444)      |
| <b>Funds from other than Dedicated Collections</b> | \$ —     | \$ 313,325     | \$ 2,373,249   | \$ 575,032     | \$ 4,840,987    | \$ — | \$ 4,293,022   | \$ 6,934,118   | \$ 595,188     | \$ —         | \$ 19,924,921   |
| <b>Appropriations Received</b>                     |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ 5,707,596   | \$ —           | \$ —           | \$ —         | \$ 5,707,596    |
| Funds from other than Dedicated Collections        | \$ —     | \$ 1,747,000   | \$ 8,682,588   | \$ 2,563,116   | \$ 11,343,195   | \$ — | \$ 9,537,566   | \$ 3,450,605   | \$ 3,852,789   | \$ —         | \$ 41,176,859   |
| <b>Appropriations Transferred-In/Out</b>           |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from other than Dedicated Collections        | \$ —     | \$ (156)       | \$ (185,212)   | \$ 16,078      | \$ (48,382)     | \$ — | \$ (104,636)   | \$ 58,225      | \$ 697,776     | \$ —         | \$ 433,693      |
| <b>Other Adjustments</b>                           |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ (406)       | \$ —           | \$ —           | \$ —         | \$ (406)        |
| Funds from other than Dedicated Collections        | \$ —     | \$ —           | \$ (109)       | \$ (5,172)     | \$ (748)        | \$ — | \$ (326,897)   | \$ (81,307)    | \$ (106)       | \$ —         | \$ (414,339)    |
| <b>Appropriations Used</b>                         |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ (2,668,692) | \$ —           | \$ —           | \$ —         | \$ (2,668,692)  |
| Funds from other than Dedicated Collections        | \$ —     | \$ (1,587,750) | \$ (8,417,010) | \$ (2,495,263) | \$ (10,808,739) | \$ — | \$ (8,416,329) | \$ (2,833,351) | \$ (4,518,233) | \$ —         | \$ (39,076,675) |
| <b>Net Change in Unexpended Appropriations</b>     |          |                |                |                |                 |      |                |                |                |              |                 |
| <b>Funds from Dedicated Collections</b>            | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ 3,038,498   | \$ —           | \$ —           | \$ —         | \$ 3,038,498    |
| <b>Funds from other than Dedicated Collections</b> | \$ —     | \$ 159,094     | \$ 80,257      | \$ 78,759      | \$ 485,326      | \$ — | \$ 689,704     | \$ 594,172     | \$ 32,226      | \$ —         | \$ 2,119,538    |
| <b>Total Unexpended Appropriations: Ending</b>     |          |                |                |                |                 |      |                |                |                |              |                 |
| Funds from Dedicated Collections                   | \$ —     | \$ —           | \$ —           | \$ —           | \$ —            | \$ — | \$ 3,037,054   | \$ —           | \$ —           | \$ —         | \$ 3,037,054    |
| Funds from other than Dedicated Collections        | \$ —     | \$ 472,419     | \$ 2,453,506   | \$ 653,791     | \$ 5,326,313    | \$ — | \$ 4,982,726   | \$ 7,528,290   | \$ 627,414     | \$ —         | \$ 22,044,459   |
| <b>Total All Funds</b>                             | \$ —     | \$ 472,419     | \$ 2,453,506   | \$ 653,791     | \$ 5,326,313    | \$ — | \$ 8,019,780   | \$ 7,528,290   | \$ 627,414     | \$ —         | \$ 25,081,513   |

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2023 (continued)**

| Dollars in Thousands                               | AFF/SADF             | ATF                  | BOP                  | DEA                  | FBI                   | FPI                | OBDs                 | OJP                  | USMS                 | Eliminations     | Consolidated           |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|--------------------|----------------------|----------------------|----------------------|------------------|------------------------|
| <b>Cumulative Results of Operations</b>            |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| <b>Beginning Balances</b>                          |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| <b>Funds from Dedicated Collections</b>            | \$ 1,570,492         | \$ —                 | \$ 170,082           | \$ (615,501)         | \$ —                  | \$ —               | \$ 543,495           | \$ 6,770,325         | \$ —                 | \$ —             | \$ 8,438,893           |
| <b>Funds from other than Dedicated</b>             | \$ —                 | \$ 95,861            | \$ 2,254,057         | \$ 118,028           | \$ 3,092,298          | \$ 369,971         | \$ (3,159,226)       | \$ 50,653            | \$ 354,985           | \$ —             | \$ 3,176,627           |
| Other Adjustments                                  |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ (500,000)         | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ —                 | \$ —                 | \$ —                 | \$ —             | \$ (500,000)           |
| Funds from other than Dedicated Collections        | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ (100,000)         | \$ —                 | \$ (86)              | \$ —             | \$ (100,086)           |
| Appropriations Used                                |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ 2,668,692         | \$ —                 | \$ —                 | \$ —             | \$ 2,668,692           |
| Funds from other than Dedicated Collections        | \$ —                 | \$ 1,587,750         | \$ 8,417,010         | \$ 2,495,263         | \$ 10,808,739         | \$ —               | \$ 8,416,329         | \$ 2,833,351         | \$ 4,518,233         | \$ —             | \$ 39,076,675          |
| Nonexchange Revenues                               |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ 276,467           | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ 93,480            | \$ 1,612,771         | \$ —                 | \$ —             | \$ 1,982,718           |
| Funds from other than Dedicated Collections        | \$ —                 | \$ —                 | \$ 104               | \$ —                 | \$ —                  | \$ —               | \$ 35                | \$ 421               | \$ —                 | \$ —             | \$ 560                 |
| Donations and Forfeitures of Cash and Cash         |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ 2,960,474         | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ 46,683            | \$ —                 | \$ —                 | \$ —             | \$ 3,007,157           |
| Funds from other than Dedicated Collections        | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ 681               | \$ —                 | \$ —                 | \$ —             | \$ 681                 |
| Transfers-In/Out Without Reimbursement             |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ (9,696)           | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ —                 | \$ (14,355)          | \$ —                 | \$ —             | \$ (24,051)            |
| Funds from other than Dedicated Collections        | \$ —                 | \$ 1,056             | \$ (108)             | \$ 14,255            | \$ 206,598            | \$ —               | \$ 462,733           | \$ —                 | \$ 8,117             | \$ —             | \$ 692,651             |
| Donations and Forfeitures of Property              |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ 224,397           | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ —                 | \$ —                 | \$ —                 | \$ —             | \$ 224,397             |
| Imputed Financing (Note 20)                        |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ 4,652             | \$ —                 | \$ 10,123            | \$ 27,398            | \$ —                  | \$ —               | \$ 21,451            | \$ —                 | \$ —                 | \$ —             | \$ 63,624              |
| Funds from other than Dedicated Collections        | \$ —                 | \$ 84,282            | \$ 509,627           | \$ 120,625           | \$ 554,386            | \$ 28,938          | \$ 263,245           | \$ 8,672             | \$ 95,329            | \$ (16,515)      | \$ 1,648,589           |
| Other  |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                  | \$ —               | \$ 1                 | \$ —                 | \$ —                 | \$ —             | \$ 1                   |
| Funds from other than Dedicated Collections        | \$ —                 | \$ —                 | \$ (8)               | \$ —                 | \$ (13,447)           | \$ —               | \$ (39)              | \$ —                 | \$ —                 | \$ —             | \$ (13,494)            |
| <b>Net Cost of Operations</b>                      |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| <b>Funds from Dedicated Collections</b>            | <b>\$(1,597,812)</b> | <b>\$ —</b>          | <b>\$ 26,876</b>     | <b>\$ (1,534)</b>    | <b>\$ —</b>           | <b>\$ —</b>        | <b>\$(5,905,972)</b> | <b>\$(2,177,989)</b> | <b>\$ —</b>          | <b>\$ —</b>      | <b>\$ (9,656,431)</b>  |
| <b>Funds from other than Dedicated Collections</b> | <b>\$ —</b>          | <b>\$(1,672,172)</b> | <b>\$(9,593,771)</b> | <b>\$(2,692,252)</b> | <b>\$(11,409,279)</b> | <b>\$ (30,656)</b> | <b>\$(8,293,255)</b> | <b>\$(2,834,794)</b> | <b>\$(4,585,530)</b> | <b>\$ 16,515</b> | <b>\$ (41,095,194)</b> |
| <b>Net Change in Cumulative Results of</b>         |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | <b>\$ 1,358,482</b>  | <b>\$ —</b>          | <b>\$ 36,999</b>     | <b>\$ 25,864</b>     | <b>\$ —</b>           | <b>\$ —</b>        | <b>\$(3,075,665)</b> | <b>\$(579,573)</b>   | <b>\$ —</b>          | <b>\$ —</b>      | <b>\$ (2,233,893)</b>  |
| Funds from other than Dedicated Collections        | <b>\$ —</b>          | <b>\$ 916</b>        | <b>\$(667,146)</b>   | <b>\$(62,109)</b>    | <b>\$ 146,997</b>     | <b>\$ (1,718)</b>  | <b>\$ 749,729</b>    | <b>\$ 7,650</b>      | <b>\$ 36,063</b>     | <b>\$ —</b>      | <b>\$ 210,382</b>      |
| <b>Cumulative Results of Operations: Ending</b>    |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| Funds from Dedicated Collections                   | \$ 2,928,974         | \$ —                 | \$ 207,081           | \$ (589,637)         | \$ —                  | \$ —               | \$(2,532,170)        | \$ 6,190,752         | \$ —                 | \$ —             | \$ 6,205,000           |
| Funds from other than Dedicated Collections        | \$ —                 | \$ 96,777            | \$ 1,586,911         | \$ 55,919            | \$ 3,239,295          | \$ 368,253         | \$(2,409,497)        | \$ 58,303            | \$ 391,048           | \$ —             | \$ 3,387,009           |
| Total All Funds                                    | <b>\$ 2,928,974</b>  | <b>\$ 96,777</b>     | <b>\$ 1,793,992</b>  | <b>\$(533,718)</b>   | <b>\$ 3,239,295</b>   | <b>\$ 368,253</b>  | <b>\$(4,941,667)</b> | <b>\$ 6,249,055</b>  | <b>\$ 391,048</b>    | <b>\$ —</b>      | <b>\$ 9,592,009</b>    |
| <b>Net Position</b>                                |                      |                      |                      |                      |                       |                    |                      |                      |                      |                  |                        |
| <b>Funds from Dedicated Collections</b>            | <b>\$ 2,928,974</b>  | <b>\$ —</b>          | <b>\$ 207,081</b>    | <b>\$ (589,637)</b>  | <b>\$ —</b>           | <b>\$ —</b>        | <b>\$ 504,884</b>    | <b>\$ 6,190,752</b>  | <b>\$ —</b>          | <b>\$ —</b>      | <b>\$ 9,242,054</b>    |
| <b>Funds from other than Dedicated Collections</b> | <b>\$ —</b>          | <b>\$ 569,196</b>    | <b>\$ 4,040,417</b>  | <b>\$ 709,710</b>    | <b>\$ 8,565,608</b>   | <b>\$ 368,253</b>  | <b>\$ 2,573,229</b>  | <b>\$ 7,586,593</b>  | <b>\$ 1,018,462</b>  | <b>\$ —</b>      | <b>\$ 25,431,468</b>   |
| <b>Net Position - Total</b>                        | <b>\$ 2,928,974</b>  | <b>\$ 569,196</b>    | <b>\$ 4,247,498</b>  | <b>\$ 120,073</b>    | <b>\$ 8,565,608</b>   | <b>\$ 368,253</b>  | <b>\$ 3,078,113</b>  | <b>\$13,777,345</b>  | <b>\$ 1,018,462</b>  | <b>\$ —</b>      | <b>\$ 34,673,522</b>   |

**U.S. Department of Justice**  
**Combining Statement of Custodial Activity**  
**For the Fiscal Year Ended September 30, 2024**

| Dollars in Thousands  | AFF/SADF    | ATF                 | BOP             | DEA                | FBI               | FPI         | OBDs                  | OJP         | USMS            | Combined              |
|---|-------------|---------------------|-----------------|--------------------|-------------------|-------------|-----------------------|-------------|-----------------|-----------------------|
| <b>Total Custodial Revenue</b>  |             |                     |                 |                    |                   |             |                       |             |                 |                       |
| <b>Sources of Cash Collections</b>  |             |                     |                 |                    |                   |             |                       |             |                 |                       |
| Federal Debts, Fines, Penalties and Restitution   | \$ —        | \$ 1,213            | \$ —            | \$ 11,265          | \$ 1,498          | \$ —        | \$ 7,484,053          | \$ —        | \$ —            | \$ 7,498,029          |
| Fees and Licenses   | —           | 161,015             | —               | 15,000             | —                 | —           | —                     | —           | —               | 176,015               |
| Miscellaneous   | —           | 138                 | 506             | —                  | —                 | —           | —                     | —           | 506             | 1,150                 |
| <b>Total Cash Collections</b>   | <b>\$ —</b> | <b>\$ 162,366</b>   | <b>\$ 506</b>   | <b>\$ 26,265</b>   | <b>\$ 1,498</b>   | <b>\$ —</b> | <b>\$ 7,484,053</b>   | <b>\$ —</b> | <b>\$ 506</b>   | <b>\$ 7,675,194</b>   |
| <b>Accrual Adjustments</b>  |             | (208)               | 93              | (611)              | 210               | —           | (701,671)             | —           | 4               | (702,183)             |
| <b>Total Custodial Revenue (Note 22)</b>  | <b>\$ —</b> | <b>\$ 162,158</b>   | <b>\$ 599</b>   | <b>\$ 25,654</b>   | <b>\$ 1,708</b>   | <b>\$ —</b> | <b>\$ 6,782,382</b>   | <b>\$ —</b> | <b>\$ 510</b>   | <b>\$ 6,973,011</b>   |
| <b>Disposition of Collections</b>   |             |                     |                 |                    |                   |             |                       |             |                 |                       |
| Transferred to Federal Agencies   |             |                     |                 |                    |                   |             |                       |             |                 |                       |
| Government Printing Office  | —           | —                   | —               | —                  | —                 | —           | (4)                   | —           | —               | (4)                   |
| The Judiciary   | —           | —                   | —               | —                  | —                 | —           | (85,520)              | —           | —               | (85,520)              |
| U.S. Department of Agriculture  | —           | —                   | —               | —                  | —                 | —           | (100,143)             | —           | —               | (100,143)             |
| U.S. Department of Commerce   | —           | —                   | —               | —                  | —                 | —           | (1,622)               | —           | —               | (1,622)               |
| U.S. Department of the Interior   | —           | —                   | —               | —                  | —                 | —           | (612,424)             | —           | —               | (612,424)             |
| U.S. Department of Justice  | —           | —                   | —               | —                  | —                 | —           | (447,466)             | —           | —               | (447,466)             |
| U.S. Department of Labor  | —           | —                   | —               | —                  | —                 | —           | (3,819)               | —           | —               | (3,819)               |
| U.S. Postal Service   | —           | —                   | —               | —                  | —                 | —           | (7,192)               | —           | —               | (7,192)               |
| U.S. Department of State  | —           | —                   | —               | —                  | —                 | —           | (11,215)              | —           | —               | (11,215)              |
| U.S. Department of the Treasury   | —           | —                   | —               | —                  | —                 | —           | (1,438,548)           | —           | —               | (1,438,548)           |
| Office of Personnel Management  | —           | —                   | —               | —                  | —                 | —           | (2,403)               | —           | —               | (2,403)               |
| Federal Communications Commission   | —           | —                   | —               | —                  | —                 | —           | (147)                 | —           | —               | (147)                 |
| Social Security Administration  | —           | —                   | —               | —                  | —                 | —           | (441)                 | —           | —               | (441)                 |
| Federal Trade Commission  | —           | —                   | —               | —                  | —                 | —           | (17,270)              | —           | —               | (17,270)              |
| U.S. Department of Veterans Affairs   | —           | —                   | —               | —                  | —                 | —           | (17,968)              | —           | —               | (17,968)              |
| Equal Employment Opportunity Commission   | —           | —                   | —               | —                  | —                 | —           | (2)                   | —           | —               | (2)                   |
| General Services Administration   | —           | —                   | —               | —                  | —                 | —           | (4,464)               | —           | —               | (4,464)               |
| National Science Foundation   | —           | —                   | —               | —                  | —                 | —           | (1,172)               | —           | —               | (1,172)               |
| Securities and Exchange Commission  | —           | —                   | —               | —                  | —                 | —           | (219)                 | —           | —               | (219)                 |
| Federal Deposit Insurance Corporation   | —           | —                   | —               | —                  | —                 | —           | (22)                  | —           | —               | (22)                  |
| Railroad Retirement Board   | —           | —                   | —               | —                  | —                 | —           | (155)                 | —           | —               | (155)                 |
| Tennessee Valley Authority  | —           | —                   | —               | —                  | —                 | —           | (50)                  | —           | —               | (50)                  |
| Environmental Protection Agency   | —           | —                   | —               | —                  | —                 | —           | (1,737,683)           | —           | —               | (1,737,683)           |
| U.S. Department of Transportation   | —           | —                   | —               | —                  | —                 | —           | (7,780)               | —           | —               | (7,780)               |
| U.S. Department of Homeland Security  | —           | —                   | —               | —                  | —                 | —           | (489,709)             | —           | —               | (489,709)             |
| Small Business Administration   | —           | —                   | —               | —                  | —                 | —           | (49,782)              | —           | —               | (49,782)              |
| U.S. Department of Health and Human Services  | —           | —                   | —               | —                  | —                 | —           | (1,190,043)           | —           | —               | (1,190,043)           |
| United States Intl Development Finance Corporation  | —           | —                   | —               | —                  | —                 | —           | (25)                  | —           | —               | (25)                  |
| National Aeronautics and Space Administration   | —           | —                   | —               | —                  | —                 | —           | (547)                 | —           | —               | (547)                 |
| Export-Import Bank of the United States   | —           | —                   | —               | —                  | —                 | —           | (818)                 | —           | —               | (818)                 |
| U.S. Department of Housing and Urban Development  | —           | —                   | —               | —                  | —                 | —           | (33,291)              | —           | —               | (33,291)              |
| U.S. Department of Energy   | —           | —                   | —               | —                  | —                 | —           | (16,936)              | —           | —               | (16,936)              |
| U.S. Department of Education  | —           | —                   | —               | —                  | —                 | —           | (8,546)               | —           | —               | (8,546)               |
| Commodities Futures Trading Commission  | —           | —                   | —               | —                  | —                 | —           | (2,615)               | —           | —               | (2,615)               |
| Corporation of National & Community Services  | —           | —                   | —               | —                  | —                 | —           | (60)                  | —           | —               | (60)                  |
| Federal Reserve Board   | —           | —                   | —               | —                  | —                 | —           | (961)                 | —           | —               | (961)                 |
| Treasury General Fund   | —           | (153,975)           | (506)           | (26,265)           | (1,498)           | —           | (348,946)             | —           | (506)           | (531,696)             |
| U.S. Department of Defense  | —           | —                   | —               | —                  | —                 | —           | (74,398)              | —           | —               | (74,398)              |
| Transferred to the Public   | —           | —                   | —               | —                  | —                 | —           | (422,095)             | —           | —               | (422,095)             |
| (Increase)/Decrease in Amounts Yet to be Transferred  | —           | —                   | (93)            | 611                | (210)             | —           | 548,839               | —           | (4)             | 549,143               |
| (Increase)/Decrease in Refunds Payable and Other Liabilities Retained by the Reporting Entity | —           | (8,183)             | —               | —                  | —                 | —           | —                     | —           | —               | (8,183)               |
| <b>Total Disposition Of Collections</b>   | <b>\$ —</b> | <b>\$ (162,158)</b> | <b>\$ (599)</b> | <b>\$ (25,654)</b> | <b>\$ (1,708)</b> | <b>\$ —</b> | <b>\$ (6,782,382)</b> | <b>\$ —</b> | <b>\$ (510)</b> | <b>\$ (6,973,011)</b> |
| Custodial Revenue Less Disposition of Collections   | <b>\$ —</b> | <b>\$ —</b>         | <b>\$ —</b>     | <b>\$ —</b>        | <b>\$ —</b>       | <b>\$ —</b> | <b>\$ —</b>           | <b>\$ —</b> | <b>\$ —</b>     | <b>\$ —</b>           |

**U.S. Department of Justice**  
**Combining Statement of Custodial Activity**  
**For the Fiscal Year Ended September 30, 2023**

| Dollars in Thousands   | AFF/SADF    | ATF                 | BOP             | DEA                | FBI             | FPI         | OBDs                  | OJP         | USMS              | Combined              |
|--|-------------|---------------------|-----------------|--------------------|-----------------|-------------|-----------------------|-------------|-------------------|-----------------------|
| <b>Total Custodial Revenue</b>                               |             |                     |                 |                    |                 |             |                       |             |                   |                       |
| <b>Sources of Cash Collections</b>                           |             |                     |                 |                    |                 |             |                       |             |                   |                       |
| Federal Debts, Fines, Penalties and Restitution              | \$ —        | \$ 36               | \$ —            | \$ 10,770          | \$ 1,616        | \$ —        | \$ 6,722,240          | \$ —        | \$ —              | \$ 6,734,662          |
| Fees and Licenses  | —           | 111,371             | —               | 15,000             | —               | —           | —                     | —           | —                 | 126,371               |
| Miscellaneous  | —           | 305                 | 518             | —                  | —               | —           | —                     | —           | 4,370             | 5,193                 |
| <b>Total Cash Collections</b>                                | <b>\$ —</b> | <b>\$ 111,712</b>   | <b>\$ 518</b>   | <b>\$ 25,770</b>   | <b>\$ 1,616</b> | <b>\$ —</b> | <b>\$ 6,722,240</b>   | <b>\$ —</b> | <b>\$ 4,370</b>   | <b>\$ 6,866,226</b>   |
| <b>Accrual Adjustments</b>                                   | <b>—</b>    | <b>224</b>          | <b>—</b>        | <b>26</b>          | <b>(948)</b>    | <b>—</b>    | <b>(1,023,276)</b>    | <b>—</b>    | <b>10</b>         | <b>(1,023,964)</b>    |
| <b>Total Custodial Revenue (Note 22)</b>                     | <b>\$ —</b> | <b>\$ 111,936</b>   | <b>\$ 518</b>   | <b>\$ 25,796</b>   | <b>\$ 668</b>   | <b>\$ —</b> | <b>\$ 5,698,964</b>   | <b>\$ —</b> | <b>\$ 4,380</b>   | <b>\$ 5,842,262</b>   |
| <b>Disposition of Collections</b>                            |             |                     |                 |                    |                 |             |                       |             |                   |                       |
| Transferred to Federal Agencies                              |             |                     |                 |                    |                 |             |                       |             |                   |                       |
| Government Printing Office                                   | —           | —                   | —               | —                  | —               | —           | (5)                   | —           | —                 | (5)                   |
| The Judiciary  | —           | —                   | —               | —                  | —               | —           | (84,738)              | —           | —                 | (84,738)              |
| U.S. Department of Agriculture                               | —           | —                   | —               | —                  | —               | —           | (169,756)             | —           | —                 | (169,756)             |
| U.S. Department of Commerce                                  | —           | —                   | —               | —                  | —               | —           | (17,047)              | —           | —                 | (17,047)              |
| U.S. Department of the Interior                              | —           | —                   | —               | —                  | —               | —           | (550,361)             | —           | —                 | (550,361)             |
| U.S. Department of Justice                                   | —           | —                   | —               | —                  | —               | —           | (273,757)             | —           | —                 | (273,757)             |
| U.S. Department of Labor                                     | —           | —                   | —               | —                  | —               | —           | (10,747)              | —           | —                 | (10,747)              |
| U.S. Postal Service  | —           | —                   | —               | —                  | —               | —           | (2,940)               | —           | —                 | (2,940)               |
| U.S. Department of State                                     | —           | —                   | —               | —                  | —               | —           | (367)                 | —           | —                 | (367)                 |
| U.S. Department of the Treasury                              | —           | —                   | —               | —                  | —               | —           | (585,251)             | —           | —                 | (585,251)             |
| Office of Personnel Management                               | —           | —                   | —               | —                  | —               | —           | (2,931)               | —           | —                 | (2,931)               |
| Federal Communications Commission                            | —           | —                   | —               | —                  | —               | —           | (1,258)               | —           | —                 | (1,258)               |
| Social Security Administration                               | —           | —                   | —               | —                  | —               | —           | (316)                 | —           | —                 | (316)                 |
| Federal Trade Commission                                     | —           | —                   | —               | —                  | —               | —           | (318,566)             | —           | —                 | (318,566)             |
| International Trade Commission                               | —           | —                   | —               | —                  | —               | —           | (5,147)               | —           | —                 | (5,147)               |
| U.S. Department of Veterans Affairs                          | —           | —                   | —               | —                  | —               | —           | (25,314)              | —           | —                 | (25,314)              |
| Equal Employment Opportunity Commission                      | —           | —                   | —               | —                  | —               | —           | (1)                   | —           | —                 | (1)                   |
| General Services Administration                              | —           | —                   | —               | —                  | —               | —           | (2,628)               | —           | —                 | (2,628)               |
| National Science Foundation                                  | —           | —                   | —               | —                  | —               | —           | (62)                  | —           | —                 | (62)                  |
| Federal Deposit Insurance Corporation                        | —           | —                   | —               | —                  | —               | —           | (125)                 | —           | —                 | (125)                 |
| National Endowment For the Humanities                        | —           | —                   | —               | —                  | —               | —           | (34)                  | —           | —                 | (34)                  |
| Railroad Retirement Board                                    | —           | —                   | —               | —                  | —               | —           | (172)                 | —           | —                 | (172)                 |
| Tennessee Valley Authority                                   | —           | —                   | —               | —                  | —               | —           | (937)                 | —           | —                 | (937)                 |
| Environmental Protection Agency                              | —           | —                   | —               | —                  | —               | —           | (182,519)             | —           | —                 | (182,519)             |
| U.S. Department of Transportation                            | —           | —                   | —               | —                  | —               | —           | (18,457)              | —           | —                 | (18,457)              |
| U.S. Department of Homeland Security                         | —           | —                   | —               | —                  | —               | —           | (163,867)             | —           | —                 | (163,867)             |
| Small Business Administration                                | —           | —                   | —               | —                  | —               | —           | (8,770)               | —           | —                 | (8,770)               |
| U.S. Department of Health and Human Services                 | —           | —                   | —               | —                  | —               | —           | (1,647,589)           | —           | —                 | (1,647,589)           |
| United States Intl Development Finance Corporation           | —           | —                   | —               | —                  | —               | —           | (33)                  | —           | —                 | (33)                  |
| National Aeronautics and Space Administration                | —           | —                   | —               | —                  | —               | —           | (5,386)               | —           | —                 | (5,386)               |
| Export-Import Bank of the United States                      | —           | —                   | —               | —                  | —               | —           | (1,074)               | —           | —                 | (1,074)               |
| U.S. Department of Housing and Urban Development             | —           | —                   | —               | —                  | —               | —           | (36,161)              | —           | —                 | (36,161)              |
| U.S. Department of Energy                                    | —           | —                   | —               | —                  | —               | —           | (1,530)               | —           | —                 | (1,530)               |
| U.S. Department of Education                                 | —           | —                   | —               | —                  | —               | —           | (2,857)               | —           | —                 | (2,857)               |
| Commodities Futures Trading Commission                       | —           | —                   | —               | —                  | —               | —           | (115)                 | —           | —                 | (115)                 |
| Corporation of National & Community Services                 | —           | —                   | —               | —                  | —               | —           | (316)                 | —           | —                 | (316)                 |
| Federal Reserve Board  | —           | —                   | —               | —                  | —               | —           | (3)                   | —           | —                 | (3)                   |
| Treasury General Fund  | —           | (103,640)           | —               | (25,770)           | (1,616)         | —           | (1,661,194)           | —           | (4,370)           | (1,796,590)           |
| U.S. Department of Defense                                   | —           | —                   | —               | —                  | —               | —           | (373,067)             | —           | —                 | (373,067)             |
| Transferred to the Public                                    | —           | —                   | —               | —                  | —               | —           | (630,973)             | —           | —                 | (630,973)             |
| (Increase)/Decrease in Amounts Yet to be Transferred         | —           | —                   | (518)           | (26)               | 948             | —           | 1,278,601             | —           | (10)              | 1,278,995             |
| (Increase)/Decrease in Refunds Payable and Other Liabilities | —           | (8,296)             | —               | —                  | —               | —           | —                     | —           | —                 | (8,296)               |
| Retained by the Reporting Entity                             | —           | —                   | —               | —                  | —               | —           | (191,194)             | —           | —                 | (191,194)             |
| <b>Total Disposition Of Collections</b>                      | <b>\$ —</b> | <b>\$ (111,936)</b> | <b>\$ (518)</b> | <b>\$ (25,796)</b> | <b>\$ (668)</b> | <b>\$ —</b> | <b>\$ (5,698,964)</b> | <b>\$ —</b> | <b>\$ (4,380)</b> | <b>\$ (5,842,262)</b> |
| Custodial Revenue Less Disposition of Collections            | \$ —        | \$ —                | \$ —            | \$ —               | \$ —            | \$ —        | \$ —                  | \$ —        | \$ —              | \$ —                  |

## Summary of Financial Statement Audit and Management Assurances

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

**Table 1. Summary of Financial Statement Audit**

| Financial Statement Audit Opinion and Material Weaknesses  |                          |            |                 |                     |                       |
|--|--------------------------|------------|-----------------|---------------------|-----------------------|
| <b>Audit Opinion</b>   | Unmodified               |            |                 |                     |                       |
| <b>Restatement</b>   | No                       |            |                 |                     |                       |
| <b>Material Weaknesses</b>   | <b>Beginning Balance</b> | <b>New</b> | <b>Resolved</b> | <b>Consolidated</b> | <b>Ending Balance</b> |
| Improvements are Needed in Financial Management and Reporting Controls, Risk Assessment & Monitoring, and Timely Remediation of Deficiencies | 1                        | 0          | 0               | 0                   | 1                     |
| <b>Total Material Weaknesses</b>   | <b>1</b>                 | <b>0</b>   | <b>0</b>        | <b>0</b>            | <b>1</b>              |

U.S. Department of Justice  
Other Information (Unaudited)

**Table 2. Summary of Management Assurances**

| Effectiveness of Internal Control over Operations (FMFIA § 2)  |                             |          |          |                             |            |                |
|--|-----------------------------|----------|----------|-----------------------------|------------|----------------|
| Statement of Assurance   | Unmodified                  |          |          |                             |            |                |
| Material Weaknesses  | Beginning Balance           | New      | Resolved | Consolidated                | Reassessed | Ending Balance |
| None   | 0                           | 0        | 0        | 0                           | 0          | 0              |
| <b>Total Material Weaknesses</b>   | <b>0</b>                    | <b>0</b> | <b>0</b> | <b>0</b>                    | <b>0</b>   | <b>0</b>       |
| Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)   |                             |          |          |                             |            |                |
| Statement of Assurance   | Modified                    |          |          |                             |            |                |
| Material Weaknesses  | Beginning Balance           | New      | Resolved | Consolidated                | Reassessed | Ending Balance |
| Improvements are Needed in Financial Management and Reporting Controls, Risk Assessment & Monitoring, and Timely Remediation of Deficiencies | 1                           | 0        | 0        | 0                           | 0          | 1              |
| <b>Total Material Weaknesses</b>   | <b>1</b>                    | <b>0</b> | <b>0</b> | <b>0</b>                    | <b>0</b>   | <b>1</b>       |
| Compliance with Financial Management System Requirements (FMFIA § 4)   |                             |          |          |                             |            |                |
| Statement of Assurance   | Federal Systems Conform     |          |          |                             |            |                |
| Non-Compliances  | Beginning Balance           | New      | Resolved | Consolidated                | Reassessed | Ending Balance |
| None   | 0                           | 0        | 0        | 0                           | 0          | 0              |
| <b>Total Non-Compliances</b>   | <b>0</b>                    | <b>0</b> | <b>0</b> | <b>0</b>                    | <b>0</b>   | <b>0</b>       |
| Compliance with Section 803(a) of Federal Financial Management Improvement Act (FFMIA)   |                             |          |          |                             |            |                |
| Compliance with Specific Requirements  |                             |          |          |                             |            |                |
| Specific Requirements  | Agency                      |          |          | Auditor                     |            |                |
| Federal Financial Management System Requirements   | No Lack of Compliance Noted |          |          | No Lack of Compliance Noted |            |                |
| Applicable Federal Accounting Standards  | No Lack of Compliance Noted |          |          | No Lack of Compliance Noted |            |                |
| USSGL at Transaction Level   | No Lack of Compliance Noted |          |          | No Lack of Compliance Noted |            |                |

The following pages provide a summary of material weaknesses in financial reporting (*FMFIA* § 2), along with details regarding the corrective actions.



# FMFIA

## Corrective Action Plan

### FMFIA § 2 – FINANCIAL REPORTING MATERIAL WEAKNESS

|   |  |                                   |
|---|--|-----------------------------------|
| U.S. DEPARTMENT OF JUSTICE<br>Corrective Action Plan<br>Issue and Milestone Schedule  |  | Report Date<br>September 30, 2024 |
| Issue Title<br>Improvements are Needed in Financial Management and Reporting Controls, Risk Assessment and Monitoring and Timely Remediation of Deficiencies  |  | Issue ID<br>01DOJ001              |
|   |  | Component Name<br>Department      |
| Issue Category<br>FMFIA § 2 Operations <input type="checkbox"/> Significant Deficiency <input type="checkbox"/> Material Weakness<br>FMFIA § 2 Financial Reporting <input type="checkbox"/> Significant Deficiency <input checked="" type="checkbox"/> Material Weakness<br>FMFIA § 4 <input type="checkbox"/> Financial Management Systems Do Not Comply with Financial System Requirements  |  |                                   |
| Issue Category – SAT Concurrence or Recategorization<br>Concur  |  |                                   |
| Issue Description<br><p>The preparation of the Department’s consolidated financial statements is a complex process and dependent on Department components entering complete and accurate information in the Department’s financial management systems on a timely basis and providing other data to the JMD Finance Staff. The Department earned an unmodified, i.e., “clean,” audit opinion on its FY 2024 consolidated financial statements.</p> <p>The Department has made substantial progress implementing the Unified Financial Management System (UFMS) across the Department. UFMS has driven greater standardization of financial management business processes. However, the Department acknowledges there are opportunities to implement even more streamlined and standardized processes across its components that can improve overall data reliability for financial analysis and reporting, while taking advantage of enhanced capabilities of the UFMS application.</p> <p>The auditors’ report identified a material weakness at the consolidated-level due to the following:</p> <ul style="list-style-type: none"> <li>• Deficiencies in the controls over component and consolidated financial statement preparation and review;</li> <li>• Deficiencies in the Department’s risk assessment process, including implementation of new accounting standards and continued system modernization efforts;</li> <li>• Deficiencies in the monitoring of internal controls, including timely and accurate recognition of expenses and liabilities; and</li> <li>• Untimely remediation of prior year deficiencies.</li> </ul> <p>The auditors’ report noted that DOJ component management addressed the financial statement errors in the year-end financial statements. Nonetheless, the Department has additional work to do to prevent a recurrence of these errors in the future. To address this material weakness, the Department will strengthen financial statement preparation providing additional guidance and training to Department components and increase timely internal control reviews, monitoring and remediation activities to detect and prevent potential errors in financial reporting.</p> <p>Please refer to the Description of Remediation and Milestones on the following page.</p> |  |                                   |

**U.S. Department of Justice  
Other Information (Unaudited)**

|   |   |  |                               |
|---|---|--|-------------------------------|
| <b>Business Process Area (Applicable for FMFIA § 2 Financial Reporting Only)</b>  |   |  |                               |
| <b>Financial Reporting</b>  |   |  |                               |
| <b>Date First Identified</b><br>This condition was identified in DOJ OIG Audit of FY 2024 Consolidated Financial Statements.  | <b>Original Target Completion Date</b><br>9/30/2025 | <b>Current Target Completion Date</b>  | <b>Actual Completion Date</b> |
| <b>Issue Identified By</b><br>KPMG and DOJ OIG  |   | <b>Source Document Title</b><br>DOJ OIG Audit of FY 2024 Consolidated Financial Statements |                               |
| <b>Description of Remediation</b><br>The Department will strengthen financial statement preparation by providing additional guidance and training to Department components and increase timely internal control reviews, monitoring and remediation activities to detect and prevent potential errors in financial reporting. |   |  |                               |
| <b>Milestones</b>   | <b>Original Target Date</b>                         | <b>Current Target Date</b>   | <b>Actual Completion Date</b> |
| 1. Ensure that the Department develops and performs a comprehensive risk assessment with enhanced monitoring of the internal control system.  | February 28, 2025                                   |  |                               |
| 2. Perform a review of methodologies supporting the recognition of liabilities  | February 28, 2025                                   |  |                               |
| 3. Department will issue new guidance on identification of and proper accounting for prepaid expenses   | February 28, 2025                                   |  |                               |
| 4. Ensure Department components maintain and update business process narratives for all significant processes relating to financial statement preparation and reporting, including internal controls, monitoring and remediation activities, as applicable  | April 30, 2025                                      |  |                               |
| 5. Ensure Department Financial Statement Working Group discusses best practices for financial reporting controls, Department policy implementation and new accounting standards, if applicable.   | As needed, no less than monthly during FY 2025      |  |                               |
| 6. Continue to provide Federal Financial Management training to Department staff.   | Monthly during FY 2025                              |  |                               |
| 7. Ensure Department components assess and validate internal controls over financial management transactions and preparation of financial statements.   | Quarterly during FY 2025                            |  |                               |
| 8. Enhance the Department's internal control reviews over quarter-end component financial reporting to identify and resolve significant concerns and variances in a timely manner.  | Quarterly during FY 2025                            |  |                               |
| <b>Reason for Not Meeting Original Target Completion Date</b><br>Not Applicable   |   |  |                               |
| <b>Status of Funding Available to Achieve Corrective Action</b><br>Funding Available  |   |  |                               |
| <b>Planned Measures to Prevent Recurrence</b><br>Ensure internal control review, monitoring and risk assessment activities are designed to detect issues early, so corrective actions can be implemented promptly to prevent recurrence of the deficiencies in the FY 2025 consolidated financial statements.                 |   |  |                               |
| <b>Validation Indicator</b><br>Results are measured by the number and dollar amount of errors identified during testing of interim and year-end financial transactions and the review of interim and annual financial statements.   |   |  |                               |
| <b>Organizations Responsible for Corrective Action</b><br>All Department Components   |   |  |                               |

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## Office of Inspector General's Report on Top Management and Performance Challenges

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Each year, the Department of Justice, Office of the Inspector General (OIG) identifies existing and potential management challenges, weaknesses, and areas in need of improvement. The challenges identified by the Department's OIG are from an auditor's perspective and include areas of concern that bear significantly on how well the Department carries out its mission and meets its responsibilities as a steward of public funds.

Presented on the following pages are the OIG-identified Top Management and Performance Challenges in the Department, and Department management's response to those challenges.



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

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## **Top Management and Performance Challenges Facing the Department of Justice—2024**



## Challenge 1: The Ongoing Crisis Facing the Federal Corrections System

Among the most important challenges facing the U.S. Department of Justice (the Department or DOJ) is the long-standing crisis facing the Federal Bureau of Prisons (BOP). As Inspector General Michael Horowitz detailed in congressional testimony earlier this year, these recurring, chronic problems have been well over a decade in the making. Indeed, over the past 20 years, [the OIG has issued over 100 reports](#) detailing these serious systemic issues facing the BOP. The Office of the Inspector General's (OIG) oversight reports have identified recurring issues that impede the BOP's efforts to consistently ensure the health, safety, and security of all staff and inmates within its custody. Last year, the Comptroller General for the first time added the BOP to the U.S. [Government Accountability Office's high-risk list](#) due to its "long-standing challenges with managing staff and resources, and planning and evaluating programs that help incarcerated people successfully return to the community." Addressing these challenges at the BOP will not only require the sustained and serious attention of the BOP Director and the Department leadership, but also of the Office of Management and Budget and Congress.

Among the many challenges facing the BOP is its persistent inability to address staffing shortages in key positions, lack of sufficient funding to repair its crumbling infrastructure, and the introduction of contraband at its prisons. These staffing, infrastructure, and contraband issues have seriously compromised the safety and security of staff and inmates. The BOP has undertaken BOP-wide efforts to determine the staffing needs of its facilities, how its salary structure impacts its ability to recruit and retain employees, and the amount of funding it needs to repair and maintain its facilities.

Another particularly serious challenge facing the BOP, and the Department, is the continuing problem of sexual assault of inmates by BOP personnel. The OIG continues to dedicate significant investigative resources to these cases, as evidenced by our [ongoing](#) investigative efforts at Federal Correctional Institution (FCI) Dublin, where the Warden, Chaplain, and other staff have been convicted on sex abuse charges. The OIG's investigation at FCI Dublin demonstrates what can happen when misconduct is not timely identified and addressed, and instead spirals and poisons the culture of an institution. The Department has taken several important and positive actions in an effort to address these issues, including the Deputy Attorney General's convening of a working group to review the BOP's and DOJ's response to sexual misconduct by DOJ personnel; in November 2022, the Working Group issued a [report](#) that contained numerous recommendations and reforms, which the OIG supports. Further, the Deputy Attorney General has repeatedly [emphasized](#) to U.S. Attorneys and federal prosecutors the importance of prosecuting sexual assault cases, as well as other criminal actions by BOP employees, including contraband smuggling. This has led to an increase in the number of OIG investigations being accepted for prosecution—which both ensures accountability for those BOP employees who engage in wrongdoing and sends an important deterrent message to BOP staff that engaging in criminal activity can result in a felony conviction and sentence of incarceration.

In FY 2024, the OIG focused its non-investigative resources on oversight of the BOP through unannounced inspections of nine institutions, as well as audits and evaluations of institutional safety, BOP programs, contracts, and facilities. The OIG’s unannounced inspections program conducted inspections at [FCI Sheridan](#), [FCI Lewisburg](#), and Federal Medical Center Devens, as well as the food services operations at six BOP institutions. Additionally, the OIG published an [Evaluation of Issues Surrounding Inmate Deaths in Federal Bureau of Prisons Institutions](#), which detailed the serious contributory risks that contribute to suicides of inmates and need to be addressed, including poor communication, contraband, and lack of information, and issued a [Management Advisory Memorandum \(MAM\)](#) in which we highlighted concerns about the BOP’s use of temporary secure enclosures with limited space for long periods of time. Other oversight of the BOP that the OIG conducted this past year included a review of the [BOP’s contract with the American Correctional Association](#) to obtain reaccreditation, which we found did not add value or improve the BOP’s operations and programs. The BOP has since ended its contractual relationship with the American Correctional Association for accreditation and reaccreditation services.

On July 25, 2024, [the Federal Prison Oversight Act](#) was signed into law. The Act, which the OIG supports, seeks to improve BOP oversight by expanding the OIG’s risk-based inspections of the BOP’s correctional facilities and establishing an independent BOP Ombudsman to receive and investigate complaints.

## Widespread Staffing Shortages

As we have consistently seen through our oversight work, understaffed prisons with overburdened employees create security and safety issues. We have repeatedly found, including during our unannounced inspections at [FCI Waseca](#), [FCI Tallahassee](#), [FCI Sheridan](#), and [FCI Lewisburg](#), that significant Correctional Officer (CO) staffing shortages have a cascading effect on institution operations, often requiring substantial use of overtime, including mandatory overtime, and the temporary reassignment of non-CO staff to work in CO posts (a practice known as augmentation). This use of augmentation affects the ability of these non-COs to conduct their routine duties, which include performing maintenance and teaching inmate programs, including First Step Act programs. Moreover, the routine use of overtime—whether voluntary or mandatory—can negatively affect staff morale and attentiveness and, therefore, institution safety and security.

### OIG Ongoing Work: Inspections of Six BOP Facilities–Food Service Operations

Following up on our findings during an unannounced inspection last year at FCI Tallahassee, in June 2024, we conducted six unannounced, concurrent inspections of food services operations at the following BOP institutions:

1. U.S. Penitentiary McCreary, Kentucky;
2. Metropolitan Correctional Center Chicago, Illinois;
3. Federal Correctional Complex Allenwood, Pennsylvania;
4. Federal Correctional Complex Pollock, Louisiana;
5. FCI Marianna, Florida; and
6. FCI Mendota, California.

We expect to report on those inspections during the first quarter of fiscal year (FY) 2025.

Source: OIG May 2023 and June 2024

In February 2024, the OIG issued a [report](#) evaluating inmate deaths in BOP institutions and found that one particularly serious consequence of the BOP's staffing shortages was an impairment of its ability to reduce the risk of inmate deaths. In particular, the report detailed how the understaffing of Health and Psychology Services positions limited an institution's ability to provide treatment and programs that can help mitigate the risk of inmate deaths. The OIG found that the use of augmentation or overtime to compensate for staff shortages overburdened existing staff and potentially contributed to staff fatigue, sleep deprivation, decreased vigilance, and inattentiveness to duty. Similarly, the OIG's unannounced inspection of [FCI Tallahassee](#) detailed how healthcare staffing shortages at that facility negatively affected inmate healthcare treatment. Similarly, the OIG's unannounced inspection of [FCI Sheridan](#) in November and December 2023, identified glaring healthcare staffing shortages that resulted in a substantial backlog of healthcare treatment.

In a [report](#) issued by the BOP in April 2023, the BOP described strategies to address staffing issues, including its reliance on augmentation and overtime. Among other things, the report described a contract awarded by the BOP in June 2021 to produce a system-wide staffing assessment, as well as targeted hiring campaigns and recruitment incentives. The BOP reported that the contractor was scheduled to complete the first phase of implementation of an automated staffing tool for Correctional Services in July 2023. The U.S. Government Accountability Office [reported that](#), as of March 2024, the BOP estimated the tool would be fully implemented by October 2024. However, the OIG has identified through its inspections program, concerns expressed by BOP institutional managers with the preliminary staffing levels projected by the contractor's staffing tool. Moreover, we observed significant variations between institutions' currently authorized staffing levels as supplemented by the use of overtime and the projected staffing levels provided by the contractor's staffing tool during our inspection in February 2024; our [FCI Lewisburg](#) inspection report discusses these variations. The BOP's ability to effectively address its staffing issues in corrections, healthcare, education, training, facilities, and other areas will continue to be impaired unless and until it can determine how much staff it actually needs at each of its facilities. Similarly, the BOP's ability to recruit and retain staff will be impaired until it can determine the salary scale that is needed to attract talented individuals to work in its institutions.



## Crumbling Infrastructure

The BOP continues to struggle with management and oversight of its facilities. As of February 2024, the BOP estimated that the major repairs needed across its facilities would [cost \\$3 billion](#). During an [OIG audit](#), we determined that all 123 of the BOP's institutions required maintenance—finding, among other things, multiple facilities with seriously damaged and leaking roofs—and that conditions at three of its facilities had so substantially deteriorated that the BOP determined they had to be partially or fully closed. Further, we found that the BOP lacks a well-defined and comprehensive infrastructure strategy, which impacts its ability to plan for repairs and communicate needs to Executive Branch leadership and to Congress. The BOP does not have adequate funds to maintain its facilities

because each year the Executive Branch requests a facilities budget for the BOP that is grossly inadequate to meet the BOP's needs. For example, the total budget [DOJ requested](#) for the BOP in FY 2025 was \$8.809 billion, which was comprised of \$8.549 billion for Salaries and Expenses and \$260 million for Buildings and Facilities expenses. The request for Buildings and Facilities expenses, which includes funds for both new construction and for modernization and repair, is woefully lacking in view of the BOP's estimate that it needs \$3 billion for major infrastructure repairs. Moreover, we determined that this amount is well below the recommendation by the Federal Facilities Council to fund federal facilities maintenance programs at a minimum of 2 to 4 percent of their current replacement value on an annual basis, estimated to be \$675 million to \$1.3 billion in FY 2022.

Following our reporting last year as a result of [inspections](#), [audits](#), and [evaluations](#) on the crisis presented by the crumbling infrastructure at BOP institutions, the OIG has continued to find serious infrastructure and facilities issues during inspections at FCI Tallahassee, [FCI Sheridan](#), and FCI Lewisburg that negatively affect the conditions of confinement. Specifically, the OIG found at [FCI Tallahassee](#) that some inmates in the female prison lived in housing units in which water frequently leaked from ceilings and windows on or near their living spaces. The OIG also observed poor conditions inside communal inmate bathrooms. According to Facilities Department staff, roofs covering inmate housing units at the female prison routinely leak and roofs covering all five of the general population inmate housing units needed to be replaced. At the time of the OIG inspection, FCI Tallahassee had requested and received approximately \$3.6 million to replace windows in two of its housing units and to replace the roofs covering its administration building, education building, and Special Housing Unit building at the female prison. While these are necessary repairs, FCI Tallahassee had not yet requested or received funding to replace roofs covering the five general population housing units at the female prison. The OIG's inspection of [FCI Lewisburg](#) also found



Evidence of water intrusion from the roof, with plastic covering a single-level housing unit ceiling during FCI Tallahassee inspection

Source: OIG, May 2023

infrastructure issues at the institution, including significant damage to the institution's food service area as well as the need to replace much of the institution's fire alarm system. BOP officials estimated the cost to address infrastructure issues at Lewisburg is more than \$28 million.

At the time of the OIG inspection of [FCI Sheridan](#), Facilities Department staff told us that many of the institution's systems, including its heating and cooling systems, are approaching the end of their projected lifespan and need to be updated. They estimated the cost of this work to be \$21.6 million. FCI Sheridan requested funds from the Western Regional Office to address these issues, however, due to the BOP's limited budgetary resources for infrastructure repair and replacement, the request was unfunded at the time of the OIG inspection.

## Contraband

As identified in the OIG's report on [inmate deaths in federal custody](#), contraband drugs and weapons pose a significant risk to the health and safety of inmates, appearing to contribute to nearly one-third of the inmate deaths in our scope across the BOP from FYs 2014 through 2021. Common [contraband](#) items in BOP institutions include illicit drugs, such as synthetic cannabinoids, buprenorphine, and naloxone. Other contraband may be introduced through inmates who serve on work crews, e.g., sanitation and landscaping, outside the secure perimeter and have greater access to vast areas that abut public roads and lands, as was the case at FCI Tallahassee, where inmates were able to collect contraband from the area around the perimeter fencing while out of view of correctional staff. Additionally, contraband is often introduced into the secure correctional environment via unmanned aerial systems (drones), which can carry payloads up to 35 pounds.

The OIG has repeatedly highlighted insufficiencies in BOP staff searches of inmates. The OIG noted that at [FCI Tallahassee](#), a women's institution, searches are rarely completed in part because the institution does not have enough female staff to conduct searches of female inmates, as required by the Prison Rape Elimination Act. This is just one more example of the cascading effect of the BOP's ongoing staffing challenges. There also have been [numerous](#) additional instances throughout the BOP in which staff did not appear to have followed or fully executed certain correctional policies and procedures to identify and interdict contraband. As a result, the OIG also has a long-standing [priority recommendation](#) for the BOP to develop uniform guidelines and criteria for conducting random staff pat searches across all institutions that require a minimum frequency and duration for search events to ensure that appropriate numbers of staff on each shift are searched with appropriate frequency.

### Review of the BOP's Contraband Interdiction Efforts

Our 2016 review of the BOP's efforts to prevent the introduction of contraband into federal prisons found that the recently implemented staff search policy was not effective enough to be a deterrent for staff introduction of contraband. Accordingly, we recommended that the BOP develop uniform guidelines and criteria for conducting random staff pat searches across all institutions that require a minimum frequency and duration for search events to ensure that appropriate numbers of staff on each shift are searched with appropriate frequency. The BOP concurred but has yet to provide an updated policy sufficient to close this priority recommendation and three other recommendations from the 2016 report to strengthen the staff search policy.

The OIG also has long [recommended](#) that the BOP upgrade cameras at its facilities for video surveillance. Security camera infrastructure technology in a prison environment is critical for monitoring inmate activities, including unauthorized behaviors, and preventing acts of violence, escape attempts, or the introduction of contraband. The presence of cameras serves as a deterrent to violence and allows for quick intervention should an incident arise. The OIG has [found](#) that deficiencies within the BOP's security camera system have affected the OIG's ability to secure prosecutions of staff and civilians in BOP contraband introduction cases, and these same problems adversely affect the availability of critical evidence to support administrative or disciplinary action against staff. For example, the OIG inspections at [FCI Tallahassee](#) revealed insufficient numbers of cameras, numerous blind spots, poor night-vision, poor zoom quality, and shortened retention periods for video footage. The OIG also observed that digital video recording equipment would only retain footage for a 14-day period in some instances. A 14-day recording timeframe does not allow for investigative follow-up should an incident occur that requires further examination and investigation. Staff at FCI Tallahassee told us that some allegations are reported more than 14 days after the incident has occurred. In other institutions such as [FCI Sheridan](#), the OIG was able to review video footage that was captured 2 months prior to our inspection. Greater consistency is needed throughout BOP institutions with respect to video recording capabilities.

Congressional passage of the [Prison Camera Reform Act of 2021](#) was an important and positive step in addressing this problem and the BOP is making efforts to upgrade equipment and coverage system-wide; however, progress has been slow.

#### **MAM: Notification of Needed Upgrades to the BOP's Security Camera System**

In a separate 2021 MAM, the OIG identified critical security lapses with the BOP's security camera system in relation to its coverage, functionality, and storage capabilities. The OIG recommended that the BOP develop a comprehensive strategic plan for transitioning to a fully digital security camera system that, among other things: a. identifies enhancements needed to address camera functionality and coverage deficiencies, b. provides cost projections and the BOP appropriations account to fund the upgrades, and c. includes an estimated timeline for completion of the work. This priority recommendation remains open.

Source: October 2021

## Challenge 2: Strengthening Public Trust in the U.S. Department of Justice

Although polling shows that public trust in the federal government has [increased modestly](#) in the last year, strengthening public trust in the U.S. Department of Justice (the Department or DOJ) remains a significant challenge. While political polarization has contributed to allegations across Presidential administrations that Department officials take actions that are politically motivated, the Department can help ensure the public's confidence that its actions are based on the facts and the law, not political considerations, by fortifying and adhering to Department policies and holding its personnel to the highest standards.

### Ensuring that the Department is Free from Political Influence

It is vital that the Department and its employees strictly adhere to [policies and procedures](#) designed to protect the Department from accusations of political influence or politically-motivated application of the law. The Office of the Inspector General (OIG) [published a report](#) regarding public statements by a U.S. Attorney about an ongoing criminal investigation into alleged ballot tampering during the 2020 Presidential election. The content of such public statements, which included investigative details contrary to Department policy and practice, gave rise to allegations that the announcements were motivated by political considerations. The OIG's investigation found that the U.S. Attorney violated Department policies when he released a letter to county officials about the ongoing criminal investigation. As a result, the OIG identified several steps the Department should take to avoid such issues in the future. The OIG recommended that the Department:

- (1) strengthen its policy to further clarify that the information Department personnel can include in a public statement about an ongoing investigation is limited to only what is necessary to reassure the public that the appropriate law enforcement agency is investigating a matter or to protect public safety;
- (2) clarify whether the Department's policy regarding media statements about ongoing investigations applies to the Attorney General;
- (3) determine which of two apparently conflicting Department policies on the Attorney General's authorities on such media statements is in effect;
- (4) require the Department to document when requests are made to the Attorney General or Deputy Attorney General, and approvals are issued, for the release of information about investigations that would otherwise be prohibited from disclosure; and
- (5) consider revising its White House communications policy to clarify what information can be disclosed to the White House in situations where the policy permits communication about a contemplated or pending civil or criminal investigation.

Although all five recommendations remain open, the Department is making progress in addressing the concerns highlighted in this report.

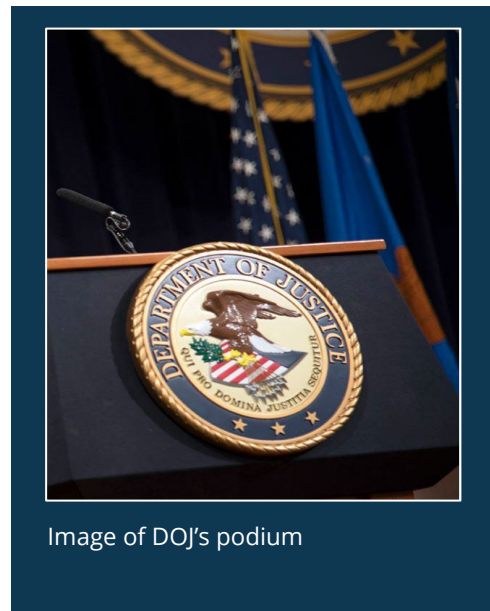


Image of DOJ's podium

One recent OIG investigation illustrated how the unusual substantive involvement by senior Department political appointees in an ongoing prosecution's sentencing proceeding—even when that involvement is permissible and not prohibited by any law or policy—can create the appearance that the Department may not be independent from political influence. The [OIG investigated](#) whether political interference caused the Department to file a revised sentencing memorandum and recommendation in the case of a former associate of then President Donald Trump. We did not find evidence that filing the revised sentencing memorandum was the result of improper political considerations. However, the OIG noted how the involvement of the then Attorney General and other high-level Department officials in the preparation and filing of a second sentencing memorandum in a case against the then President's political ally affected the public's perception of the Department's integrity, independence, and objectivity, and that Department political appointees need to exercise discretion and judgment when considering whether to personally involve themselves in DOJ criminal prosecutions.

Similarly, the OIG's [Review of the Department of Justice's Response to Protest Activity and Civil Unrest in Washington, D.C. in Late May and Early June 2020](#) in the

aftermath of the killing of George Floyd similarly identified certain actions by Department officials that gave rise to a perception of political influence. For example, while we found that then Attorney General Barr did not order the clearing of Lafayette Park and H Street, and that he did not impact the timing of the clearing operation conducted by other agencies, his public appearance at the park and a statement provided to the media by a Department spokesperson about the Attorney General's role contributed to confusion and inaccurate perceptions. In

the same review, the OIG found that Department leadership deployed the Department's law enforcement components without sufficient attention to whether those personnel were properly trained or equipped for their assignments. In doing so, Department leaders placed the safety of the Department's personnel and members of the public at risk, thereby jeopardizing the public's perception and confidence in the Department.

Last year, [an OIG report](#) found that a then U.S. Attorney repeatedly failed to adhere to Department policies and ethics advice. The OIG concluded that the then U.S. Attorney engaged in misconduct when, among other things, she used her position as a U.S. Attorney to attempt to influence the outcome of a local partisan election and attended a partisan political fundraiser. These examples illustrate the importance of the Department ensuring that personnel at all levels, and particularly its senior leaders, abide by governing policies, rules, and regulations that are designed to safeguard against any actual or perceived political influence.





## Addressing Employee Misconduct

When DOJ employees fail to uphold their oaths of public service it erodes the public's trust. Therefore, it is critically important that the Department ensure accountability when its employees engage in criminal or administrative misconduct. In its most recent [Semiannual Report to Congress](#), the OIG reported that investigations in the first half of fiscal year (FY) 2024 resulted in 72 administrative actions, 35 convictions and pleas, 32 arrests, and 28 indictments of DOJ employees, contractors, and grant recipients. Pursuing prosecutions and appropriate sentences in these cases serves to demonstrate the Department's commitment to the integrity of its workforce. Moreover, the Department's components must be vigilant to ensure that employees do not entirely escape accountability by resigning or retiring from government service. In 2021, the OIG conducted a [Review of the Federal Bureau of Investigation's \(FBI\) Adjudication Process for Misconduct Investigations](#). In that review, the OIG found that when an FBI employee under an internal administrative misconduct investigation separated, the FBI terminated its internal investigation without making findings, even when the investigation was concluded but the employee resigned or retired before discipline could be imposed. We recommended that the FBI ensure that every misconduct investigation is completed, regardless of whether the subject separates, and that it should maintain a written memorandum for each misconduct case documenting a substantiation decision and the supporting evidence when an employee separates from the Bureau while the investigation is ongoing. As of November 2024, these [recommendations](#) remain open.

Misconduct among employees of the Federal Bureau of Prisons (BOP) continues to be a significant challenge. In the [first half of FY 2024](#), the OIG opened 85 investigations of BOP employees, and made 139 referrals of alleged BOP employee misconduct to the BOP's Office of Internal Affairs. In last year's, [Top Management and Performance Challenges report](#), we highlighted our ongoing work at Federal Correctional Institution (FCI) Dublin and across the BOP to address sexual misconduct by employees. The Department has appropriately increased its focus on addressing sexual abuse of inmates, and the OIG's Interdisciplinary Team has supported those efforts by providing information, data, and briefings to Department officials and assisting the Department with developing training for investigators and prosecutors. As we describe in a [March 2023 report](#), the BOP plans to hire additional staff to investigate employee misconduct, in an effort to remedy a backlog of investigations and adjudications. These efforts must continue to improve public confidence in the BOP.

## Oversight Tools

Protecting whistleblowers from retaliation is critical to the OIG's efforts to detect and prevent misconduct. Every effort must be made to prevent whistleblower reprisal so that DOJ employees are poised to illuminate wrongdoing within their agencies. In May 2024, Inspector General Michael Horowitz expressed concerns in a [Management Advisory Memorandum](#) that DOJ lacked conformity with applicable intelligence community policies for protecting whistleblowers who alleged their security clearance has been suspended as retaliation for their protected disclosures. The OIG made five recommendations to the Office of the Deputy Attorney General to address the OIG's concerns. In July 2024, the Department issued a [new policy](#) in response to our recommendations that ensures the Department is compliant with whistleblower protections for employees with a national security clearance.

In conducting our oversight work, one common obstacle that the OIG faces are subjects and witnesses leaving the Department during the course of our work. The OIG can subpoena information from third parties and compel interviews of individuals who are currently employed by the Department. However, the OIG does not have the authority to compel interviews of former DOJ employees, DOJ grant recipients, or DOJ contractors, even when the testimony would solely pertain to their actions at DOJ.

As a result, the OIG at times has been unable to obtain valuable testimony from former employees, contractors, or grantees. The lack of testimonial subpoena power impacts our ability to conduct oversight of the Department, including investigations of serious misconduct by Department employees. For example, the OIG [investigated](#) whether a then senior official in the FBI retaliated or threatened to retaliate against FBI employees for their participation in an earlier OIG investigation in which the senior official was the subject. The OIG investigation found that the senior official engaged in retaliation, in violation of FBI policy, by making statements about suing employees who the senior official believed provided negative information about the senior official in the earlier OIG investigation. The official made other statements about getting back at one employee for their prior OIG testimony. The OIG investigation also found that the senior official engaged in unprofessional conduct, in violation of FBI policy, by making those statements, by discussing with FBI employees the fact that they were asked to provide testimony to the OIG in the earlier investigation, and by seeking information about that testimony. The senior official resigned from the FBI after providing an initial interview to the OIG at the beginning of the OIG's investigation and later declined a request for a voluntary follow-up interview.

In addition, in our [Review of DOJ's Response to Protest Activity and Civil Unrest in Washington, D.C. in Late May and Early June 2020](#), several key leaders of the Department's response, including the former Attorney General, declined our request for voluntary interviews. Their lack of cooperation led to "significant information gaps...that limit[ed] our ability to determine conclusively what happened [during the events in question]." We have identified the problems associated with this lack of testimonial subpoena power before, including in [past Top Management and Performance Challenges](#) and in [Inspector General Michael Horowitz's congressional testimony](#). Both the Department of Defense OIG and the Veteran's Administration OIG have been granted testimonial subpoena authority. The Department's support for the OIG obtaining testimonial subpoena authority would help demonstrate its commitment to hold accountable those who engage in misconduct while DOJ employees.

Another area where public trust in the Department can be strengthened is by giving the OIG authority to investigate allegations of professional misconduct by Department attorneys. This authority is currently vested in the DOJ's Office of Professional Responsibility (OPR); however, unlike the OIG, OPR lacks statutory independence from Department leadership and its leadership is selected by, and can be removed by, the Attorney General and the Deputy Attorney General. The public's trust in the oversight of Department prosecutors would be significantly enhanced by ensuring that this oversight is being conducted by investigators who are outside the supervisory chain of the Attorney General and Deputy Attorney General, and who are free of influence by them. That is among the reasons why Congress has made the OIG statutorily independent of the Department, so the public can trust that the OIG's oversight is being conducted free of influence by Department officials. As Inspector General Michael Horowitz has explained in [congressional](#)



[testimony](#), there is no principled basis for authorizing OIG oversight of DOJ law enforcement personnel, including the FBI, while excluding DOJ lawyers from the same statutorily independent oversight. In an attempt to remedy this problem, the bipartisan “Inspector General Access Act,” which would confer this authority upon the OIG, has been introduced in every Congress since 2015. Department support for enactment of the current version of this Inspector General Access Act, [S.3813-Inspector General Access Act of 2024](#), would enhance public confidence in the Department by treating DOJ attorney employees the same as all other DOJ employees, and the same as all attorneys employed at other federal agencies.

## Use of Sensitive Investigative Authorities and Impact on Civil Liberties

DOJ must balance its investigative authority and capacity with ensuring the protection of Americans’ civil liberties. The means by which investigations are conducted and illegal conduct is prosecuted must not infringe on an individual’s constitutional rights.

### Adhering to and Applying Consistent Standards When Exercising Investigative Authorities

A free and open press is protected by the First Amendment and central to the functioning of our democracy. Similarly, as Congress is a separate branch of government, the Constitution’s Speech or Debate Clause was, according to the [U.S. Supreme Court](#), “designed to assure a co-equal branch of the government-wide freedom of speech, debate, and deliberation without intimidation or threats from the Executive Branch. It thus protects members of Congress against prosecutions that directly impinge upon or threaten the legislative process.” The Department, on occasion, faces the challenge of conducting criminal investigations while protecting a free and independent press, as well as the activities of Congress. In 2021, Attorney General Merrick Garland issued a [memorandum](#) that prohibits DOJ attorneys from using “compulsory legal process for the purpose of obtaining information from, or records of, members of the news media acting within the scope of newsgathering activities,” with limited exceptions. Pursuant to this memorandum, the Department substantially revised its news media policy in [federal regulations](#) in 2022 and in the [Justice Manual](#) in 2024. To increase accountability and transparency, the OIG is conducting a [review](#) to address concerns about the circumstances in which these authorities were used before the Department’s new policy was in place. This review is examining DOJ’s use of subpoenas and other legal authorities to obtain communication records of the news media and members of Congress and affiliated persons in connection with investigations of alleged unauthorized disclosures of information to the news media, potentially by government officials.

Similarly, and as we discuss in more detail in connection with the National Security challenge, in April 2024 Congress enacted the [Reforming Intelligence and Securing America Act](#), which renewed Section 702 of the Foreign Intelligence Surveillance Act. Following numerous violations reported to the Foreign Intelligence Surveillance Act Court, Congress added new restrictions on the ability of FBI personnel to query Section 702 databases for information associated with U.S. persons and required that the OIG complete a review on FBI querying practices within 545 days of the Reforming Intelligence and Securing America Act’s enactment. The OIG has begun its work to meet this 545-day reporting requirement.

## Challenge 3: Promoting and Safeguarding National Security

The U.S. Department of Justice (the Department or DOJ) has many responsibilities in the national security arena, including prosecuting acts of international and domestic terrorism, countering foreign malign influence, preventing foreign espionage, protecting critical infrastructure from hostile actors, and safeguarding sensitive information and technology. In addition to the difficult challenges presented by these grave responsibilities, the Department must ensure that citizens' civil rights and civil liberties are not improperly compromised in the name of protecting national security.

According to [DOJ's strategic plan](#), one of its key objectives is countering foreign and domestic terrorism, including exploiting, analyzing, and sharing intelligence with its partners and disrupting terrorist actors through prosecution efforts. U.S. persons, facilities, and interests at home and abroad face persistent and increasingly diverse threats from terrorism. The United States also faces increased threats from hostile nation-state actors such as China, Russia, and Iran. Protecting the integrity of U.S. elections from [foreign malign influence](#) efforts by or on behalf of these actors has become an important federal government national security priority in which the Federal Bureau of Investigation (FBI) is the key Department contributor. In addition, threats to critical infrastructure is a significant strategic risk for the United States, threatening our national security, economic prosperity, and public health and safety. Nation-states are [targeting](#) critical infrastructure to collect information and gain access to industrial control systems in the energy, nuclear, water, aviation, and critical manufacturing sectors. DOJ has [identified](#) as a top objective the need to ensure the economic prosperity of the United States by protecting American companies, academic and research institutions, and workers against hostile actors seeking to steal critical and emerging technologies and intellectual property. To that end, the Department maintains countering foreign espionage as a vital interest.



FBI New York Assistant Director in Charge checks in with one of the field office's Special Agent bomb technicians helping to keep New Year's Eve safe on December 31, 2023

Source: FBI

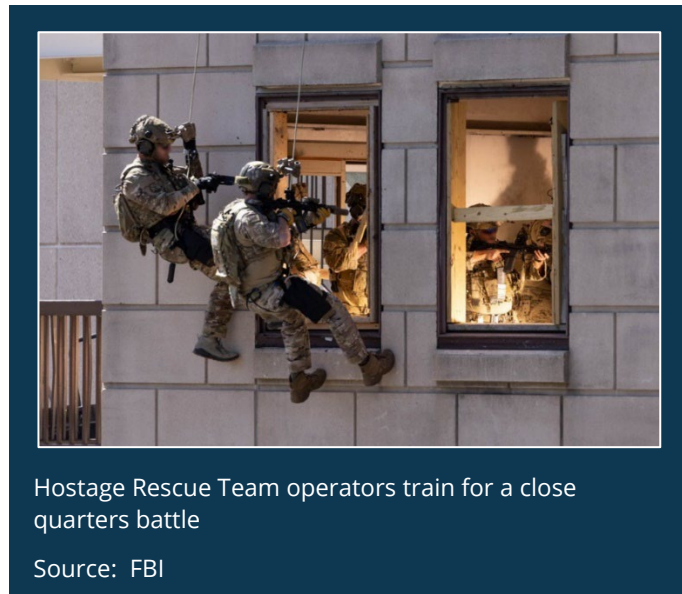
## Preventing and Responding to Acts of Terrorism and Violent Extremism

### International Terrorism

The October 7, 2023, Hamas terrorist attack in Israel and ensuing conflict in the Middle East have underscored the ongoing significant threat that foreign terrorist organizations pose to U.S. national security. As FBI Director Christopher Wray noted in his testimony to the Senate Committee on Homeland Security and Government Affairs in late October 2023, the attack may serve as an inspiration to those who seek to commit terrorist acts against the United States, and thus “the ongoing war in the Middle East has raised the threat of an attack against Americans in the

United States to a whole other level.” Director Wray also noted after the October 7 attack that al-Qaida issued its most specific call to attack the United States in years, and ISIS urged its followers to target Jewish communities in the United States and Europe. In its 2024 Intelligence Assessment, the Office of the Director of National Intelligence further assessed that “[t]he risk of escalation into direct interstate conflict, intended or otherwise, remains high.”

In his April 2024 congressional budget [testimony](#), Director Wray identified terrorism—both international and domestic—as the FBI’s continued number one priority. While the FBI remains concerned about the ability of foreign terrorist organizations, such as ISIS and al-Qaida and their affiliates, to carry out or inspire large-scale attacks in the United States, he stated that homegrown violent extremists (HVEs) are the greatest, most immediate international terrorism threat to the homeland. The FBI defines HVE as individuals living or operating primarily in the United States who prepare to engage in terrorist activities in furtherance of a political or social objective promoted by a foreign terrorist organization, even if they are acting independently of any direction by a foreign terrorist organization. Director Wray specifically identified lone actors or small cells of individuals who typically become radicalized online and primarily use easily accessible weapons to attack soft targets as the “greatest threat to our homeland.” An Office of the Inspector General (OIG) HVE audit [report issued](#) in March 2020 included a recommendation that the FBI examine and identify mechanisms field offices can use to revisit subjects of closed HVE assessments that may warrant further action by the FBI, while also ensuring any such mechanisms do not create any legal, policy, and civil liberties implications. In view of the significance of the HVE threat, we believe the FBI would benefit from its continued efforts to completely address this recommendation, which remains open.



Hostage Rescue Team operators train for a close quarters battle

Source: FBI

## Domestic Terrorism and Domestic Violent Extremism

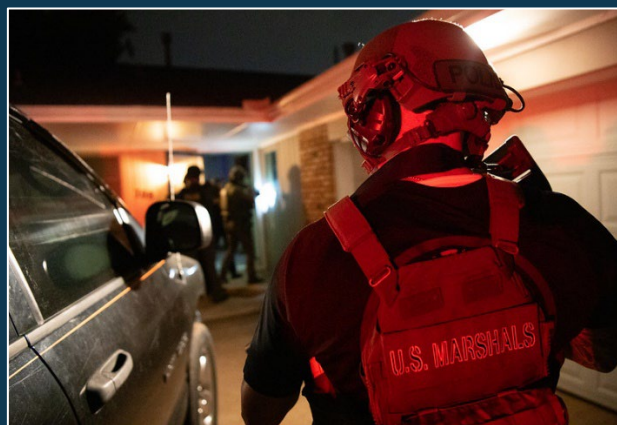
Domestic terrorism and domestic violent extremism (DVE) continue to pose a [significant](#) national security challenge as evidenced by the July 13, 2024 [attempted assassination](#) of former President Donald Trump at a campaign rally in Butler, Pennsylvania. The FBI is investigating the incident as a potential act of domestic terrorism, as it seeks to learn the deceased shooter’s motives and determine the sequence of events leading up to the shooting.

In [April 2024](#), Director Wray described two types of DVE actors, racially or ethnically motivated violent extremists (RMVE) and antigovernment or antiauthority extremists, as the top domestic terrorism threat. The Director has further noted the significant increase in domestic terrorism investigations over the last several years. In its most recent [threat assessment](#), the U.S. Department

of Homeland Security (DHS) also described the continued risk that RMVEs pose in the United States, noting several fatal U.S. based attacks and that RMVEs have in some cases improved the quality of their online recruiting tools, potentially inspiring more attacks.

The OIG has conducted oversight work in an effort to assist the Department in addressing this threat. In June 2023, we released an [audit](#) identifying gaps in DOJ's strategy to combat DVE actors. The report highlighted coordination challenges within the Department due to the large number of DOJ components involved in addressing this threat. The report included seven recommendations, one of which is closed and six of which are open as of October 1, 2024. One of these recommendations directed the Department to determine how to empower the Domestic Terrorism Unit of the National Security Division to coordinate and provide leadership across the Department on efforts to address DVE.

Similarly, the U.S. Government Accountability Office issued reports in [February 2023](#) and [January 2024](#), both of which highlighted the need for improved coordination between the FBI and DHS and better information sharing with stakeholders in the domestic terrorism/DVE context. The OIG also recommended that the Department improve guidance to law enforcement components so that investigations with a DVE nexus are more consistently and properly identified.



Deputy U.S. Marshals conducting Operation Rolling Thunder at Oklahoma City in 2023.

Source: U.S. Marshals Service

The riot at the U.S. Capitol on January 6, 2021, serves as an indication that the charged political climate magnifies the domestic terrorism threat. The [OIG's review](#) of the roles and activities of DOJ and its components in preparing for and responding to the Capitol Riot on January 6, 2021, is ongoing. Based on several factors, including ongoing criminal prosecutions and oversight conducted by other entities, the OIG review is focused on the FBI's direction and handling of its confidential human sources (CHS) in the lead-up to and on January 6, and whether the FBI exploited its CHSs and other available information to determine the nature of threats in advance of the electoral vote certification on January 6. In the 40 months following January 6, 2021, the Department has [charged](#) more than 1,424 defendants and obtained 820 guilty pleas in connection with the ongoing investigation. Implementing the remaining recommendations from the OIG and the U.S. Government Accountability Office reports would ensure the Department is better coordinated and able to meet the DVE threat while at the same time safeguarding civil liberties.

## U.S. Election Security and Countering Foreign Influence of U.S. Elections

Maintaining security in the U.S. electoral process is vital to our democratic system of government. It is essential that qualified voters can equally participate in public elections and have their votes



counted without fear of discrimination, intimidation, or fraud. In addition to preventative measures against voter suppression, ensuring our elections are secure and free from foreign malign influence and interference is a priority for the Department.

Adversaries use [distinctive](#) tactics and techniques to accomplish their goal of disrupting election processes and undermining the public's confidence in our democratic institutions and values. Foreign-generated [deepfakes](#) remain a crucial threat for the Department and other government organizations as they can be used to spread misinformation and propaganda. The FBI continues to commit resources to developing approaches to secure election infrastructure against foreign malign influence operations. These [adversarial threats](#) include attempts to undermine the legitimacy of the security and integrity of the U.S. elections process, while also increasing negative sentiments toward the election system through influence campaigns. Consequently, the Department maintains its [oversight](#) by supervising and prosecuting cases relating to national security, including any cases involving foreign malign influence and interference in elections from global adversaries. In July 2024, the OIG released a [report](#) reviewing the Department's efforts to coordinate information sharing about foreign malign threats to U.S. elections. In that evaluation, the OIG found effective communication within and among three DOJ components tasked with sharing case information regarding foreign malign influence directed at U.S. elections, in addition to DOJ components expressing positive views about their information sharing relationships. However, the OIG found that neither DOJ nor the FBI had a specific policy or guidance applicable to information sharing with social media companies regarding foreign malign influence until February 2024.

## Countering Foreign Espionage

The United States faces an expanding array of foreign intelligence threats by adversaries such as China, Russia, and Iran that are using increasingly sophisticated methods to cause harm to U.S. interests. For example, the [2022 National Security Strategy](#) sharply noted that the United States is in the midst of a strategic competition with China, the only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to advance that objective. According to a [statement](#) by FBI Director Wray, "The PRC is a singular threat because the Chinese Communist Party has essentially dedicated its whole government to seize economic development in the most critical areas for tomorrow's economy."

Our nation remains a prime target of foreign intelligence gathering efforts in areas such as [critical infrastructure](#), [national security information](#), [academia](#), [technologies](#), and [research laboratories](#). For example, in 2024, a resident of China, along with a Canadian national and Chinese national, conspired to steal trade secrets from their former employer, an American company which spent millions of dollars in the research and development of manufacturing [electric vehicles](#), and sold products developed with the stolen trade secrets. Successful criminal prosecutions of foreign espionage operations, whether



DHS Investigations and the FBI conduct a search during a Joint Criminal Opioid and Darknet Enforcement team operation in 2021

Source: FBI

motivated by politics or economics, can deter and hold accountable those engaged in such activity. In addition, FBI intelligence investigations, in coordination when appropriate with U.S. intelligence community agencies, are essential to addressing this challenge.

## Use of Sensitive Investigative Techniques and Impact on Civil Liberties

As outlined above, the Department faces many significant national security challenges. It must, however, safeguard civil liberties in addressing the threat. For example, in recent years, the FBI has come under scrutiny for its use of its authorities under Section 702 of the Foreign Intelligence Surveillance Act (FISA).

Section 702 is [critical](#) to the Department's national security efforts. It [authorizes](#) the targeted surveillance of non-U.S. persons reasonably believed to be located abroad. First enacted in 2008, it was meant to fill gaps in the previously existing intelligence collection authorities included in FISA. Although it does not allow the surveillance and intelligence collection of persons located in the United States or U.S. persons located abroad, communications involving a U.S. person may be captured incidentally by the government. For this reason, there are several internal controls that are designed to "minimize" U.S. person information, including restrictions on when FBI personnel may query databases for information associated with U.S. persons.

However, despite these controls, there have been numerous repeated querying violations that the Department has reported to the FISA Court. These include searches of Section 702 holdings using the names of individuals arrested in connection with civil unrest in May and June 2020, and individuals suspected of involvement in the January 6, 2021, riot at the U.S. Capitol. It also included searches using the names of political donors to a congressional campaign. As a result, Congress and the President highlighted the need to implement reforms that meaningfully enhanced Section 702 safeguards while continuing to preserve its national security benefits.

The debate around these authorities culminated in the renewal of Section 702 with passage of the [2024 Reforming Intelligence and Securing America Act](#). The [law](#) reauthorizes Section 702 for 2 years with new restrictions on queries of U.S. persons. For example, the Reforming Intelligence and Securing America Act requires FBI personnel to obtain prior approval from a supervisor or attorney before conducting a U.S. person query and prohibits involvement by political appointees in approving such queries. It also mandates audits of U.S. person queries and directs the DOJ OIG to issue a report on FBI querying practices within 545 days of enactment. The OIG has begun its work to meet this 545-day reporting requirement.

## Challenge 4: Cybersecurity and Emerging Technology

The challenges presented by maintaining cybersecurity and keeping pace with emerging technology are becoming more complex and critically important as the U.S. Department of Justice (the Department or DOJ) continues to store data digitally, utilize software as a service product, and incorporate emerging technologies into processes and systems. Given that the topics of cyber and technology touch upon so many different aspects of the Department's work, this is a multifaceted challenge that needs to be addressed in a way that comprehensively covers the technological, financial, and privacy risks, among other threats. In addition, cybersecurity is a transnational issue. Global collaboration activities include information sharing with foreign partners on current threats and providing cyber training to foreign law enforcement. As highlighted in a U.S. Government Accountability Office (GAO) [report](#) issued in March 2023, DOJ also provides direct assistance to fighting cybercrime and works with foreign nations to help combat these technology-driven crimes. The report cited a lack of dedicated resources, difficulties in retaining highly trained staff, and inconsistent definitions of "cybercrime." Continued collaboration, both across the federal government and among U.S. and international partners, will aid DOJ in combatting increasingly widespread and complex cybercrime.

### Enhancing Cybersecurity

"[Cybersecurity](#)" is the practice of protecting technology and is aimed at preventing cyberattacks or mitigating their impact. The Department has a leading federal role in the government's cybersecurity strategy, as outlined in the [May 2024 White House National Cybersecurity Strategy Implementation Plan](#). The plan includes the strategy to build and enhance collaboration among these five pillars: (1) defend critical infrastructure, (2) disrupt and dismantle threat actors, (3) shape market forces to drive security and resilience, (4) invest in a resilient future, and (5) forge international partnerships to pursue shared goals.



### Cyber Supply Chain Threats

The Department, like many federal agencies, relies on commercially available technology solutions to fulfill its mission, however this makes it vulnerable to the risks and demands of the market. An excellent example of how vulnerable the U.S. infrastructure is to cyber threats could be seen from the cascading effect of the flaw in CrowdStrike's July 2024 software push that shutdown airlines, companies, and government offices across the globe. According to [CrowdStrike's root cause analysis](#), a defect in a content update to its software caused system instability and resulted in the "blue screen of death," which impacted large segments of the global economy, including key components at DOJ.



Cyber supply chain risk management includes identifying risks within the supply chain and managing those risks. When a cyberattack or other event disrupts the supply chain, problems can be significant such as a slowdown or complete stoppage of product delivery. Cyber supply chain threats can occur through suppliers, vendors, or partners and can result in the unauthorized release of sensitive data, malware, theft of intellectual property, among other things.

The Office of the Inspector General's (OIG) July 2022 [audit report](#) highlighted supply chain risks, finding that the Justice Management Division lacked the personnel resources needed for an effective cyber supply chain risk management (C-SCRM) program, as well as widespread non-compliance with C-SCRM requirements, outdated C-SCRM guidance, inadequate threat assessments, and insufficient mitigation and monitoring actions. Additionally, while the FBI had a more advanced program for mitigating supply chain risk, the FBI needed to improve its key deliverables to better align with intelligence community requirements, enhance both its risk mitigation and continuous monitoring efforts, and better integrate C-SCRM across the organization. The Drug Enforcement Administration did not have a supply chain risk management program at all. Two of the OIG's [recommendations](#) to assist the FBI in mitigating supply chain risks remain open as of July 31, 2024.

In April 2024, the National Counterintelligence and Security Center and partners launched a [National Supply Chain Integrity Month](#) awareness campaign. Their mission is to urge public and private sector organizations to reinforce C-SCRM programs with acquisition security, cybersecurity, and enterprise security, known as "A.C.E." Five critical technology sectors—artificial intelligence (AI), bioeconomy, autonomous systems, quantum, and semiconductors—have been prioritized by the National Counterintelligence and Security Center with challenges managing threats and risks to complex supply chains.

## Combating Cybercrime and Cyber Threats

Malicious cyber activity is increasing as the barrier of entry for hackers becomes lower each year and threatens the public's safety and our national and economic security. As a law enforcement agency, combatting cybercrime and cyber threats remain among the Department's highest priorities as part of its mission to ensure public safety against threats foreign and domestic. DOJ, through the FBI, is the [lead federal agency](#) for investigating cyberattacks and intrusions. Some of the challenges the Department currently faces include threats from ransomware, insider threats, the need for federal and global coordination in combatting cybercrime, and recruitment and retention of highly trained cyber staff.

### Ransomware

Ransomware continues to be one of the leading cyber-based threats to national security. Cybercriminals deploy ransomware and digital extortion attacks against federal agencies and U.S. businesses and organizations. The FBI and DOJ Criminal Division's Computer Crime and Intellectual Property Section lead the effort to address cyber intrusions and attacks and in 2023, the Computer Crime and Intellectual Property Section was actively pursuing dozens of the highest priority ransomware groups, and had 108 open ransomware cases.

The Department has had some success in disrupting ransomware operations. For example, in December 2023 the FBI [announced](#) it had disrupted the Blackcat, or ALPHV, ransomware group resulting in restoration of over 500 systems that had been victimized. In March 2022, DOJ unsealed two indictments charging four Russian nationals who worked for the Russian government with orchestrating hacking campaigns that included hiding malware inside software updates for industrial control systems used by the energy sector. The FBI and U.S. Cybersecurity and Infrastructure Security Agency [announced](#) in June 2023 that the “Clop” ransomware gang used vulnerabilities in file transfer software to conduct large-scale data theft, including from federal agencies and government contractors. The investigative and technological challenges in this continuously changing arena are significant.

In an effort to assist the Department in managing this threat, the OIG conducted an [audit](#) to assess the Department’s strategy to combat ransomware threats, its response to, and coordination on, ransomware attacks against public and private entities. The OIG made findings concerning the Department’s general approach to combatting ransomware attacks. Those findings include that the FBI and the DOJ Criminal Division’s Computer Crime and Intellectual Property Section, which lead the Department’s ransomware efforts, have prioritized the ransomware threat and allocated existing resources in an effort to maximize their impact. The OIG also identified opportunities for the Department to improve its efforts to combat the ransomware threat and made three recommendations, including that the Department assess the U.S. Attorney’s Offices’ implementation of the deconfliction policy for ransomware cases to ensure that federal prosecutors have a consistent understanding of the policy and comply with its requirements. The Department concurred with all recommendations.

## Enhancement of Cyber Workforce

Recruiting, hiring, and retaining skilled, cyber employees remains a challenge for the Department. The federal cyber workforce, including many DOJ employees, performs vital work, such as protecting government IT systems, networks, and data from the most sophisticated adversaries, as well as critical infrastructure. In July 2023, the White House Office of the National Cyber Director published the [National Cyber Workforce and Education Strategy](#) consisting of four pillars: (1) improving the public’s cyber skills, (2) transforming cyber education, (3) expanding and enhancing America’s cyber workforce, and (4) strengthening the federal cyber workforce. The Department employs talented cyber personnel to respond to, investigate, and disrupt cyber threats—including attorneys, Special Agents, intelligence analysts, computer scientists, data analysts, forensic technicians, and others. With the increasing pace and sophistication of cyber threats, including ransomware and other malicious attacks, it is more important than ever that cyber-related jobs, within the Department and elsewhere in the federal government, are filled with highly qualified personnel. To address this challenge, the Department must leverage flexible hiring practices and workplace flexibilities to recruit and retain capable employees in the highly competitive market for such talent.

## Challenges in the Adoption of Emerging Technologies

Advanced and emerging technologies present both opportunities and challenges for the Department. AI and other emerging technologies are being adopted quickly and have the potential to increase government capabilities and efficiency. However, the risks of these new tools must be managed, and DOJ must understand the legal regulations pertaining to these technologies and

comply with them. This evolving landscape presents challenges for the Department to proactively strategize and respond to emerging risks to not be outpaced by technological change.

The Department's [2022 Comprehensive Cyber Review](#) identified a lack of coordination in emerging technology efforts across components and cited potential risks in duplication of effort. Additionally, the review included recommendations for a standing interdisciplinary body, established principles of use, and [upskilling a cyber workforce](#) in order to reduce barriers to adoption of emerging technologies. The Emerging Technology Board was established in December 2023 with DOJ's first Chief Science and Technology Advisor and Chief Artificial Intelligence Officer to address the challenges that persist within the Department.

AI technology has been at the forefront of emerging technologies and has enormous potential to change the status quo across government and society at-large. The White House identified AI on its list of critical and emerging technologies this year, and issued [Executive Order 14110](#) last year ordering government agencies to hire technical personnel and utilize AI in their work, taking a whole-of-government approach with AI. While the Department has made efforts to adapt to the change in the technological landscape, such as hiring the Department's first Chief Science and Technology Advisor and [Chief AI Officer](#), the most recent publicly issued strategy on AI from the Department—which outlines an AI adoption and coordination strategy with DOJ component responsibilities—is from [2020](#).

The Department uses some AI techniques such as machine learning to classify and detect anomalies in drug samples, topic modeling and clustering to consolidate records review, machine translations, and other algorithms to manage information such as tips to law enforcement, multimedia data, and case documents. As the use of more advanced AI increases, the Department cannot afford to be reactive to the risks and consequences of AI, as GAO [reported](#) in May 2023. The U.S. Department of Commerce, National Institute of Standards and Technology, has issued an [initial framework](#) to manage the risks of generative AI this year, but the management of AI risks undoubtedly poses a major challenge to the Department as the technology is new and constantly evolving and the standards and regulations around AI are few and in their infancy.

Emerging technologies, such as AI, will significantly affect DOJ's efforts to uphold the rule of law, keep our country safe, and protect civil rights over time. When utilizing AI models and tools, DOJ must understand that there is currently a lack of robust and verifiable measurement methods for risk and [trustworthiness](#). To prevent the use of AI in ways that are irrelevant and potentially harmful, the Department must identify flaws and vulnerabilities, such as unforeseen or undesirable system behaviors, limitations, or potential risks associated with the misuse of the system. As part of this effort, the OIG is conducting an [audit](#) of the Drug Enforcement Administration's and FBI's integration of AI and other emerging technology as members of the U.S. Intelligence Community, with the primary objective of evaluating compliance with requirements related to artificial intelligence and other emerging technologies, as specified in Title LXVII of the fiscal year 2023 National Defense Authorization Act.

According to a [study](#) by the GAO, modern devices, systems, and locations generate, retain, and share enormous volumes of data. This includes information collected from the personal devices of government employees, contractors, and family members, as well as online accounts, credit reports,

online searches, and online purchases. According to the FBI, this data can be used to connect people with locations and organizations, for example identifying a person as an FBI agent, or connecting that agent with a location such as an FBI building, known as ubiquitous technical surveillance. In [February 2024](#), FBI Director Christopher Wray described ubiquitous technical surveillance as a method used by adversaries to exploit the digital trail left behind by individuals allowing the adversary to threaten or compromise government sources, operations, and personnel.

New technologies can include new communication technologies, end-to-end encryption of data, and facial recognition technology, and the Department must adapt. The OIG is conducting an audit of the FBI's efforts to respond and adapt to changing technologies in the environments where it operates. The audit objectives are to determine the sufficiency and effectiveness of the actions the FBI is taking to respond to changing technological environments and the training the FBI provides to its personnel to increase the workforce's adaptability to those changes. After initiating the audit, in December 2022, the OIG issued a classified [Management Advisory Memorandum](#) (MAM) to the FBI when the OIG's initial audit work revealed that certain aspects of the FBI's efforts to respond to changing operational technologies were inadequate and required better communication and coordination, and prompt corrective action. The classified MAM included two recommendations to help ensure that the FBI employs a more robust and effective strategy to address the risks posed by changing operational technologies and that its workforce is better positioned to identify and adapt to those risks. The FBI concurred with both recommendations and stated that it has already begun taking necessary corrective actions. Addressing the OIG's [recommendations](#) in the MAM, and any recommendations that result from the current audit, will help the Department as it responds to changing operational technologies.

## Challenge 5: Pursuing the Department's Law Enforcement Mission While Protecting Civil Rights and Civil Liberties

In recent years, the U.S. Department of Justice (the Department or DOJ) has faced increased scrutiny in its mission to uphold the rule of law, ensure safety and security in our country, and protect civil rights. This task has become increasingly technical and complex in the face of the changing landscape of the international drug trade and emerging technologies that require the Department and its officers to adjust their strategies and focus. The challenge is compounded by the imperative to balance these duties while promoting the public's confidence in law enforcement. Ensuring civil rights and accountability in the Department is critical to maintaining public trust and upholding the principles of justice and equality.

### Protecting Civil Rights and Ensuring Law Enforcement Accountability

Promoting accountable law enforcement within the Department involves implementing comprehensive measures that ensure transparency, oversight, and adherence to ethical standards. The Office of the Inspector General (OIG) conducts audits of DOJ law enforcement practices, policies, and procedures to ensure compliance with federal standards and identifies areas for improvement. In September 2023, the OIG issued an [audit](#) report of DOJ's use-of-force policies within its law enforcement and corrections components and found certain policy gaps related to use-of-force in custodial situations and inconsistent use-of-force policies and practices in their application to task force officers (TFO) and contractors. We also found that there was no mechanism to help ensure components' training programs are consistent, appropriate, or complete. Since the issuance of the report, the U.S. Marshals Service (USMS) has finalized their policies on "no knock" warrant restrictions and disseminated the updates to personnel. In addition, the Federal Bureau of Prisons updated its policies to meet DOJ's intent for the Department's 2022 use-of-force policy to apply to the Federal Bureau of Prisons non-custodial operations and interactions with the public, as well as fully comply with the Department's 2021 guidance on use of restraints and "no knock" warrant restrictions.

Additionally, the Department's Civil Rights Division continues to pursue excessive force and pattern and practice investigations. Between [January and June 2024](#), the Department announced charges, pleas, convictions, or sentences in at least 10 cases involving use of excessive force by state or local law enforcement officers. In June 2024, the Department [released findings](#) that the Phoenix Police Department and City of Phoenix, Arizona, engaged in a pattern and practice of conduct that violated the Constitution and federal law, including unjustified uses of deadly force, unconstitutional shootings, and use of neck and compression restraints. During another [civil pattern or practice investigation](#), the Department found that the City of Lexington, Mississippi, and the Lexington Police Department engaged in a pattern or practice of conduct that deprived people of their rights



USMS Operation North Star

Source: USMS

under the U.S. Constitution and federal law. The investigation determined, among other things, that the police department used excessive force, conducted searches and arrests without probable cause, and violated the rights of people engaged in free speech and expression, including by retaliating against people who criticize the police.

In addition, the OIG is participating in [prosecutions](#) of a USMS TFO charged with murder for allegedly using lethal force that resulted in the death of Casey Goodson in Columbus, Ohio, a Federal Bureau of Investigation (FBI) TFO [charged](#) with second degree murder in Michigan after he allegedly used his government vehicle to stop a fleeing felon, and [multiple](#) USMS TFOs allegedly involved in assaulting two handcuffed juveniles at a residence in Jackson, Mississippi. Ensuring that such investigations into misconduct are conducted promptly and thoroughly, while providing the public with information, will help promote accountable law enforcement.

As directed by [Executive Order 14074](#), the Department launched the National Law Enforcement Accountability Database, a centralized repository of official records documenting instances of misconduct as well as commendations and awards for federal law enforcement officers. The National Law Enforcement Accountability Database is accessible only to authorized users to help determine suitability and eligibility of candidates for law enforcement positions. As required by the Executive Order, on an annual basis, the Department will publish a public report containing aggregated and anonymized data to maintain transparency and accountability. The creation of such a portal will leverage the technology and data on law enforcement activities and make it easier for police departments to avoid hiring officers who have engaged in misconduct for a previous employer.

## Targeting Violent Crime

The FBI recently [reported](#) that the rate of violent crime decreased nationwide by approximately 3 percent in 2023; however, combatting gun violence continues to be an enduring challenge for the Department, necessitating continued engagement with partners and stakeholders. Moreover, the Department faces the ongoing and evolving challenge of detecting and intercepting illegal drugs trafficked through complex online and international networks. The Department recently declared the disproportionately high rates of violence experienced by Native American and Native Alaskans as [priorities](#), and has taken additional actions to engage with Tribes to better address urgent public safety issues. As outlined in its strategic plan, the Department must continue to work with and enhance partnerships with federal, state, local, and tribal law enforcement partners to prevent and respond to violent crime.

## Combatting Gun Violence

The Department identified reducing gun-related violent crime as an [Agency Priority Goal](#) within its strategic plan, and committed to focus enforcement efforts on reducing the incidence of guns used to commit violent crime as well as solving more gun-related violent crimes. To assist in the latter goal, the OIG is currently conducting an audit of the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) [management](#) of firearm tracing requests used to generate investigative leads for firearms used in crime, known as crime guns. ATF's [updated](#) National Firearms Commerce and Trafficking Assessment makes note of many advancements in combatting gun violence, such as the



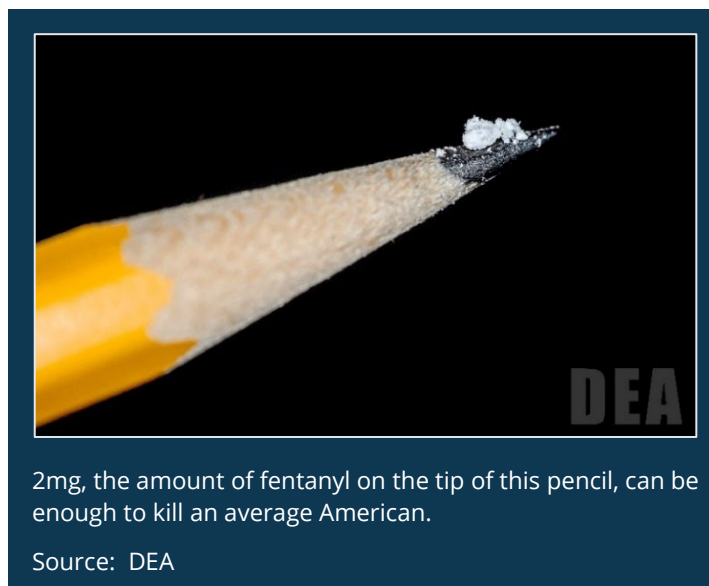
increased use of crime gun intelligence data. However, the assessment also highlights several emerging issues and challenges, such as the increase of international firearms trafficking and privately made firearm cases. A 2022 [National Institute of Justice study](#) found that 77 percent of people who committed mass shootings in the United States between 1966 and 2019 purchased at least some of their weapons legally, while illegal purchases were made by 13 percent of those committing mass shootings. In cases involving K-12 school shootings, more than 80 percent of individuals who engaged in shootings stole guns from family members. The OIG issued an [audit report in 2023](#) in connection with ATF's risk-based federal firearms licensee (FFL) inspection selection processes and administrative actions issued to FFLs. Based on over 10 years of inspection data, the OIG found that ATF had not addressed violations by FFLs in a consistent manner, and it had not always followed ATF policy. Of note, ATF did not often recommend revocation for FFLs with "revocable" violations, such as transferring a firearm to a prohibited person, and some FFLs with repeat revocable violations had been allowed to continue their operations. The Department's attention to the OIG's 13 recommendations to ATF for enhancing oversight of such licensed dealers, 6 of which remain open, could assist in greater diligence by FFLs, thereby preventing ineligible purchasers from obtaining a firearm by apparently legal means.

To facilitate cooperation and partnership in preventing gun violence, the Department has taken several positive steps. For example, it released [model legislation](#) to assist states in reducing gun violence and improving gun safety by requiring secure storage of firearms and prompt reporting of lost or stolen firearms. The Department also [launched](#) the National Extreme Risk Protection Order Resource Center to provide training and technical assistance to law enforcement, legal, and community partners. Additionally, the Office of Community Oriented Policing Services released a comprehensive [Critical Incident Review](#) of the Robb Elementary School shooting in Uvalde, Texas, to identify critical lessons from the law enforcement response and improve future responses in the event of similar incidents in other communities. The report identified several critical failures and other breakdowns prior to, during, and after the Robb Elementary School response and analyzed the cascading failures of leadership, decision-making, tactics, policy, and training that contributed to those failures and breakdowns.

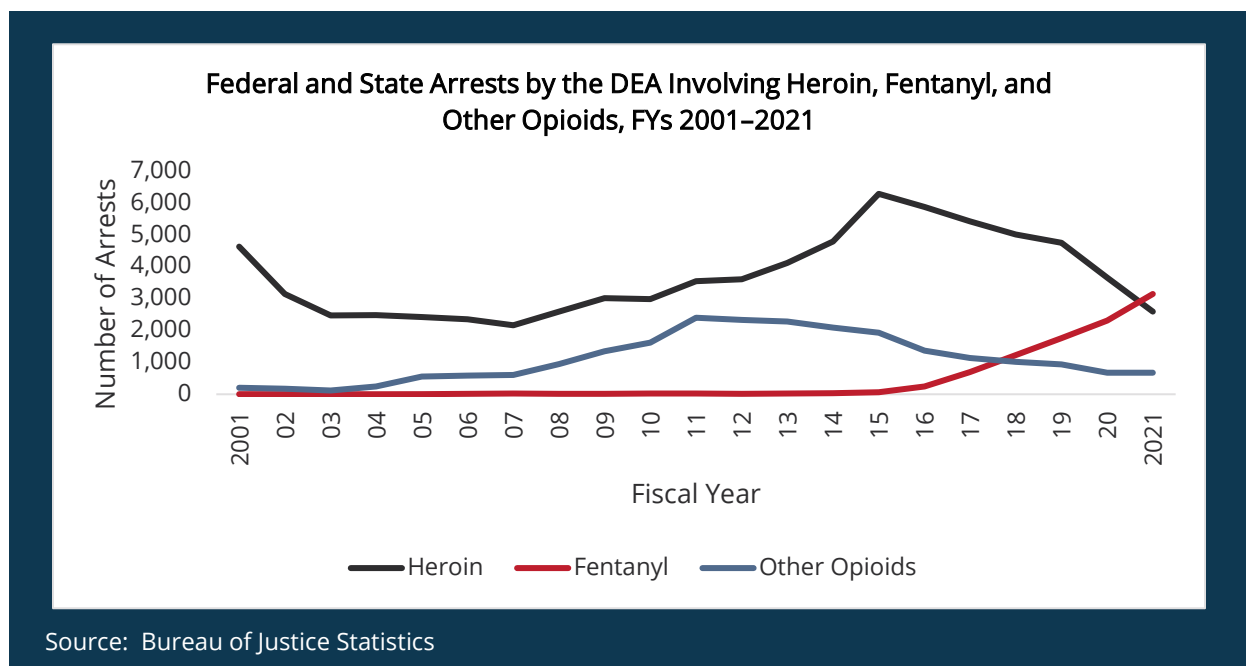


## Opioid and Narcotics Interdiction

Opioids, particularly fentanyl, continue to pose a challenge not just for the Department, but for the nation. In September 2024, the U.S. Centers for Disease Control and Prevention [reported](#) that provisional data show that deaths caused by drug overdose declined by approximately 10 percent over a 12-month period, but nonetheless remain significantly higher than in March 2020. The Department has made numerous [efforts](#) to disrupt multi-jurisdictional fentanyl and narcotics trafficking schemes, some with international connections. However, fighting the illegal drug trade, which is driven by international organizations and [cartels](#), presents large-scale and technical challenges, including [online and dark web](#) marketplaces. The Department must continue to work closely with domestic and international partner law enforcement agencies to detect and prosecute dark web [trafficking schemes](#) that often involve the use of cryptocurrency.



Underscoring the evolving drug trafficking environment, in 2024, the Bureau of Justice Statistics [announced](#) that arrests by the Drug Enforcement Administration (DEA) for [fentanyl](#) offenses exceeded those for heroin offenses for the first time in fiscal year (FY) 2021. The FBI has similarly highlighted the large number of [cases](#) it investigated related to fentanyl trafficking by drug cartels. Additionally, [medetomidine](#) has rapidly proliferated in the United States and contributed to mass overdose outbreaks. The Department must continuously work to proactively respond as new and more lethal drugs enter trafficking networks. Moreover, opioid addiction and fatalities continue to plague communities across the country. The Department must be broadminded in implementing its strategy to combat this epidemic.



As part of its oversight of the Department’s opioid, fentanyl, and narcotics efforts, the OIG completed an [audit](#) of the Bureau of Justice Assistance Comprehensive Opioid, Stimulant, and Substance Abuse Program, designed to provide financial and technical assistance to entities for comprehensive efforts to identify, respond to, treat, and support those affected by illicit drugs of abuse. The audit found that the Bureau of Justice Assistance can improve its oversight and coordination to ensure the program is achieving its stated outcomes and expanding access to evidence-based drug prevention and treatment, as [outlined](#) in the Department’s strategic plan. Additionally, the U.S. Government Accountability Office has a [priority open recommendation](#) for the DEA to solicit input from licensed distributors of controlled substances and develop additional guidance regarding their roles and responsibilities for monitoring and reporting suspicious prescription drug orders.

## Countering the Intensifying Threat of Child Exploitation

Since the beginning of widespread Internet use in the 1990s, the Department has strived to prevent child exploitation and prosecute the offenders. As outlined in the Department’s current [Strategic Plan](#), the Department is “determined to make America safer for our young people,” via enforcement of current federal laws, to include the PROTECT Our Children Act of 2008, that enable the criminal justice system to hold child exploitation and abuse offenders accountable, as well as collaborating with other federal agencies to address shortfalls in current federal law, improve victims services, providing community education, and improving overall law enforcement response to child abuse and exploitation cases.

In August 2024, as a follow-up to issues identified during the OIG's [July 2021 report](#) on the FBI's handling of child sexual abuse allegations against former USA Gymnastics physician, Lawrence (Larry) Nassar, the OIG conducted an [audit](#) to evaluate the FBI's compliance with laws, regulations, and policies related to its handling of tips of hands-on sex offenses against children and mandatory reporting of suspected child abuse. Between October 1, 2021, and February 26, 2023, the FBI opened 3,925 cases that allegedly involved a hands-on sex offense against a child or similar offense, and we reviewed a sample of 327 incidents.

While the OIG found that the FBI has implemented training, policy updates, and system changes to improve its handling of crimes against children allegations upon receipt of the allegations, the OIG identified [numerous incidents where FBI employees did not comply with relevant law or policies](#), including in the following areas: (1) mandatory reporting of suspected child abuse, (2) victim services, (3) transferring incidents between field offices, and (4) responding to allegations of active and ongoing child sexual abuse within 24 hours. For example, we found no evidence that FBI employees complied with mandatory reporting requirements to state, local, tribal, and territorial law enforcement in 47 percent of the incidents we reviewed or to social services agencies in 50 percent of incidents we reviewed. Of the reports that were made, we found that only 43 percent were made within 24 hours, as required by FBI policy.

In addition, we flagged 42 incidents, totaling 13 percent of the incidents we examined, for FBI headquarters review because we believed they may require immediate attention. The types of concerns we identified included: (1) cases that lacked any recent investigative activity or case updates, logical investigative steps, or referrals to appropriate agencies; (2) leads that were not appropriately covered; and (3) instances of substantial non-compliance with FBI policy.

Our audit results demonstrate that the FBI needs to improve its compliance with policies and laws and build upon the FBI's recent changes to its crimes against children and human trafficking program to ensure it appropriately addresses child sexual abuse allegations. The OIG made [11 recommendations](#) to improve the FBI's management of its crimes against children and human trafficking program. The FBI concurred with all 11 recommendations and, prior to the release of the report, [took corrective action on two of the recommendations](#) leading to those recommendations being closed.

#### Investigation and Review of the FBI's Handling of Allegations of Sexual Abuse by Former USA Gymnastics Physician Lawrence Gerard Nassar

The investigation and review of the FBI's handling of allegations of sexual abuse by former USA Gymnastics Federation physician, Larry Nassar, identified failures in the FBI's response to the serious allegations by multiple young athletes. The OIG recommended that the FBI reassess its policies to more precisely describe for FBI employees when they are required to promptly contact and coordinate with applicable state and local law enforcement and social service agencies after receiving allegations of crimes against children that potentially fall under state jurisdiction, even when the allegations also potentially fall within the FBI's jurisdiction. This priority recommendation remains open.

Source: July 2021

## Combatting and Recovering Pandemic-Related Relief Fraud

As noted in our 2023 [Top Management and Performance Challenges report](#), the COVID-19 Fraud Enforcement Task Force (CFETF) was established by the Department to fight pandemic fraud through coordinated efforts with law enforcement partners. With over 3,500 defendants charged and more than \$1.4 billion seized, the [CFETF](#) has disrupted transnational criminal networks and domestic offenders. However, despite these accomplishments, the CFETF faces significant challenges.

One such major challenge is the expiring statute of limitations to prosecute pandemic-related fraud cases (with the exception of cases relating to two programs administered by the U.S. Small Business Administration-, for which the statute of limitations has been extended to 10 years), which will preclude prosecutions not initiated by September 30, 2025. Another challenge relates to resources. The volume of pandemic fraud cases has been overwhelming and requires substantial prosecutorial and investigative resources to pursue. The Department is seeking, in proposed [legislation](#), \$300 million to ensure the Department has the necessary resources to prosecute the full range of pandemic fraud, holding accountable the most egregious and sophisticated offenders, and recover additional stolen funds, as well as [expand](#) DOJ pandemic fraud “strike force” teams.



A major challenge that remains is the statute of limitations to prosecute pandemic related fraud cases.

Source: Polarpix/stock.adobe.com

The Department faces a difficult road ahead because of the complexity of the fraud schemes and the time it takes to fully investigate and prosecute such cases. DOJ components must assign personnel to COVID-19 strike forces to assist with the development and prosecution of the fraud schemes. In its April 2024 report, the CFETF observed that, “tightening budgets across the federal government make it increasingly difficult to adequately resource CFETF’s essential work.”.

## Protecting Consumers and the Public at-Large from Financial Malfeasance

Technological advances have made the world more interconnected than ever, and the Department faces a rapidly evolving challenge in combatting financial threats against the public. The Department [pledged](#) to combat corruption, financial crime, and fraud as part of its strategic plan to ensure economic opportunity and fairness for all, and multiple DOJ components are [responsible](#) for prosecuting corporate and white-collar crime. Technology has also increased the opportunity for financial crimes. Among these emerging threats are the [use of Artificial Intelligence](#) to commit white-collar crimes such as price fixing, fraud, or market manipulation, and the use of cryptocurrency to defraud victims and launder money.



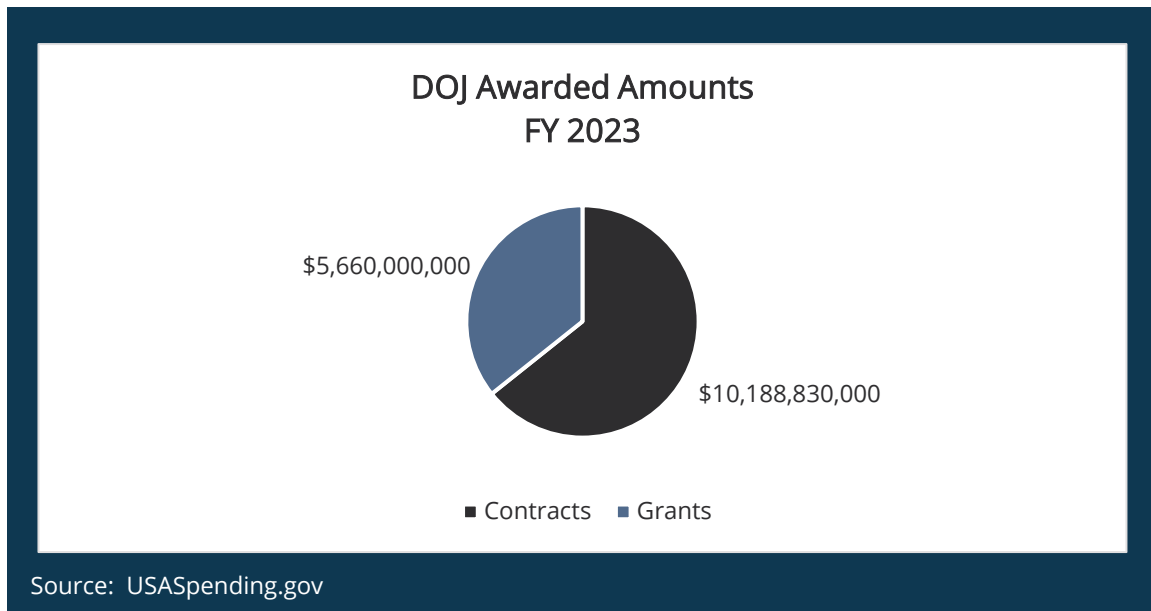
Attorney General Merrick B. Garland Delivers Remarks on Lawsuit Against Live Nation Ticketmaster for Monopolizing Markets Across the Live Concert Industry

Source: DOJ

As these technologies further develop and advance, the Department must ensure that its enforcement mechanisms stay ahead of, or at least keep pace with, the sophistication of the emerging criminal threats.

## Challenge 6: Strengthening the Administration and Oversight of Contracts and Grants

In fiscal year (FY) 2023, the U.S. Department of Justice (the Department or DOJ) awarded over \$10 billion in contracts and \$5.6 billion in grants. Strengthening the planning, administration, and oversight of contracts and grants continues to be a challenge for the Department as a good steward of taxpayers' dollars.



Specifically, areas of concern for Department acquisition practices include the execution of well-designed procurement plans and cost estimates, monitoring of contractors' performance, and the skills and judgment exercised by the acquisition personnel throughout the procurement lifecycle. Similarly, areas of concern for federal financial assistance, most commonly awarded through grant awards, include monitoring of subrecipients, grant financial management, and program performance.

### Contracts

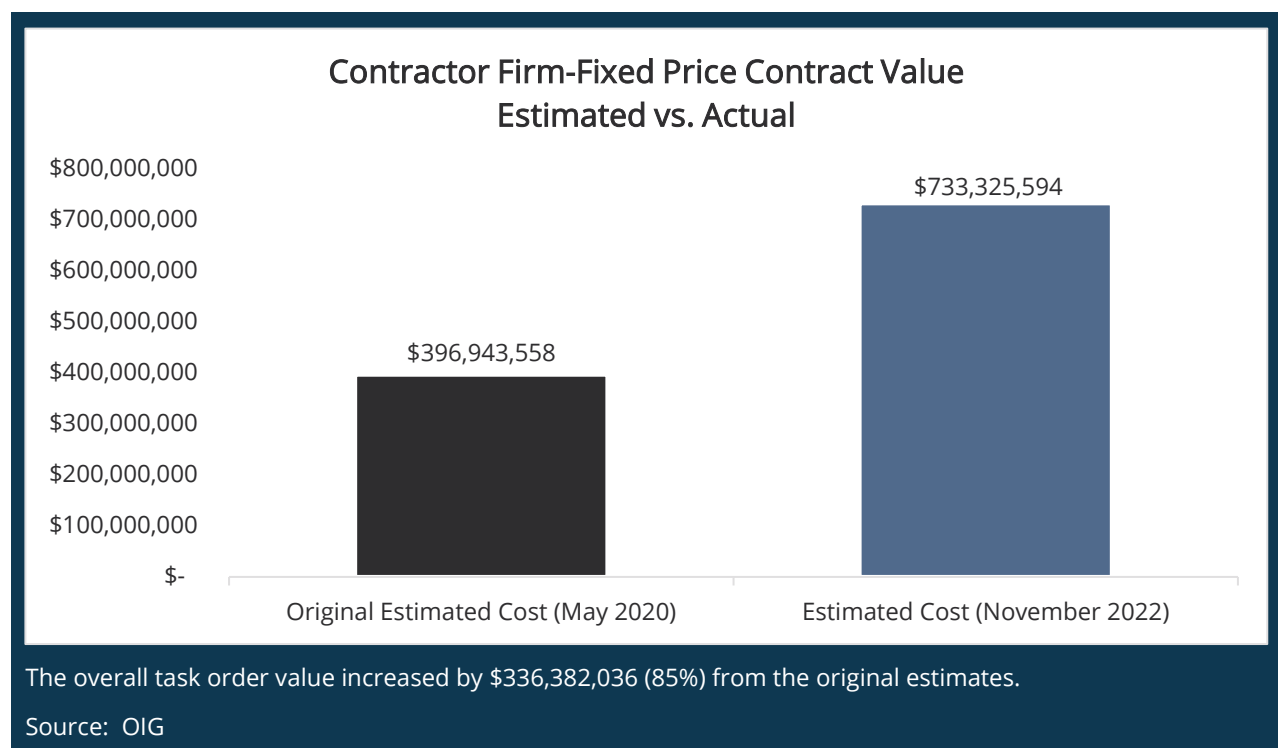
Over the past several years, the Office of the Inspector General (OIG) identified several weaknesses in DOJ's contract management and administration requirements. These include but are not limited to the following systemic issues that the OIG has identified through the audit work:

- (1) contracting officials' improper application of contractor cost estimates,
- (2) inadequate use of planning documents (e.g., Quality Assurance Surveillance Plans), and
- (3) insufficient monitoring of contract performance.

While the Department has taken action to address these recommendations, we have highlighted opportunities for DOJ to improve its compliance with requirements for acquisition planning, administration, and oversight.

## Acquisition Planning

Appropriate acquisition planning promotes full and open competition and helps ensure the Department meets its procurement needs in the most effective, economical, and timely manner. The OIG's work reveals that the Department continues to face challenges in the required acquisition planning steps that are necessary to ensure a fair and reasonable price for goods and services. We previously identified the issue of sole-source contracts, awards made without open competition, as presenting elevated risk to the Department in the [2022](#) and [2023](#) Top Management and Performance Challenges reports. Similarly, without appropriate planning, firm-fixed-price awards can be problematic. For example, the Bureau of Alcohol, Tobacco, Firearms and Explosives awarded a \$396 million firm-fixed-price contract to a contractor for information technology services. Our [audit](#) of the contract found that the contractor did not achieve the cost savings it anticipated when program participation level decreased. In the pre-award phase, the contracting official's contract actions did not adequately plan for the cost impact of any reduction in work scope or loss of participants causing increased costs that adversely impacted the Department's budgets. Specifically, DOJ components had to allocate additional money for services that it had planned to be covered under the fixed price. The unforeseen costs resulting from poor acquisition planning also caused contentious interactions between the contractor; the Bureau of Alcohol, Tobacco, Firearms and Explosives; and other participating DOJ components.



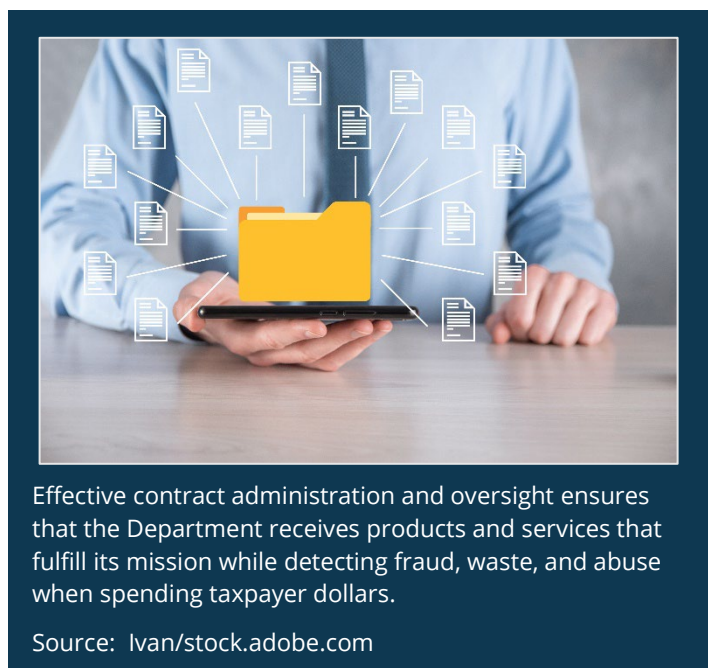


Another acquisition planning concern is deficient contract practices when selecting sole-source contracts. In an [audit](#) of the Federal Bureau of Investigation's (FBI) contract for ballistic research assistant services, the OIG found that the FBI took "unconventional actions" to ensure that the FBI used a specific contractor, did not competitively bid the contract or follow requirements for awarding a sole-source contract, and inappropriately placed the contractor in a personal services role. The OIG also found significant deficiencies in the FBI's management of the contract, including failing to evaluate potential conflicts of interest regarding the contractor's participation in high-value and sensitive FBI procurements, exceeding its authority to extend the contract's period of performance, and applying oversight procedures that were incongruent with Federal Acquisition Regulation requirements for firm-fixed-price contracts. Taken together, the OIG concluded that these issues indicated inadequate contract management and increased contracting risks.

Strengthening the contract acquisition planning process by requiring contracting officials (e.g., Contracting Officers, Contracting Officer Representatives (COR), Contract Specialists), program owners, and contractors to discuss, determine, and agree upon specific cost details and achievable outcomes will increase the likelihood of success of the Department's contracts and reduce unforeseen costs.

## Administration and Oversight

Effective contract administration and oversight ensures that the Department receives products and services that fulfill its mission while detecting fraud, waste, and abuse when spending taxpayer dollars. To ensure the Department receives a fair and reasonable price for the goods and services it paid for, the Department should better engage the program and contracting officials throughout the contract lifecycle. Specifically, the Department should aim to provide effective procedures that successfully achieve the contracted needs. For example, an improvement on the development of contract performance measures (e.g., monitoring of unique procurement factors) will help prevent such circumstances.



Our audits have found that the Department needs to strengthen the COR designation process and the monitoring process. These reports highlighted the need for the components' acquisition offices to correct significant delays and problems arising from the Contracting Officer's untimely issuance of written COR delegations, a role that is critical to the contract administration process and the day-to-day activities of a contract. For example, a COR's authorized delegated functions typically support

the Contracting Officer in ensuring adequate contract monitoring and that the contract requirements are met during the procurement lifecycle.

The Department can make progress in improving its contract management to address this challenge by more clearly designating contract management responsibilities among relevant job functions, using performance metrics, and administering risk-based monitoring tools to help ensure the Department receives the goods and services it paid for.

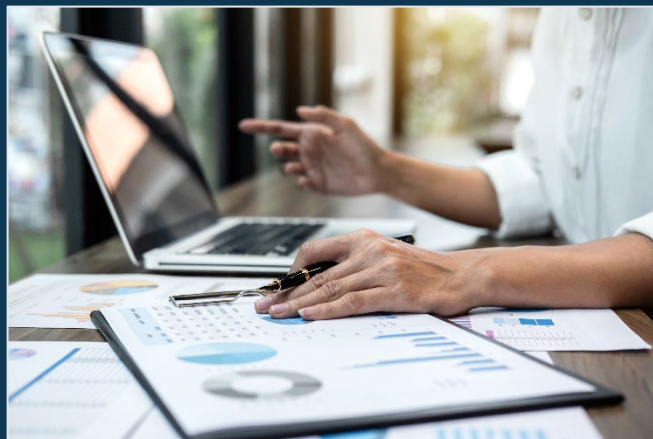
## Grants

The Department continues to face challenges in effectively managing its portfolio of grants. As evidenced in numerous audits of grant recipients, the OIG consistently makes recommendations to enhance DOJ's administration and monitoring of awards, help grant recipients better achieve compliance, and effectively implement grant recipients' programs. During the past year, OIG grant audits continued to find that grant recipients need to improve their program execution, grant financial management, as well as their oversight of subrecipients of grant funding. With over [\\$5.6 billion](#) in grant funds awarded in FY 2023 alone, the oversight of grants, which has also been identified in nearly every year of the OIG's Top Management and Performance Challenges reports, remains a challenge for the Department.

### Grant Programs

More than 200 grant programs are administered by the Department's Office of Community Oriented Policing Services, Office of Justice Programs (OJP), and Office on Violence Against Women. The OIG's oversight helps support the grant-making components administer the programs and recipients use grant funds in a manner consistent with their intended purpose and in compliance with all requirements. These grant programs relate to some of the most critical issues facing the United States today. Therefore, the challenge for the Department in ensuring that the funds are used properly is critically important, and the OIG's oversight is pivotal.

For example, the misuse of prescription opioids, as well as heroin abuse, persists as a serious national epidemic. Created as a result of the Comprehensive Addiction and Recovery Act, the [Comprehensive Opioid, Stimulant, and Substance Use Program](#) (COSSUP) aims to: (1) reduce opioid misuse and overdose fatalities, and support a variety of opioid-related measures, strategies; and (2) provide financial assistance and technical assistance to identify, respond to, and



The OIG's oversight ensures that the grant making components administer the programs, and its recipients use grant funds in a manner consistent with their intended purpose.

Source: Ngampol/stock.adobe.com

support those impacted by illicit drugs. In [March 2024](#), the OIG issued an [audit report](#) of the OJP Bureau of Justice Assistance's (BJA) administration of the precursor program of COSSUP, the Comprehensive Opioid, Stimulant, and Substance Abuse Program (COSSAP). The OIG found that BJA did not consistently apply or fully disclose preferences used to evaluate COSSAP applications. BJA's failure to provide notice to all prospective COSSAP applicants of significant evaluation preferences undercut requirements that federal funding opportunities be transparent to maximize fairness of the process, as well as OJP's commitment to ensuring a fair and open process for making awards.

Finally, the OIG has identified recurring findings related to financial management including unsupported and unallowable grant expenditures. For example, an August 2024 [audit](#) concluded that the grantee did not maintain adequate supporting documentation for grant expenditures, charged unbudgeted expenses to the grants, did not adequately track its matching costs expenses, and did not use the correct methodology to charge indirect costs to the grants. These failures resulted in the OIG questioning costs in the amount of \$247,326 of the \$1,555,732 grant funds received by the grantee during the audited period.

## **Crime Victims Fund**

In 1988, the [Office for Victims of Crimes](#) (OVC) was authorized by an amendment to the Victims of Crime Act (VOCA) of 1984 to administer the Crime Victims Fund (CVF). The CVF receives monies from fines, special assessments, and forfeited bail paid by people who are convicted of federal crimes in U.S. courts around the country. OVC distributes these funds to (1) state administering agencies (SAA) through the VOCA victim assistance and compensation formula grants and (2) state and local governments, individuals, educational institutions, and private nonprofit organizations through discretionary grants. Congress has [allocated](#) \$10 million each FY in VOCA funds to the OIG, beginning in 2015, for use in auditing and assessing risks and deficiencies in the management of OVC programs. Since 2016, the OIG has released over 110 reports resulting in about 700 recommendations and approximately \$15 million in questioned costs in conducting oversight of the use of these grant funds.

### ***CVF State Administering Agencies***

With the CVF funds, SAAs provide pass-through funding to providers of direct services for victims of crime. Such assistance can include crisis intervention, emergency shelter, transportation, legal assistance, and crisis counseling. The OIG has found that the SAAs struggled with monitoring of subrecipients as identified. The purpose of subrecipient monitoring is to ensure that the subaward is being used for the authorized purpose, in compliance with the federal program and grant requirements, laws, and regulations, and the subaward performance goals are achieved.

As an example, a CVF [audit](#) issued in March 2024 found that the Arizona Department of Public Safety, which administers the VOCA victim assistance programs that ensure appropriate and accessible services are available to crime victims, had not performed an on-site monitoring visit for all 150 subrecipients who received subawards between FY 2021 and FY 2023. More specifically, 85 subrecipients had not had an on-site Arizona Department of Public Safety monitoring visit in 4 years, and of those 29 subrecipients had not been visited in 10 years. An on-site monitoring visit consists of reviewing supporting documentation related to subgrant financial transactions or performance and evaluating whether a subrecipient's costs comply with VOCA Guidelines, as well as

whether subrecipient performance data reported to OVC was fairly represented, for all subrecipients.

Additionally, SAAs are responsible for the fair treatment of crime victims, including protecting their privacy and personally identifiable information. A CVF audit issued in September 2023 found that the [Guam Office of Attorney General](#) (Guam OAG) was not operating its program in compliance with VOCA grant requirements. Specifically, the Guam OAG publicly adjudicated victim compensation claims featuring the public appearance of victims and dissemination of personally identifiable information. As a result, the Guam OAG advocated to change Guam statutes. The Guam Legislature passed Bill 144-37 on July 28, 2023, and the Governor of Guam signed it into law on August 11, 2023. The public law protects victims by allowing the Guam's Criminal Injuries Compensation Commission to have closed meetings to adjudicate victim compensation claims.

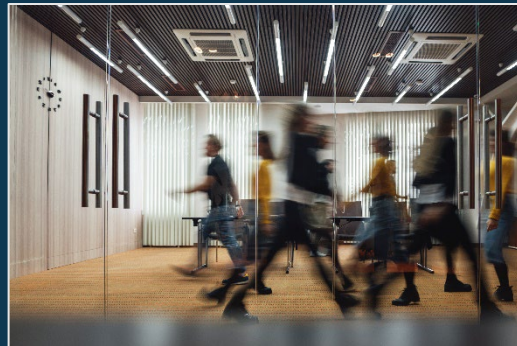
### ***Subrecipients***

Our CVF subrecipient audits identified concerns with grant financial management and program performance. Grant financial management helps ensure compliance with financial guidelines, general accounting practices, and fiscal management of grant expenditures, all of which can reduce the risk of fraud, waste, and abuse. The OIG identified issues with subaward expenditures in several recent audit reports, including those issued in [November 2023](#), [April 2024](#), and [February 2024](#). Another CVF audit issued in February 2024 found that the [University of Maryland Prince George's Hospital Center](#), a subrecipient of a CVF award to the Maryland Governor's Office of Crime Prevention, Youth, and Victim Services, did not have adequate internal controls to ensure the appropriateness of personnel charges (e.g., timesheets, activity reports, or time-and-effort reports) and to provide evidence of the distribution of costs or allocation of time among various activities.

In a May 2024 CVF [audit report](#), the OIG found that the grantee, a subrecipient of a CVF grant awarded to the New Jersey Department of Law and Public Safety, expended only a portion of funds provided and achieved less than expected under one of the audited subawards because, according to grantee officials, they experienced challenges in the early stages of deploying a new initiative. The OIG also found that the grantee lacked programmatic policies and procedures, including protecting victim personally identifiable information, and performance data reported reflected agency-wide data as opposed to only VOCA-funded services. The OIG's recommendations in these grant audits highlight our goal to help the Department's grant-awarding components and grant recipients comply with Department and other federal regulations and ensure that the funds are efficiently and effectively administered for their intended purposes.

## Challenge 7: Managing Human Capital

The U.S. Department of Justice (the Department or DOJ) relies on the talents and skills of its workforce of over 110,000 employees to accomplish its mission to enforce the law and defend the interest of the United States, ensure public safety against threats foreign and domestic, provide federal leadership in preventing and controlling crime, seek just punishment for those guilty of unlawful behavior, and ensure fair and impartial administration of justice for all Americans. The U.S. Government Accountability Office (GAO) first identified strategic human capital management within the federal government as a high-risk area in [2021](#). The Department's strategic management of its human capital is important to ensure that the Department meets its performance goals and effectively executes its mission in the most efficient manner. Areas of key concern related to human capital management include recruiting and retaining highly skilled and diverse staff, succession planning and knowledge management, and promoting employee engagement.



DOJ relies on talents and skills of its workforce of over 110,000 employees.

Source: leonidkos/stock.adobe.com

### Strategic Workforce Planning

The Department's [strategic workforce planning](#) aims to ensure that the agency effectively recruits, develops, and retains a highly skilled and diverse workforce capable of meeting its mission-critical goals. By aligning human capital strategies with organizational objectives, the Department seeks to enhance operational efficiency, foster a culture of continuous improvement, and adapt to evolving challenges. This comprehensive approach underscores the Department's commitment to upholding justice, safeguarding national security, and serving the American public.

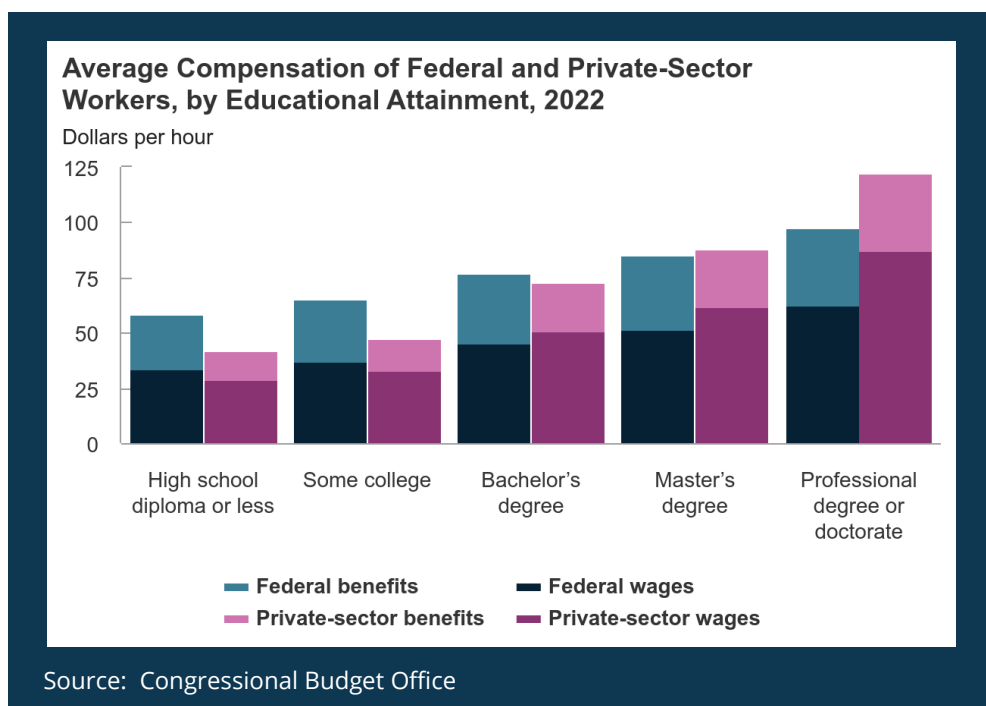
### Recruiting and Hiring Top Talent in Competition with the Private Sector

Agencies within the Department face competition from the private sector as higher salary and levels of workforce engagement make private sector positions more attractive to new and established professionals. There is a critical need to ensure the Department maintains the high-quality of its workforce so that it is capable of meeting the Department's critical mission.

Pay disparities between the federal workforce and private sector have notably impacted the Department's recruitment and retention efforts. A recent Congressional Budget Office report [determined](#) that federal workers with a bachelor's degree (one-third of the workforce) earned 10 percent less, on average, than their private sector counterparts, and federal workers with a professional or doctorate degree (one-tenth of the workforce) earned 29 percent less, on average, than similar workers in the private sector.



However, when the comparison is made using the total compensation package of federal employees, including all benefits, federal employees with a bachelor's degree averaged 5 percent more than their private sector counterparts. Compensation for professional or doctorate degree federal workers remained below that of the same group of private sector employees by 22 percent. While federal salaries may continue to lag behind those in the private sector, it is critically important that the Department recognize it can bridge the salary gap in the competition for highly qualified and diverse personnel by being attentive and responsive to work-life balance issues, such as workplace flexibilities, in formulating its human capital strategy.



## Managing Workplace Flexibilities

One of the challenges facing the Department in its effort to recruit top talent, while at the same time being attentive and responsive to work-life balance needs, is the issue of workplace flexibilities. In early 2024, the Department implemented a [telework policy](#) that requires employees to report to their office for in-person work at least 6 days per 2-week pay period. The updated telework policy allowed components to approve certain exceptions to this requirement, including to allow for remote work options. According to an Office of Management and Budget [report](#) issued in August 2024, Department employees spent 91.4 percent of regular working hours in person, and telework eligible employees spent 56.8 percent of regular working hours in person, excluding remote workers. Further, the report details the Department's plans to maintain operational readiness while promoting physical space efficiency, a resultant challenge as long-term decisions are made on flexible workplace policies.

The U.S. Office of Personnel Management's annual 2023 telework [report](#) stated that "telework can lead to greater operational resilience, increased productivity, higher employee engagement, lower employee attrition, expanded recruitment pools, and cost savings for both agencies and

employees,” and concluded that employees who telework reported being less likely to leave their jobs. Similarly, a Congressional Budget Office [report](#) issued in April 2024 similarly found that flexibility to work from home has a positive effect on the ability of federal agencies to recruit and retain a highly qualified workforce.

Subsequently, four DOJ employee groups [wrote](#) to Deputy Attorney General Lisa Monaco and expressed concern about the potential impact on the DOJ workforce that could result from the more limited workplace flexibilities that DOJ components could offer to employees. The letter asked that DOJ enforce its in-person work policy (policy) equitably and assess its effects on the workforce. In response, the Department’s Assistant Attorney General for Administration (AAG-A) wrote that the Department was: (1) monitoring hiring and retention data by demographics, (2) piloting an anonymous exit survey that would contain a question about in-person work, (3) working on regularly conducting a pulse survey that would include questions about the policy, and (4) working with component leadership to gauge the policy’s effectiveness. Also, according to the AAG-A, Department leadership intends to review the 2024 Federal Employee Viewpoint Survey (FEVS) results, which contained questions about workplace flexibilities, to better understand workforce trends. The AAG-A stated that the Department would seek to understand the impact of its new in-person work policies on maximizing employee job satisfaction while maintaining efficient, effective, and economical operations.

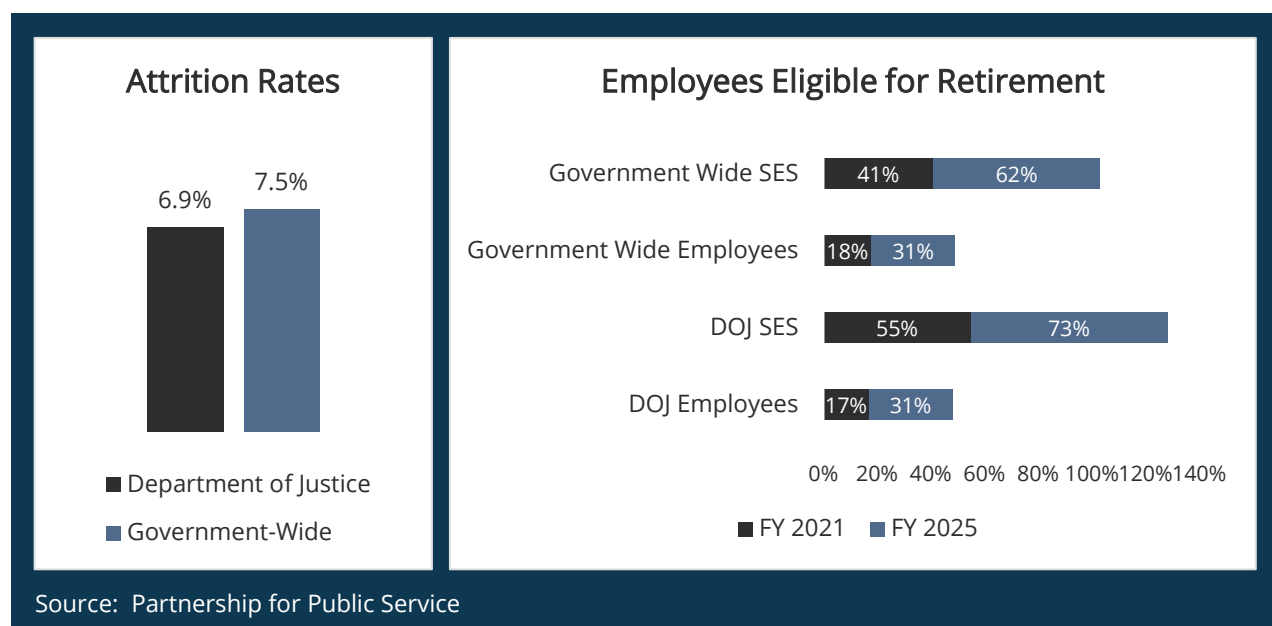
Notwithstanding employee utilization of telework options and DOJ’s operational need to understand the impact of these policies, the use of greater workplace flexibilities can also lead to significant rent cost savings for the Department. The August 2024 Office of Management and Budget [report](#) describes the Department’s completed, in progress, and pending projects to reassess its footprint in the National Capital Region. For example:

- Over the past 5 years, the Federal Bureau of Investigation has consolidated 10 leases in the National Capital Region totaling approximately 502,000 square feet and \$23.6 million in annual rent savings.
- Justice Management Division projects have reduced the Department’s square footage by approximately 385,000 usable square feet and will produce an annual rent savings of approximately \$25 million.
- The Office of Justice Programs will reduce its footprint by approximately 75,000 square feet this year.
- A pending consolidation proposal for the Department’s 2 Constitution Square office space, housing Justice Management Division offices, will result in a further footprint reduction of 386,000 usable square feet.



## Succession Planning and Knowledge Management

Emerging from the COVID-19 pandemic, succession planning and knowledge management are keys to building resilience in the DOJ workforce in order to meet future demands. Key in doing so will be to implement strategies to attract and retain top talent, invest in training programs that equip employees with the skills and mindset to adapt to changing circumstances and maintain productivity with equitable access to secure technology in challenging environments. Current challenges the Department faces include the shifting generational make-up of the federal workforce, and how to manage a multigenerational workforce to meet the needs of Department employees without sweeping generalizations or biases.



Succession planning allows agencies within the Department to preserve institutional knowledge and transfer experience to new employees with whom the Department has lost touch during the times of remote work. The [Partnership for Public Service](#) has not released new figures for the Department since 2022 but did identify a projected increase in attrition for 2025 of 31 percent for agency employees, and 73 percent for Senior Executive Service employees. This marked level of potential attrition of Senior Executive Service staff across the Department has the potential to degrade the management and mitigation of challenges the Department may soon face.

In 2021, the GAO published a report of their [High Risk Series–Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas](#). A top area identified as requiring significant attention was strategic human capital management. Key drivers of attrition are limited opportunities for advancement, professional development, and retirement. Attrition has resulted in a loss of institutional knowledge, subject matter expertise, and gaps in leadership. The GAO notes leadership as the critical element for initiating and sustaining progress as leaders provide the needed support and accountability for managing risks.

## Department Rankings Among Federal Agencies on Metrics Important to Employees

Over the past 10 years, the overall engagement and satisfaction score of the Department as reported by the [Partnership for Public Service](#) based on FEVS data has slipped from a ranking of 5 of 19 large agencies in 2013 to 16 out of 17 in 2023. Many of the Department's components have fared far worse during that same time period, with the Federal Bureau of Prisons dropping from a ranking of 148 out of 300 in 2013, to a ranking of 459 out of 459 in 2023. Similarly, the Department's Executive Office for Immigration Review fell from a ranking of 190 out of 300 in 2013 to 427 out of 459 in 2023.

The biggest swing, however, can be seen with the Federal Bureau of Investigation, which was ranked 73 out of 300 in 2013, but 412 out of 459 in 2023. The remaining large investigative agencies with the Department—Bureau of Alcohol, Tobacco, Firearms and Explosives; Drug Enforcement Administration; and U.S. Marshals Service—also experienced a downward trend in rankings of overall engagement and satisfaction as reported over the past 10 years. Recognizing, being responsive to, and appropriately addressing the shortfalls noted in the responses to overall engagement and satisfaction will be key to retaining staff and drawing new talent to the DOJ workforce.

The [2023 FEVS](#) also introduced an Employee Experience index that measured employees' view of their workplace on factors such as feelings of accomplishment, attachment to one's work, and feelings of contributing to the common good. On that measure, DOJ ranked 4 percent lower than the whole government with a 69 percent index score compared to the government-wide index score of 73 percent. In view of the Department's inarguably compelling mission, such Department rankings appear to signal a need for the Department to carefully assess the reasons for these results and respond appropriately to them. Failure to do so is likely to have adverse consequences over time as those committed to public service opt to leave the Department for other agencies or the private sector and the Department seeks to recruit new personnel to replace them.

Additionally, as in previous years, the 2022-2026 DOJ Strategic Plan identified a diverse workforce as a key asset. To most effectively achieve its mission, the Department must continue to benefit from the broad and varied experiences and perspectives of its employees. To that end, the Department should continue to identify and implement best practices for recruiting, developing, and retaining highly qualified and diverse personnel. It will remain important for DOJ to continually evaluate recruitment strategies and assess trends in workplace demographic data to ensure it fully realizes the advantages that its greatest asset, the people who work at DOJ.

## Workplace Harassment

One of the significant challenges faced by the Department over the past decade has been the issue of harassment in the workplace. While the Office of the Inspector General continues to receive complaints from DOJ employees of sexual harassment in the workplace, as outlined in last year's Top Management and Performance Challenges report, Department leadership has made significant efforts to address the issue. In 2018, DOJ issued a [memorandum](#) for Heads of DOJ Components directing components to enforce the Department's zero-tolerance policy. In 2021, DOJ expanded its efforts through the issuance of a [memorandum](#) for all employees that established a steering committee to review the Department's sexual harassment policies. Furthermore, in 2023, DOJ appointed a director to oversee the Sexual Misconduct Response Unit which aims to: (1) issue a comprehensive Department-wide sexual misconduct policy, and (2) develop and implement new training across DOJ. The work of this new unit is ongoing.



Department leadership have made significant efforts to address sexual harassment in the workplace.

Source: Andrey Popov/stock.adobe.com

As our Office of the Inspector General reports reflect, this issue remains a challenge for the Department, and it is therefore imperative that the Department continue to support these important steps and serve as a leader in maintaining a workplace free of sexual harassment and misconduct.

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## Department of Justice's Response to the Office of the Inspector General's Report on the Top Management and Performance Challenges

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The Justice Department's mission is to uphold the rule of law, keep our country safe, and protect civil rights. In July 2022, the Justice Department (Department) released its Strategic Plan for Fiscal Years (FY) 2022-2026, which incorporates this mission and details the Department's strategic goals and objectives for the next four years. The Strategic Plan also sets forth performance measures by which the Department will assess its progress and specifies the Department's agency priority goals for the coming fiscal year.

The Office of the Inspector General (OIG) plays an important role in ensuring that the Department achieves its goals and objectives effectively and efficiently. The OIG holds Department personnel accountable for misconduct; upholds vital protections for whistleblowers; and protects the public from waste, fraud, and abuse. As part of this work, and as required by statute, OIG annually identifies what it considers to be the top management and performance challenges facing the Department. This year, the OIG identified seven challenges it believes represent the most pressing concerns for the Department:

1. The Ongoing Crisis Facing the Federal Corrections System
2. Strengthening Public Trust in the U.S. Department of Justice
3. Promoting and Safeguarding National Security
4. Cybersecurity and Emerging Technology
5. Pursuing the U.S. Department of Justice's Law Enforcement Mission While Protecting Civil Rights and Civil Liberties
6. Strengthening the Administration and Oversight of Contracts and Grants
7. Managing Human Capital

Each of these challenges aligns with one or more objectives included in the Department's Strategic Plan. As discussed in greater detail below, the Department is fully committed to addressing each challenge in the coming years.

## I: The Ongoing Crisis Facing the Federal Corrections System

In its report, the OIG has pointed to the critical need for the Federal Corrections System to address staffing shortages in key positions, lack of sufficient funding to repair its crumbling infrastructure, and the introduction of contraband at its prisons.

The Department, including the Federal Bureau of Prisons (BOP), agrees. BOP has a dual mission – to foster a humane and secure environment and to ensure public safety by preparing individuals for successful reentry. It is obvious that widespread staffing shortages, crumbling infrastructure, and the presence of contraband are fundamental barriers to fulfilling this dual mission.

BOP has made progress tackling these considerable challenges, but it cannot do it alone. Addressing the staffing and infrastructure issues that the OIG identified will require transformational and long-overdue investment in the Federal Corrections System. For this reason, the Department has provided to Congress, with the support of the Administration, a funding proposal to address critical safety needs across the Federal Prison System. This plan lays out the funding necessary for BOP to:

- Hire much needed staff at more competitive salary levels,
- Reduce its need to engage in the counterproductive use of augmentation – a practice that hinders BOP’s ability to implement the First Step Act, and
- Make critical, safety-related repairs to infrastructure.

The case for additional BOP funding is clear. The OIG, the Government Accountability Office (GAO), and Congress have all recognized the urgent need for action. Indeed, the OIG itself in numerous reports has highlighted the funding and resource needs of BOP. In 2023, GAO cited staffing challenges when adding Strengthening Management of the Federal Prison System to its High-Risk List. Congressional consensus for improving BOP facilities, programming, and safety is clear from this summer’s nearly unanimous passage of the Federal Prison Oversight Act.

Without needed and essential funding, and despite the Department’s focused and dedicated efforts to mitigate the problems facing BOP, the Department will be unable to solve the critical challenges outlined by the OIG.

**Addressing staffing challenges.** Hiring and retaining employees is critical for BOP to support both the well-being of its dedicated employees and the safety of those in BOP’s care. BOP has implemented several strategies to address its staffing shortages, with demonstrable success.

- **Direct hire authority:** BOP worked with Office of Personnel Management (OPM) to put in place nationwide direct hire authority for Corrections Officers.
- **Data driven staffing:** BOP has also deployed, as of October 2024, an automated staffing tool that brings a data-driven decision making capability to how it approaches staffing for all institution positions. This tool is new and will continue to improve. However, BOP has taken measures to validate its performance to date and stands ready to discuss with OIG the substantial merits to its approach.
- **Employee Wellness Branch:** BOP is creating an Employee Wellness Branch dedicated to a nationwide approach to enhancing the well being of our corrections professionals.

BOP has increased the number of new hires each of the past three years. Over that same period, BOP has reduced the number of departing employees each year. BOP's average time to hire for corrections officers is now 69 days – below the OPM standard of 80 days.

While BOP has become much more effective at recruiting, hiring, and retaining its staff, much work remains to be done. BOP offers some of the lowest salaries of any law enforcement entity – often dramatically lower than its state-level counterparts. For example, the New York City Department of Corrections advertised that an NYC corrections officer earned an average of \$130,000 after three years. That same officer with the same tenure at BOP would earn only \$114,000, and only after receiving a 35% retention incentive. With similar salary gaps throughout its system, it is obvious why BOP has struggled to address its staffing shortages.

To address these issues, the Department, on behalf of BOP, requested approval from the OPM for special salary rates to increase the base pay for corrections officers and certain medical staff. The Department is actively working with OPM so we can have the authority to increase base pay. If approved by OPM, these increased salaries could be available as soon as January 2025, subject to the availability of funding. There is every reason to believe increased salary through special salary rates would have a positive ability on BOP's ability to recruit and retain staff that would ameliorate the staffing challenges identified by OIG.

**Repairing critical infrastructure.** BOP maintains over 46,000 acres of land with more than 3,600 buildings that make up its over 120 institutions. Each of these institution needs repair - many critically so. If BOP cannot keep its roofs patched, fences maintained, facilities mold-free, HVAC operating, fire suppression systems active, and electricity on, FBOP cannot provide humane and secure facilities.

To address these critical infrastructure needs, BOP has worked with the Office of Management and Budget (OMB) to develop a Five-Year Infrastructure Strategic Plan. This longitudinal funding plan is structured to ensure that all critical needs are systematically addressed. This approach not only addresses immediate repair needs but also helps in planning for future maintenance, thereby promoting the long-term sustainability and functionality of the facilities. In addition to this plan, BOP continues to analyze its infrastructure requirements and develop methodologies that will provide additional funding priorities for critical requirements over the long term.

The FY 2024 enacted budget provided BOP with just \$179.8 million, of which \$147.8 million was available for addressing a crumbling infrastructure. The current backlog of unfunded critical needs totals over \$3 billion. Absent a major investment in addressing these needs, BOP will be forced to continue triaging while the repair backlog further grows.

**Disrupting the flow of contraband.** Reducing, and ultimately ending pipelines for contraband is a top priority for BOP. BOP uses various methods to detect, identify, and disrupt the introduction of contraband, including requiring background checks for people coming inside BOP facilities, as well as using walk-thru metal detectors, drug screening machines, and whole-body imaging devices. BOP's Intelligence & Counter Terrorism Branch gathers intelligence and works with federal, state, and local law enforcement partners to disrupt large criminal operations, like drug cartels. BOP also partners with entities like the



Federal Aviation Administration to use cutting edge technology to detect, and intercept contraband introduction via the use of Unmanned Aircraft Systems (UAS aka “drones”).

BOP is taking several other steps to combat the flow of contraband:

- **Cameras upgrades:** BOP is implementing recommendations from with three OIG reports related to upgrading security cameras. BOP has installed fiber optics in over 71 percent of facilities, and those facilities are in the process of installing digital cameras. The remaining facilities are in the process of completing fiber optic installation. Once that is complete, work on the camera installation can begin.
- **Implementing new mail scanning procedures:** Illicit substances sent to incarcerated individuals through U.S. mail is a persistent and evolving challenge. To address this, BOP is putting into place new requirements for mail handling that will help combat contraband and improve the safety of our employees.
- **Expanding naloxone availability:** Because of the threat posed by contraband opioids, BOP is taking proactive steps to protect employees and incarcerated individuals in instances of opioid overdoses. Starting no later than November 4, 2024, all institutions will implement a NARCAN Self-Carry policy. NARCAN (naloxone) is an opioid overdose reversal medication that can save lives when administered quickly and effectively. BOP will purchase 100,000 doses of NARCAN that will be distributed to institutions in FY 2025.

#### **Funding plan to address critical safety needs in the Federal Correctional System.**

The Department, including BOP, agrees with the OIG about the urgent need to address the challenges faced by the Federal Corrections System. BOP has and will continue to take steps within its existing authorities and resources to address these longstanding issues. The reality, however, is that BOP will need committed investment to address the root causes of its challenges. Put simply, BOP cannot hire more staff and offer them more competitive salaries if it does not have the funding. BOP cannot patch roofs or address other repairs to critical life-safety infrastructure if it cannot pay for repairs.

To this end, the Department developed a funding plan to transform the Federal Correctional System. This plan sets out, year-by-year, the resources that BOP needs to address the core issues raised by the OIG – a total of \$4.4 billion of necessary investments in staffing and repairs. The Department has shared this information with Congress and stands ready to work with them to address this priority issue.

## **II: Strengthening Public Trust in the U.S. Department of Justice**

Public trust is essential to public safety, and upholding the rule of law is a priority of the Department. That priority is rooted in the recognition that, to succeed and retain the trust of the American people, the Department must adhere to norms of independence from improper influence, of the principled exercise of discretion, and of treating like cases alike. Reflecting the seriousness of that obligation, the Department’s Strategic Plan lists “Uphold the Rule of Law” as its first strategic goal. The Department continues to take steps to reaffirm, update, and strengthen policies that further public trust.



**Building trust in law enforcement.** The Department recognizes we cannot fulfill our mission as a law enforcement agency without the trust of the public we serve. We also know that the work of law enforcement professionals is essential. The work that these professionals do daily is extraordinarily difficult and often very dangerous, and their responsibilities are enormous. They are asked to keep their communities safe, to uphold the rule of law, and to ensure equal justice under law. We are committed to working with our partners in communities and police departments across the country to advance the accountability, transparency, and public trust that are essential to public safety.

Over the past year, the Department has worked diligently on more than 90 deliverables consistent with Executive Order 14074, *Advancing Effective, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety* and engaged with stakeholders from civil rights, law enforcement, and community groups, as well as our federal agency partners. This work includes:

- Launching the National Law Enforcement Accountability Database (NLEAD) on December 18, 2023. NLEAD is a centralized repository for information documenting instances of federal law enforcement officer misconduct.
- Prohibiting the transfer or purchase of military-style weapons and equipment to state, tribal, local, and territorial (STLT) law enforcement agencies.
- Awarding grants in a manner that supports and promotes accountability. Starting with the FY23 grant cycle, in relevant solicitations, the Department included language outlining priority consideration for applicants who have policies or practices in line with certain substantive provisions of Executive Order 14074.
- Creating accreditation standards to help encourage STLT law enforcement agencies to adopt policies consistent with Executive Order 14074. These standards follow best policing practices in areas such as: hiring and performance evaluation, use of force policies; use of in-car and body-worn cameras; and submission of important crime data to the Federal Bureau of Investigation (FBI).
- Promulgating an interim policy for facial recognition technology by the Department.

The Department has also created, as of December 2023, an Emerging Technology Board which includes representatives of all law enforcement components, to coordinate and govern AI and other emerging technology issues across the Department.

**Building trust in the correctional system.** The Department also recognizes its fundamental obligation to provide facilities that are safe for all 144,805 individuals in BOP custody and provide for the rehabilitation, health, and safety of incarcerated individuals; a safe and secure work environment for correctional professionals; and transparency and accountability across federal detention facilities.

The Department, including BOP, has made it a priority to address employee misconduct. BOP has significantly increased staffing levels in its Office of Internal Affairs (OIA) and Office of General Counsel (OGC). BOP expanded OIA by 119 positions and OGC by 14 new positions. It also reorganized OIA so its Special Investigative Agents (SIAs) now report centrally to BOP Headquarters as opposed to local wardens. These efforts have helped reduce the backlog of pending

investigations and enhanced the effectiveness of SIAs. As OIA decreases processing time and the investigative backlog, investigation timelines improve, which reinforces accountability for misconduct – to the benefit of both employees and adults-in-custody.

**Building trust through our internal accountability systems.** The Department also remains steadfast in its commitment to ensuring that attorneys maintain the highest ethical standards to foster accountability and public trust. For over 49 years, the Department’s Office of Professional Responsibility’s (OPR) primary mission is to ensure that Department attorneys perform their duties in accordance with the highest professional standards, as would be expected of the nation’s principal law enforcement agency. OPR maintains an effective system for investigating attorney professional misconduct and conducts its work independently. As a result of this independence, OPR’s investigations are not influenced by any relationship with prosecutorial offices or the attorneys whose conduct OPR investigates, therefore giving the public reassurance that the commitment to strict adherence to Department policies, rules, and regulations is unwavering.

Regarding investigations of misconduct continuing post-separation, the FBI continues to work closely with the OIG to finalize policy regarding the continuation of investigations post separation. Today, all investigations involving FBI employees, regardless of the alleged violation, undergo careful review to determine whether the investigation should continue even if an employee separates under inquiry.

### III. Promoting and Safeguarding National Security

The Department is committed to investigating, prosecuting, and otherwise disrupting threats to America’s national and economic security. These threats include not just terrorism and espionage efforts, but also foreign influence operations, economic espionage, and critical infrastructure attacks. Defending American institutions and values against these threats is a national security imperative and a priority for the Department. The Department continues to work with international partners and other federal law enforcement to address these threats.

**Terrorism threats.** As the FBI Director [testified](#) in December 2023, “[t]he greatest terrorism threat to our homeland is posed by lone actors or small cells of individuals who typically radicalize to violence online, and who primarily use easily accessible weapons to attack soft targets.” The OIG report references its current review of the role and activity of the Department and its components in preparing for and responding to the events at the U.S. Capitol on January 6, 2021. The Department welcomes the OIG’s review.

**Election security.** The Department maintains robust coordination between its relevant components – including the Criminal Division, the National Security Division, and the FBI – to ensure visibility into and deconfliction of investigations regarding foreign malign influence threats to our elections across components and to ensure that all Department actions are consistent with the Department’s Election Year Sensitivities Policy. The Department, per these efforts, has recently charged and prosecuted multiple cases involving illicit foreign influence.

The FBI’s core principles are grounded in protecting Americans’ First Amendment right to free speech. Since at least 2019, the FBI operated under a set of principles related to interactions with social media companies and had policies in place specific to sharing foreign malign actor threat

information with social media companies and to guide communications with third parties. These principles and policies were further supplemented with a robust set of standard operating procedures (SOPs) related to information sharing with social media companies in February 2024. Moreover, the FBI's investigative activities must comply with Attorney General Guidelines on Domestic Investigations (AGG-DOM) and the Domestic Investigations and Operations Guidance (DIOG). The FBI also adheres to a classified document formulated by the interagency which establishes principles and guidelines by which intelligence community members can analyze social media-related data in a manner that comports with constitutional protections. These three documents were all in effect as of October 2019, well before the development of the SOPs implemented in February 2024.

#### IV: Cybersecurity and Emerging Technology

Managing cyber-related threats and emerging technologies presents an evolving and difficult challenge. In recent years, malicious cybercrime - from both nation-states and cybercriminals - has posed an increasing and constantly evolving threat. In this complex landscape, the Department plays both offense and defense – it must: protect its own systems from attack, effectively pursue malicious cyber actors, continuously modernize its own workforce, and adopt new technologies in responsible ways.

**Enhancing cybersecurity defenses.** To fulfill its mission, it is critical that the Department build and maintain robust cybersecurity defenses. This is critical for keeping our workforce productive while also safeguarding sensitive data.

To that end, the Department has made significant strides. The Department currently has the highest total score among CFO Act agencies based on the Office of Management and Budget's (OMB) and the Cybersecurity and Infrastructure Security Agency's cybersecurity metrics – known otherwise as the Federal Information Security Modernization Act (FISMA) scores. The Department is making progress on the recruitment and retention of cyber talent: it has implemented a pilot IT Cyber Retention Incentive Program that has shown positive results, and this retention incentive program will be made available more broadly across the Department in FY 2025.

The Department has made significant progress in mitigating supply chain risks. The Department's cyber supply chain risk management (C-SCRM) program – in which we have made concerted investments - has increased its company threat assessments for DOJ software and hardware in FY 2024. In addition, the Department has updated its existing guidance to ensure secure procurement, deployment, and implementation of Information Technology (IT) software, hardware, and services.

While the Department has come far, the critical importance of cybersecurity to our national security means that we cannot become complacent or move backwards. Inconsistent funding, however, jeopardizes this progress. The Department funds its cybersecurity infrastructure through the Justice Information Sharing Technology (JIST) appropriation. In FY 2024, this appropriation fell to \$30 million. This is 1/5<sup>th</sup> of the amount this fund was appropriated in FY 2023. After adjusting for inflation, the fund is now at the lowest level in its history. The current successes in the Department's cybersecurity program reflects what can be achieved because of funding from FY 2023.

Another year under similarly minimal funding levels to FY 2024 will erode the Department's ability to meet cybersecurity needs and fend off new and evolving attacks from malign actors and nation states.

**Modernizing its workforce and adopting new technology in responsible ways.** To evolve and keep pace with an evolving landscape, the Department must be able to attract and retain a highly skilled cyber workforce. The Department designated its first ever Chief Science and Technology Advisor and Chief Artificial Intelligence Officer in February 2024. This was an important step, but the Department must continue to build out a highly skilled cyber workforce. To do so, the Department will need hiring and salary authorities necessary to attract and retain qualified candidates. The Department's current authorities limit options for bringing in talent and, most critically, leave the Department's salaries for cyber workers far out of step with other employers, including other federal agencies. Other agencies that are central to public safety and national security have been granted special cyber workforce authorities - the Department urgently needs a similar solution.

New and emerging technologies offer important opportunities to make the Department more effective and efficient upholding the rule of law, keeping the nation safe, and protecting civil rights. It also presents risks for misuse. The Department therefore formed an Emerging Technology Board that brings together the Justice Department's law enforcement and civil rights teams, along with other experts. The Department has charged this board with advising Department leadership on responsible and ethical uses of AI by the Justice Department. The Department also launched the Justice AI Initiative earlier this year, to inform the Justice Department's AI policy. Justice AI brings together stakeholders across civil society, industry, academia, and law enforcement to share outside expertise and a wide range of perspectives on both the promise of AI and the perils of its misuse.

## V. Pursuing the Department's Law Enforcement Mission While Protecting Civil Rights and Civil Liberties

In all its efforts, the Department is guided by its commitment to protecting civil rights and civil liberties. This is reflected in the Department's Strategic Plan, which articulates the Department's commitment "to a whole-of-Department approach to protecting civil rights and reducing barriers to equal justice and equal enjoyment of the rights, privileges, and immunities established by the Constitution and laws of the United States." To promote public trust between communities and law enforcement, the Department supports efforts to make communities and policing safer while protecting individual civil rights and strengthening connections between law enforcement and the communities we serve.

**Tackling violent crime.** Core to the Department is its fundamental mission to keep the American people safe. In May 2021, the Department adopted a Comprehensive Strategy for Reducing Violent Crime, which focused on data-driven approaches to preventing, detecting, and prosecuting violent crime and on areas in which federal law-enforcement agencies and resources can act as force-multipliers for state and local partners. [Preliminary data](#) from 88 cities showed that violent crime has continued to decline considerably in 2024, including a 16.9% decline in murder, a 7.5% decrease in rape, a 3.4% decrease in aggravated assault, and a 5.2% decline in robbery. Examples of the Department's efforts under its violent crime strategy include:

- The Criminal Division's Violent Crime Initiative, where Criminal Division prosecutors and Assistant U.S. Attorneys have surged enforcement and community outreach efforts and used data to focus on the most prolific offenders and recidivists responsible for violence. This initiative has included efforts in Houston, Hartford, Jackson, St. Louis, and Memphis.
- The Bureau of Alcohol, Tobacco, and Firearm's expansion of Crime Gun Intelligence Centers, which use cutting-edge technology to rapidly develop and pursue investigative leads, by analyzing firearm and ballistics evidence.
- Efforts by US Attorney's Offices across the country to crack down on violent crime during summer months, when violent crime historically surges. These efforts include: increased outreach and intervention activities, weekly data-driven coordination with local law enforcement to identify shooters and other drivers of violent crime for federal prosecution, surges in federal firearms prosecutions, increased focus on prosecution for possession or use of machine gun conversion devices, and carjacking task forces.
- The Drug Enforcement Administration's (DEA) Operation Overdrive, which uses a data-driven, intelligence-led approach to identify and dismantle criminal drug networks operating in areas with the highest rates of violence and overdoses.
- The U.S. Marshals Service's Operation North Star, which targeted fugitives and violent offenders in 10 metropolitan areas, prioritizing those who used firearms in the commission of crimes or signaled high risk factors for violence. Over 74 operational days in FY 2024, the U.S. Marshals Service arrested 3,421 violent fugitives, including 216 for homicide, 803 for assault, and 482 for weapons offenses in cities that included Dallas and Fort Worth, Texas; Charleston and North Charleston, South Carolina; Baton Rouge, Louisiana; Little Rock, Arkansas; Phoenix; St. Louis (to include East St. Louis, Illinois); Birmingham, Alabama; Winston-Salem, North Carolina; Dayton, Ohio; and San Antonio.



**Reducing the illegal use of opioids, including fentanyl.** The Department is also committed to combatting the scourge of synthetic opioids like fentanyl. Over the past several years, the Department has focused marshalled and coordinated resources both within the Department and with other federal agencies, state and local law enforcement partners, and foreign government. This effort is aimed at breaking apart every link in the global fentanyl supply chain – from China to Mexico to the United States. This includes:

- Arresting and prosecuting cartel leaders, members, and associations – including charging and arresting the alleged leaders of the Sinaloa Cartel;
- Disrupting the chemical precursor supply chain – including charging China-based companies and their employees for crimes related to fentanyl and methamphetamine production, distribution of synthetic opioids, and sales resulting from precursor chemicals;
- Countering the fatal impacts of fentanyl – including expanding the “One Pill Can Kill” awareness campaign to include a partnership with the NFL Alumni Health Association and launching a One Pill Can Kill Game Over Sports Tournament designed to reach hard-to-reach younger demographics through an esports digital platform;
- Targeting criminal enterprises on the Darknet; and
- Building partnerships to combat transnational organized crime – including combatting the availability of illegal pill presses.

In 2024 to date, the DEA has seized over 47.7 million fentanyl pills and 5.8 thousand pounds of fentanyl powder. These seizures equate to over 292 million doses. The Department is also actively carrying out the directives of National Security Memorandum 24 – which drives information-sharing and coordination across the Executive Branch to counter fentanyl.

As noted by the OIG, the GAO issued a priority recommendation that the DEA solicit input from licensed distributors of controlled substances and develop additional guidance regarding their roles and responsibilities for monitoring and reporting suspicious prescription drug orders. The Department agrees that seeking such input would strengthen DEA guidance, improve communication with distributors, support the diversion mission, and ensure an adequate and continuous supply of controlled substances for legitimate medical needs.

**Enforcing civil rights laws.** Protecting civil rights is the Department’s urgent charge today, as it was when the Justice Department was first established in 1870 with the first principal purpose of protecting the rights guaranteed by the 13<sup>th</sup>, 14<sup>th</sup>, and 15<sup>th</sup> Amendments. The Department has continued to advance the critical work of protecting voting rights, combatting hate crimes, fostering trust and accountability in law enforcement, expanding access to justice, improving the criminal justice system, protecting reproductive freedoms provided under federal law, advancing environmental justice, and tackling the climate crisis.

Moreover, each year, the Department provides billions of dollars in federal financial assistance and requires recipients of this funding to comply with Title VI of the Civil Rights Act of 1964 and the nondiscrimination provisions of the Omnibus Crime Control and Safe Streets Act. The effective implementation and administrative enforcement of federal civil rights laws is of vital importance to the Department.

**Ensuring law enforcement accountability.** The Department agrees with the OIG about the critical importance of law enforcement accountability. No law enforcement agency - including the Justice Department - can effectively do its work without the trust of the public. As noted by the OIG, DOJ launched the NLEAD earlier this year - an important new tool for our law enforcement agencies to vet and hire officers and agents. This database will make policing safer and more effective by strengthening trust between law enforcement officers and the communities they serve. But it will only do so if it receives the requisite support. The Department's FY 2025 President's Budget includes a request for \$10 million and 2 positions to support this critical new resource.

**Protecting vulnerable communities from abuse and exploitation.** The Department takes as a core responsibility the need to protect the most vulnerable among our citizens, including children.

In response to OIG's 2024 report and recommendations on the FBI's handling of tips of hands-on sex offenses against children and mandatory reporting of suspected child abuse, the FBI implemented a series of changes to improve its operations. These efforts include:

- Re-establishing a dedicated Section within the Criminal Investigative Division to provide greater program oversight and accountability over the Violent Crimes Against Children program.
- Requiring supervisors to conduct quarterly file reviews of all open investigations managed by their agents and reporting officers
- Enhancing the FBI's file review system to ensure that referrals to law enforcement or child protective services, have occurred, and have been documented.
- Instituting mandatory annual trainings and specialized trainings for crimes against children and human trafficking investigators.

The Department recognizes the swiftly changing nature of the threat. Since 2020, crimes against children cases have significantly increased by over 25% and the FBI's efforts, resulting in over 8,000 arrests, are evidence to our commitment to protect victims and combat child exploitation. Budget support is necessary to address the rise in crime – the Department requested an enhancement in the 2024 budget to be able to increase the number of personnel assigned to the Crimes Against Children threat, but that request was unfulfilled. The President's Budget for FY 2025 includes enhancement requests for the Crimes Against Children and Human Trafficking Programs.



## VI: Strengthening the Administration and Oversight of Contracts and Grants

The Department awards billions of dollars in grants each year and is committed to ensuring these awards are managed effectively. The Department is working to address the challenges to proper contract and grant management identified in the OIG report.

**Acquisitions.** To address matters of compliance and reinforce proper operational procurement procedures, the Department, through its Justice Management Division, established an Acquisition Compliance Task force (ACT) and issued an Acquisition Policy Notice (APN) on Acquisition Planning in FY 2024. The task force brings together operational and policy subject matter experts that identify opportunities to collaborate and share best practices in avoiding and remedying contracting compliance issues. They also proactively research, resolve, and prevent procurement issues identified by GAO and the OIG. The Department, again through its Justice Management Division, issued an APN agency-wide which defined a framework for the Department's uniform approach to establishing policies and procedures governing development of the acquisition strategy, to include forecasting requirements, developing the requirements document, conducting market research, engaging in category management activities, and drafting the written acquisition plan.

**Grants.** The Department's grant making components view their fiduciary responsibility to effectively administer grants as a top priority. All three grant making components work to continuously improve and strengthen their policies and procedures, risk management strategies, and oversight and monitoring efforts.

The Department has put in place several processes to strengthen its management of a large portfolio of grants. The Office of Justice Programs (OJP) has taken the following steps:

- It consistently exceeds its statutory requirements for conducting comprehensive monitoring. In FY 2024, OJP completed in-depth programmatic monitoring of over 1,000 grants totaling \$2.8 billion – this is approximately 80 percent more than the amount required by law
- In FY 2024, OJP's Office of the Chief Financial Officer (OCFO) provided financial monitoring for the Department's entire grants portfolio, including OJP, the Office on Violence Against Women (OVW), and the Office of Community Oriented Policing Services (COPS Office). This led to identifying more than \$7 million in questioned costs.
- It conducts pre- and post-award risk assessments designed to identify and mitigate risk of mismanagement, fraud, or waste by funding recipients.
- It conducts financial and programmatic monitoring of all its state administering agencies on a risk-informed four-year rotation. The in-depth monitoring checklists include a significant number of questions focused on monitoring a prime recipient's management of subrecipient awards.
- With advancements in its data analytic capabilities, it now has access to real time performance metrics at the grant, grantee and program level which allows for more effective oversight as well to inform training and technical assistance efforts for internal staff and/or funding recipients

- It provides numerous training opportunities to ensure that award recipients understand the administrative, financial, and programmatic requirements of their awards, including grant misuse and fraud awareness.
- It provides extensive technical assistance to its recipients to help address audit issues and establish adequate policies and procedures, particularly to small non-profit organizations and local and tribal agencies that may have limited administrative capacity.

Grant money must and should be used by recipients for allowable, supportable expenses. The Department's Grants Financial Guide makes clear that grant recipients must maintain accounting systems that tracks specific information and documentation to support all receipts and expenditures and obligations of Federal funds. OJP also provides training, technical assistance and periodic guidance regarding the recipient requirement for adequate supporting documentation, including routine reminder emails to recipients to highlight critical requirements like this. OJP also uses an established risk assessment process to identify those entities and awards with the highest risk indicators which may result in questioned costs.

Regarding the recommendations from OIG's audit of Comprehensive Opioid, Stimulant, and Substance Abuse Program, OJP has taken action to ensure that it assesses applications to ensure that they are responsive to the solicitation goals and objectives, demonstrate the ability to successfully carry out the activities of the award, and comply with applicable federal statutes, regulations, and executive orders. OJP has also updated its FY 2025 Notice of Funding Opportunity (NOFO) templates (previously referred to as solicitation templates) to clarify the types of risk factors considered during the application review process. OIG closed the first recommendation in July 2024 and OJP will be working with the OIG to close the second recommendation.

The Office on Violence Against Women (OVW) undertakes efforts similar to OJP's, such as pre- and post-award risk assessments, robust programmatic monitoring, and a variety of trainings to prevent financial management problems. OVW also works with OIG to train both new grantees and new staff of existing grantees on administrative, financial, and programmatic requirements of their awards, including grant misuse and fraud awareness. Starting in FY25, OVW, not OJP, will manage the financial monitoring portfolio for OVW awards. This will improve OVW's ability to catch problems early and resolve them quickly. It will also streamline OVW grant operations and allow OVW to provide more tailored support to OVW grant recipients, aligning closely with VAWA statutory requirements and OVW's grants management processes.

**Crime Victims Fund.** The Department, through its Office for Victims of Crime, has significantly strengthened its oversight of the Crime Victims Fund over the last decade. It prioritizes in-depth monitoring of these awards, reviews risk-indicator reports to proactively identify and resolve potential issues and assesses the adequacy of how state administering agencies (SAAs) monitor subrecipients. Of the over \$5 billion that the OIG has audited since FY 2015, only 0.3% has resulted in questioned costs.

## VII. Managing Human Capital

The Department recognizes that it can only accomplish its mission of upholding the rule of law, keeping our country safe, and protecting civil rights if it has a dedicated, high-skilled, and diverse workforce.

**Employee engagement and feedback.** Recognizing the need for robust data and feedback from its more than 115,000 employees, the Department has made a concerted effort to increase FEVS participation and expand listening opportunities. This marks the third straight year where the Department has increased its participation rate in OPM's Federal Employee Viewpoint Survey. Likewise, the Department has now seen three straight years of increasing scores for OPM's employee engagement index, global satisfaction index, and DEIA index scores. The Department also instituted the first agency-wide employee pulse survey in October 2024, increasing the pathways whereby employees can make themselves heard.

**Strategic workforce planning.** The Department, through its Human Resources Modernization and Transformation Strategy, is focused on creating and implementing department-wide developmental programs to ensure the workforce is prepared to address their daily mission requirements and be ready to adapt quickly to emerging and new initiatives. This includes expanding its mentoring programs, developing and implementing an early career development program designed to enhance its current workforce and improve opportunities for growth; and to attract, develop, and retain a diverse, multi-disciplined skilled future workforce. The Department is also developing its first ever SES candidate development program, to increase workforce resiliency.

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The Department appreciates OIG's work in helping to improve our transparency, productivity, and effectiveness. Components across the Department are addressing the numerous findings, conclusions, and recommendations contained in the specific reports and audits that the OIG report discusses. The Department looks forward to continuing its cooperative relationship with the Inspector General on those matters and on future audits, investigations, and reviews.

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## Payment Integrity Information Act Reporting

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The *Payment Integrity Information Act of 2019* requires agencies to annually report certain information on improper payments in their Agency Financial Report (AFR), such as actions taken to address recovery auditor recommendations. In recent years, OMB has been collecting improper payments data not required to be reported in the AFR, such as data on recovery activities, fraud, and risk assessment, through an annual data call and publishing the data on *PaymentAccuracy.gov*. Annually, DOJ performs a risk assessment of the susceptibility of improper payments for all five major programs. If the risk assessment indicates that a program is susceptible to significant improper payments, the program will move to phase 2 in the following year and would be required to produce a statistically valid improper payment rate in accordance with OMB Memorandum M-21-19. Based on DOJ's most recent risk assessment, no major programs were determined to be susceptible to significant improper payments. The Department's FY 2024 data can be found on [DOJ Payment Integrity](https://paymentaccuracy.gov).<sup>1</sup>

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<sup>1</sup> <https://paymentaccuracy.gov>

## Civil Monetary Penalty Adjustment for Inflation

As required by the *Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015*, the Department presents the most recent information available as of FY 2024.

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

| Bureau of Alcohol, Tobacco, Firearms and Explosives |   |              |   |  |  |   |
|---|---|--------------|---|--|--|---|
| Statutory Authority (U.S.C. Citation)               | Penalty (Name or Description)   | Year Enacted | Latest year of adjustment (via statute or regulation) | Current Penalty Level (\$ Amount or Range) | Sub Agency / Bureau / Unit                       | Location for Penalty Update Details   |
| 18 U.S.C. 922(t)(5)                                 | Brady Law - Nat'l Instant Criminal Check System; PL 103-159, sec. 102(b)                            | 1993         | 2024  | \$10,557                                   | Alcohol Tobacco, Firearms, and Explosives (ATF)  | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 18 U.S.C. 924(p)                                    | Child Safety Lock Act, PL 109-92, sec. 5(c)(2)(B)<br>Secure gun storage or safety device, violation | 2005         | 2024  | \$3,861                                    | Alcohol, Tobacco, Firearms, and Explosives (ATF) | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |

### Civil Division

| Civil Division                        |  |              |   |  |                            |   |
|---------------------------------------|--|--------------|---|--|----------------------------|---|
| Statutory Authority (U.S.C. Citation) | Penalty (Name or Description)  | Year Enacted | Latest year of adjustment (via statute or regulation) | Current Penalty Level (\$ Amount or Range) | Sub Agency / Bureau / Unit | Location for Penalty Update Details   |
| 12 U.S.C. 1833a(b)(1)                 | Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Violation  | 1989         | 2024  | \$2,449,575                                | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 12 U.S.C. 1833a(b)(2)                 | FIRREA Violation (continuing)  | 1989         | 2024  | \$2,449,575                                | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 12 U.S.C. 1833a(b)(2)                 | FIRREA Violation (continuing)  | 1989         | 2024  | \$12,247,886                               | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 22 U.S.C. 2399b(a)(3)(A)              | Foreign Assistance Act Fraudulent Claim for Assistance   | 1968         | 2024  | \$7,114                                    | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 31 U.S.C. 3729(a)                     | False Claims Act Violations  | 1986         | 2024  | Min: \$13,946<br>Max: \$27,894             | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 31 U.S.C. 3802(a)(1)                  | Program Fraud Civil Remedies Act Violations Involving False Claim (per claim)  | 1986         | 2024  | \$13,946                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 31 U.S.C. 3802(a)(2)                  | Program Fraud Civil Remedies Act Violation Involving False Statement (per statement)                                     | 1986         | 2024  | \$13,946                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 40 U.S.C. 123(a)(1)(A)                | Federal Property and Administrative Services Act Violation Involving Surplus Government Property                         | 1949         | 2024  | \$7,114                                    | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 41 U.S.C. 8706(a)(1)(B)               | Anti-Kickback Act Violation Involving Kickbacks (per occurrence)   | 1986         | 2024  | \$27,894                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 18 U.S.C. 2723(b)                     | Driver's Privacy Protection Act of 1994; Prohibition on release and use of certain personal information from state motor | 1994         | 2024  | \$10,289                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 18 U.S.C. 216(b)                      | Ethics Reform Act of 1989 Penalties for Conflict of Interest Crimes  | 1989         | 2024  | \$122,480                                  | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 41 U.S.C. 2105(b)(1)                  | Office of Federal Procurement Policy Act Violation by an organization  | 1988         | 2024  | \$127,983                                  | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |

# U.S. Department of Justice Other Information (Unaudited)

## Civil Division (continued)

| Civil Division                        |  |              |   |  |                            |   |
|---------------------------------------|--|--------------|---|--|----------------------------|---|
| Statutory Authority (U.S.C. Citation) | Penalty (Name or Description)  | Year Enacted | Latest year of adjustment (via statute or regulation) | Current Penalty Level (\$ Amount or Range) | Sub Agency / Bureau / Unit | Location for Penalty Update Details   |
| 41 U.S.C. 2105(b)(2)                  | Office of Federal Procurement Policy Act   | 1988         | 2024  | \$1,279,819                                | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 42 U.S.C. 5157(d)                     | Violation by an organization<br>Disaster Relief Act<br>Violation                                       | 1974         | 2024  | \$16,170                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 18 U.S.C. 248(c)(2)(B)(i)             | Freedom of Access to Clinic Entrances Act of 1994<br>Nonviolent physical obstruction, first order      | 1994         | 2024  | \$20,516                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 18 U.S.C. 248(c)(2)(B)(ii)            | Freedom of Access to Clinic Entrances Act of 1994<br>Nonviolent physical obstruction, subsequent order | 1994         | 2024  | \$30,868                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 18 U.S.C. 248(c)(2)(B)(i)             | Freedom of Access to Clinic Entrances Act of 1994<br>Other violation, first order                      | 1994         | 2024  | \$30,868                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 18 U.S.C. 248(c)(2)(B)(ii)            | Freedom of Access to Clinic Entrances Act of 1994<br>Other violation, subsequent order                 | 1994         | 2024  | \$51,449                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 42 U.S.C. 3614(d)(1)(C)(i)            | Fair Housing Act of 1968, as amended in 1988.<br>PL 100-430  | 1988         | 2024  | \$127,983                                  | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 42 U.S.C. 3614(d)(1)(C)(ii)           | Fair Housing Act of 1968, as amended in 1988;<br>PL 100-430  | 1988         | 2024  | \$255,964                                  | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 42 U.S.C. 12188(b)(C)(i)              | Americans With Disabilities Act;<br>PL 101-336<br>Public accommodations for                            | 1990         | 2024  | \$115,231                                  | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 42 U.S.C. 12188(b)(C)(ii)             | Americans With Disabilities Act;<br>PL 101-336<br>Public accommodations for                            | 1990         | 2024  | \$230,464                                  | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 50 U.S.C. App. 597(b)(3)              | Service members Civil Relief Act<br>First violation  | 2010         | 2024  | \$77,370                                   | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 50 U.S.C. App. 597(b)(3)              | Service members Civil Relief Act<br>Subsequent violation   | 2010         | 2024  | \$154,741                                  | Civil Division             | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |

## Criminal Division

| Civil Division                        |  |              |   |  |                            |   |
|---------------------------------------|--|--------------|---|--|----------------------------|---|
| Statutory Authority (U.S.C. Citation) | Penalty (Name or Description)  | Year Enacted | Latest year of adjustment (via statute or regulation) | Current Penalty Level (\$ Amount or Range) | Sub Agency / Bureau / Unit | Location for Penalty Update Details   |
| 18 U.S.C. 983(h)H1                    | Civil Asset Forfeiture Reform Act of 2000; PL 106-105 Frivolous Assertion of Claim | 2000         | 2024  | Min: \$442<br>Max: \$8,842                 | Criminal Division          | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 18 U.S.C. 1956(b)                     | Money Laundering Control Act of 1986; PL 99-570, Title I, Subtitle H               | 1986         | 2024  | \$27,894                                   | Criminal Division          | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |



**U.S. Department of Justice  
Other Information (Unaudited)**

**Drug Enforcement Administration**

| Civil Division                        |  |              |   |  |                                 |   |
|---------------------------------------|--|--------------|---|--|---------------------------------|---|
| Statutory Authority (U.S.C. Citation) | Penalty (Name or Description)  | Year Enacted | Latest year of adjustment (via statute or regulation) | Current Penalty Level (\$ Amount or Range) | Sub Agency / Bureau / Unit      | Location for Penalty Update Details   |
| 21 U.S.C. 844a(a)                     | Anti-Drug Abuse Act of 1988<br>Possession of small amounts of controlled substances  | 1988         | 2024  | \$25,597                                   | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 961(1)                      | Controlled Substance Import Export Act<br>Drug abuse, import or export   | 1970         | 2024  | \$88,934                                   | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 842(c)(1)(A)                | Controlled Substances Act, PL 90-513<br>Violations of 842(a) - other than (5), (10), (16), and (17) - Prohibited acts re: controlled substances (per violation)  | 1970         | 2024  | \$80,850                                   | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 842(c)(1)(B)(i)             | Controlled Substances Act, PL 90-513<br>Violations of 842(a)(5), (10), and (17) - Prohibited acts re: controlled substances  | 1998         | 2024  | \$18,759                                   | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 842(c)(1)(B)(ii)            | Support for Patients and Communities Act, PL 115-211<br>Violations of 842(b)(ii) - Failures re: opioids to report suspicious orders; maintain effective controls; review most recent information provided by Atty Gen.   | 2018         | 2024  | \$121,664                                  | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 842(c)(1)(C)                | Controlled Substances Act, PL 90-513<br>Violation of 825(e) by importer, exporter, manufacturer, or distributor - False labeling of anabolic steroids; PL 113-260  | 2014         | 2024  | \$647,907                                  | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 842(c)(1)(D)                | Controlled Substances Act, PL 90-513<br>Violation of 825(e) at the retail level - False labeling of anabolic steroids; PL 113-260  | 2014         | 2024  | \$1,296                                    | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 842(c)(2)(C)                | Controlled Substances Act, PL 90-513<br>Violation of 842(a)(11) by a business - Distribution of laboratory supply with reckless disregard; PL 104-237  | 1996         | 2024  | \$485,893                                  | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 842(c)(2)(D)                | Support for Patients and Communities Act, PL 115-211<br>Violations of 842(a)(5), (10) and (17) by a registered manufacturer or distributor of opioids. Failures re: opioids to report suspicious orders; maintain effective controls; review most recent information provided by Atty Gen. | 2018         | 2024  | \$608,319                                  | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 21 U.S.C. 856(d)                      | Illicit Drug Anti-Proliferation Act of 2003<br>Maintaining drug-involved premises; PL 108-21   | 2003         | 2024  | \$448,047                                  | Drug Enforcement Administration | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |



**U.S. Department of Justice  
Other Information (Unaudited)**

**Executive Office for Immigration Review**

| Immigration-Related Penalties         |   |              |   |  |   |   |
|---------------------------------------|---|--------------|---|--|---|---|
| Statutory Authority (U.S.C. Citation) | Penalty (Name or Description)   | Year Enacted | Latest year of adjustment (via statute or regulation) | Current Penalty Level (\$ Amount or Range) | Sub Agency / Bureau / Unit              | Location for Penalty Update Details   |
| 8 U.S.C. 1324a(e)(4)(A)(i)            | Immigration Reform and Control Act of 1986<br>Unlawful employment of aliens, first order  | 1986         | 2024  | Min: \$698<br>Max: \$5,579                 | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324a(e)(4)(A)(ii)           | Immigration Reform and Control Act of 1986<br>Unlawful employment of aliens, second order   | 1986         | 2024  | Min: \$5,579<br>Max: \$13,946              | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324a(e)(4)(A)(iii)          | Immigration Reform and Control Act of 1986<br>Unlawful employment of aliens, subsequent order   | 1986         | 2024  | Min: \$8,369<br>Max: \$27,894              | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324a(e)(5)                  | Immigration Reform and Control Act of 1986<br>Paperwork violation   | 1986         | 2024  | Min: \$281<br>Max: \$2,789                 | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324a (note)                 | Immigration Reform and Control Act of 1986; PL 104-208, sec. 403(a)(4)(C)(ii)<br>Failure to notify DHS of employee's employment eligibility                   | 1996         | 2024  | Min: \$973<br>Max: \$1,942                 | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324a(g)(2)                  | Immigration Reform and Control Act of 1986; PL 99-603<br>Violation/prohibition of indemnity bonds   | 1986         | 2024  | \$2,789                                    | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324b(g)(2)(B)(iv)(I)        | Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)<br>Unfair immigration-related employment practices, first order                           | 1990         | 2024  | Min: \$575<br>Max: \$4,610                 | Civil Rights Division                   | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324b(g)(2)(B)(iv)(II)       | Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)<br>Unfair immigration-related employment practices, second order                          | 1990         | 2024  | Min: \$4,610<br>Max: \$11,524              | Civil Rights Division                   | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324b(g)(2)(B)(iv)(III)      | Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)<br>Unfair immigration-related employment practices  | 1990         | 2024  | Min: \$6,913<br>Max: \$23,048              | Civil Rights Division                   | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324b(g)(2)(B)(iv)(IV)       | Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)<br>Unfair immigration-related employment practices, document abuse                        | 1990         | 2024  | Min: \$230<br>Max: \$2,304                 | Civil Rights Division                   | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324c(d)(3)(A)               | Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)<br>Document fraud, first order -- for violations described in USC 1324c(a)(1)-(4)         | 1990         | 2024  | Min: \$575<br>Max: \$4,610                 | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324c(d)(3)(B)               | Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)<br>Document fraud, subsequent order -- for violations described in USC 1324c(a)(1)-(4)    | 1990         | 2024  | Min: \$4,610<br>Max: \$11,524              | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324c(d)(3)(A)               | Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5)<br>Document fraud, first order -- for violations described in USC 1324c(a)(5)-(6)      | 1996         | 2024  | Min: \$487<br>Max: \$3,887                 | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |
| 8 U.S.C. 1324c(d)(3)(B)               | Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5)<br>Document fraud, subsequent order -- for violations described in USC 1324c(a)(5)-(6) | 1996         | 2024  | Min: \$3,887<br>Max: \$9,718               | Executive Office for Immigration Review | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |

U.S. Department of Justice  
Other Information (Unaudited)

Federal Bureau of Investigation

Immigration-Related Penalties

| Statutory Authority (U.S.C. Citation) | Penalty (Name or Description)                                  | Year Enacted | Latest year of adjustment (via statute or regulation) | Current Penalty Level (\$ Amount or Range) | Sub Agency / Bureau / Unit      | Location for Penalty Update Details   |
|---------------------------------------|--|--------------|---|--|---------------------------------|---|
| 49 U.S.C. 30505(a)                    | National Vehicle Title Identification System; PL 103-272(1)(e) | 1994         | 2024  | \$2,058                                    | Federal Bureau of Investigation | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |

Office of Justice Programs

Immigration-Related Penalties

| Statutory Authority (U.S.C. Citation) | Penalty (Name or Description)  | Year Enacted | Latest year of adjustment (via statute or regulation) | Current Penalty Level (\$ Amount or Range) | Sub Agency / Bureau / Unit | Location for Penalty Update Details   |
|---------------------------------------|--|--------------|---|--|----------------------------|---|
| 34 U.S.C 10231(d)                     | Omnibus Crime State and Local CHRI Systems - Right to Privacy Violation and Safe Streets Act State and Local CHRI Systems - Right to Privacy Violation | 1979         | 2024  | \$35,574                                   | Office of Justice Programs | Federal Register / Vol. 88, No. 19 / Monday, January 30, 2023 / Rules and Regulations |

## Grants Programs

To promote the efficient administration of grants programs, *OMB A-136* requires agencies with Federal grants programs to submit a high-level summary of expired, but not closed, Federal grants and cooperative agreements (awards), including: 1) disclosure of the number of awards and balances for which closeout has not yet occurred, but for which the period of performance has elapsed by 2 years or more prior to September 30, 2024; and 2) a brief narrative of the progress made over the past year compared to the previous year's report, challenges preventing closeout of awards reported, and actions to be taken to close awards reported.

Three DOJ grant-making components report information under this guidance: Office of Justice Programs (OJP), Office of Community Oriented Policing Services (COPS), and Office on Violence Against Women (OVW).

1. The table below summarizes the total number of grant and cooperative agreement awards and balances as of September 30, 2024 for which closeout has not yet occurred but for which the period of performance has elapsed by two years or more. (i.e., on or before September 30, 2022).

**Age and Balances for Expired Awards not Closed**  
**For the Fiscal Year Ended September 30, 2024 (Dollars in Thousands)**

| DOJ Component                                   | Category  | Period of Performance has Expired as of September 30, 2024 |   |   |
|---|---|--|---|---|
|   |   | Closeout Lapse of 2 3 Years FYs 2021 2022                  | Closeout Lapse of 3 5 Years FYs 2020 2021 | Closeout Lapse of More than 5 Years Before 2019 |
| OJP   | Number of Grants/Cooperative Agreements with Zero Dollar Balances | 4  | 1   | —   |
|   | Number of Grants/Cooperative Agreements with Undisbursed Balances | 189  | 27  | 7   |
|   | <b>OJP Total Amount of Undisbursed Balances</b>                   | <b>\$13,584</b>  | <b>\$2,912</b>                            | <b>\$455</b>                                    |
| COPS  | Number of Grants/Cooperative Agreements with Zero Dollar Balances | 8  | 2   | —   |
|   | Number of Grants/Cooperative Agreements with Undisbursed Balances | 25   | 7   | —   |
|   | <b>COPS Total Amount of Undisbursed Balances</b>                  | <b>\$4,023</b>   | <b>\$284</b>                              | <b>\$—</b>                                      |
| OVW   | Number of Grants/Cooperative Agreements with Zero Dollar Balances | 195  | 12  | 4   |
|   | Number of Grants/Cooperative Agreements with Undisbursed Balances | 495  | 14  | 26  |
|   | <b>OVW Total Amount of Undisbursed Balances</b>                   | <b>\$48,912</b>  | <b>\$2,569</b>                            | <b>\$3,607</b>                                  |
| <b>DOJ Total Amount of Undisbursed Balances</b> |   | <b>\$66,519</b>  | <b>\$5,765</b>                            | <b>\$4,062</b>                                  |

## 2. Closeout Challenges

OJP made significant progress of the past year closing more than half of the awards reported on the prior year's report and partially deobligating undisbursed funds for awards with a final Federal Financial Report. OJP continues to face challenges closing awards that are under review. OJP will continue to review expired awards and conduct outreach with grantees and program offices to close awards.

OVW made progress by increasing the number of awards closed during FY 2024 over the previous fiscal year. Various technical system issues (including closeout workflow, report errors, and display of award information) and unresolved monitoring reviews continue to create challenges closing awards in a timely manner. The number of awards in the 2–3-year category increased again this year as OVW continued with the policy of issuing new awards rather than adding funding/supplementing current awards because of challenges administering supplemental awards.

The COPS Office has made significant progress of closeouts in FY 2024, closing 550 awards. Additionally, since last year's report, the COPS Office has resolved 7 lapsed closeouts for a total of 42 compared to the previous report of 49. COPS has identified approximately 71% of the lapsed closeouts associated with missing or unsubmitted final progress report provided by the grantee, which is a compliance issue. Furthermore, 26% pertain to holds for OIG or monitoring restrictions thus cannot be closed. Since implementation of the bi-monthly closeout reviews beginning in February 2024, COPS has taken a more proactive approach to resolve closeouts timely. This has resulted in over 59 closeouts accomplished during this new process.

### Undisbursed Balances in Expired Grant Awards

*Section 524 of the Commerce, Justice, Science, and Related Agencies Appropriations Act, 2024 (Division C of the Consolidated Appropriations Act, 2024 (P.L 118-42))* requires certain departments, agencies, and instrumentalities of the United States Government receiving appropriations under *the Act* to track undisbursed balances in expired grant accounts for FY 2024. At DOJ, grantees typically have 120 days after the grant expires to complete final drawdowns and expenditures. The data reported are based on the following definitions:

- An expired grant is a grant award that has reached the grant end date and is eligible for closeout. For DOJ, this means grants with an expired period of performance, and closeout has not yet occurred, but for which the period of performance has elapsed by two years or more prior to September 30, 2024 (i.e., on or before September 30, 2022).
- Undisbursed balances in expired grant accounts include budget authority that is no longer available for new obligations but is still available for disbursement. According to *Section 20.4(c) of OMB A-11, Preparation, Submission, and Execution of the Budget*, the expired phase "lasts five years after the last unexpired year unless the expiration period has been lengthened by legislation. Specifically, one may not incur new obligations against expired budget authority, but you may liquidate existing obligations by making disbursements."

**U.S. Department of Justice  
Other Information (Unaudited)**

For FY 2024, the below information is required to be reported in the Agency Annual Financial Reports with regard to undisbursed balances in expired grant accounts: (1) details on future action the department, agency, or instrumentality will take to resolve undisbursed balances in expired grant accounts; (2) the method that the department, agency, or instrumentality uses to track undisbursed balances in expired grant accounts; (3) identification of undisbursed balances in expired grant accounts that may be returned to the Treasury of the United States; and (4) in the preceding three fiscal years, details on the total number of expired grant accounts with undisbursed balances (on the first day of each fiscal year) for the department, agency, or instrumentality and the total finances that have not been obligated to a specific project remaining in the accounts. The data reported here reflects the amount of undisbursed balances in grant accounts that have reached their end date and are eligible for closeout and is provided in accordance with *Office of Management and Budget M-16-18, Financial and Performance Reporting on Undisbursed Balances in Expired Grant Accounts*.

The information provided here pertains to the DOJ's three grant making appropriation accounts: OJP, COPS, and OVW. Their responses are noted below:

1. In the preceding 3 fiscal years, the total number of expired grant awards (period of performance has elapsed by two years or more) with undisbursed balances (on the first day of each fiscal year) and the total finances that have not been obligated to a specific grant or project remaining in the accounts, are as follows (dollars in thousands):

**Status of Undisbursed Balances in Expired Grants**  
**For the Fiscal Years Ended September 30, 2024 and 2023 (Dollars in Thousands)**

| DOJ Component | Category  | FY 2024<br>(as of 9/30/2024) | FY 2023<br>(as of 9/30/2023) |
|---------------|---|------------------------------|------------------------------|
| OJP           | Number of expired grant awards  | 228                          | 243                          |
|               | Undisbursed balances prior to closeout  | \$ 16,951                    | \$ 18,231                    |
|               | Unobligated balances prior to closeout (based on the federal financial report submitted by grantee) | \$ 12,816                    | \$ 30,127                    |
| COPS          | Number of expired grant awards  | 211                          | 49                           |
|               | Undisbursed balances prior to closeout  | \$ 21,461                    | \$ 4,744                     |
|               | Unobligated balances prior to closeout (based on the federal financial report submitted by grantee) | \$ 27,438                    | \$ 2,513                     |
| OVW           | Number of expired grant awards  | 777                          | 491                          |
|               | Undisbursed balances prior to closeout  | \$ 55,088                    | \$ 31,940                    |
|               | Unobligated balances prior to closeout (based on the federal financial report submitted by grantee) | \$ 55,196                    | \$ 35,152                    |

FY 2023 was the first year the Department reported this information. Previous reports captured expired grants in expired appropriations only. Since the Department did not have any expired grants in expired appropriation accounts, the reports reflected zero in all categories for FY 2022. Beginning in FY 2023, the Department is reporting all expired grants regardless of the type of appropriation. For reporting period FY 2022, some of the expired grants that were unclosed at that time have subsequently been closed. For that reason, we do not have the data to capture this information.

2. Details on future actions DOJ will be taken to resolve undisbursed balances in expired grant accounts:

OJP will continue to monitor the expired awards with an undisbursed balance, quarterly and conduct outreach with the grantees and program office to close awards and deobligate available funds. In Q4, OJP reviewed the awards with an undisbursed balance and partially de-obligated funds from awards, if the grantee filed a final Federal Financial Report (FFR).

OVW reviews the closeout report to identify awards with a complete financial reconciliation (i.e., Undisbursed balance in UFMS equals the Unobligated balance on the Final FFR) and an undisbursed balance in UFMS to prioritize processing of these closeouts and deobligating remaining balances. This fiscal year OVW plans to send email reminders as outreach to recipients during their 120-day closeout timeframe outlining the actions required to close out their awards in an attempt reduce delays.

For COPS, future action to resolve undisbursed balances include increased collaboration of with programmatic and financial teams for bi-monthly reviews of closeouts focused on lapsed two or more years for tangible progress. Additionally, COPS will continue to enforce compliance and monitoring issues.

3. The method that DOJ uses to track undisbursed balances in expired grant accounts:

OJP reviews a quarterly report for awards 120 days or more past the award end date to track the undisbursed balances for expired awards. The COPS Office has developed the quarterly financial report to monitor undisbursed balances of expired grants and identify focus areas. On the other hand, OVW reviews a closeout report to identify and track undisbursed balances on expired grants on a monthly basis.

4. Process for identification of undisbursed balances in expired grant accounts that may be returned to the Treasury:

Currently, the three DOJ grant-making components operates with “no year” appropriation funds. For that reason, funds from undisbursed balances are not returned to Treasury. Undisbursed balances are recovered in the program for the same appropriated purpose.



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## Climate Related Financial Risk

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*Consistent with Executive Order 14008 and 14057*, the Department publishes Climate Adaptation and Sustainability Plans. The Department's progress is reviewed annually through OMB Federal Sustainability Scorecards. The most current and historical information related to plans and scorecards can be found on [Department of Justice Progress](https://www.sustainability.gov/doj.html)<sup>2</sup> website.

Funding made available through appropriations assists the Department in the implementation of programs and initiatives to combat climate related risks. Listed below are a few examples of such program and initiatives.

- FBI and BOP support their safety and preparedness training programs to reduce employee exposure to and harm caused by extreme heat.
- The Justice Continuity Program requires components to complete Continuity of Operations (COOP) plans, which consider climate hazards.
- ATF completed the DOE's 50001 Ready Energy Management System program for three of its facilities (Canine Training Center, Kennel, and National Laboratory Center) to improve energy and water use efficiency.
- DOJ annually prepares its Sustainability Strategic Plan (SSP) to prioritize efforts to decarbonize DOJ's real property portfolio and fleet and increase its purchase of carbon pollution-free electricity.
- JMD FASS collaborated with the Office of Chief Information Officer and developed a GIS-based tool to assess the exposure of current and future climate hazards to DOJ's real property assets. The tool has been deployed for internal use by DOJ components, and the system continues to evolve by adding additional data elements and refreshing existing data.

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<sup>2</sup> <https://www.sustainability.gov/doj.html>



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*RFF building: Detail of aluminum railing along the stairway to The Great Hall*

## APPENDICES

### In This Section:

- 203 (A) Office of Inspector General Analysis and Summary of Actions Necessary to Close the Report
- 205 (B) Acronyms
- 212 (C) Department Component Websites

## APPENDIX A

### Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

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

Recommendations for the Department:

- 1. Continue to recruit and retain individuals with relevant financial management and/or accounting skills, train, as well as cross-train existing resources on financial management standards, concepts, policies, and procedures.**

Resolved. Management concurred with this recommendation. Management stated in its response that it has initiated actions based on implementation of the DOJ Strategic Plan, and that it will continue recruitment of individuals with accounting and financial management skills nationally and provide training to new and existing personnel.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that sufficient training has occurred that results in effective control activities.

- 2. Assess reconciliation, review, and other monitoring controls to enhance the design of period end financial reporting controls, including the identification and investigation of significant variances for all financial statements.**

Closed. Management concurred with our recommendation. Because this is a repeat recommendation, we are closing this recommendation and tracking the status of corrective action through recommendation No. 4 of the Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2023 (OIG Report No. 24-020).

- 3. Enhance controls for the Department and the components to identify, analyze, and respond to risks and/or significant changes to operations and financial reporting processes.**

Resolved. Management concurred with this recommendation. Management stated in its response that it will assess and implement new processes to evaluate models used to calculate custodial and programmatic liabilities. Management also stated that it will conduct additional analysis on existing models to determine if accounting adjustments are warranted based on recent vs historical trends.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that controls have been enhanced across the Department to identify, analyze, and response to risks and/or significant changes to operations and financial reporting processes.

**4. Enhance controls for the Department and the components to monitor and evaluate the design and effectiveness of existing controls and enhance communication between the Department and components.**

Resolved. Management concurred with this recommendation. Management stated in its response that it will continue to work across the reporting components to enhance communication channels to support the dissemination of information.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that controls have been enhanced across the Department to monitor and evaluate the design and effectiveness of existing controls and enhanced communication.

**5. Enhance monitoring capabilities related to existing deficiencies to address existing design deficiencies and improve operating effectiveness of the related controls in a timely manner. Specifically, management should consider a baseline (current year) assessment and compare against management's design (future state) of the internal control system to address the objectives and risks of the Department.**

Resolved. Management concurred with this recommendation. Management stated in its response that they will continue to enhance its existing process to address previously identified internal control deficiencies.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that management has enhanced its capabilities to monitor and remediate existing deficiencies in a timely manner.

## APPENDIX B

## Acronyms

## A

|          |  |
|----------|--|
| ACM      | Asbestos Containing Materials                        |
| AFF      | Assets Forfeiture Fund                               |
| AFF/SADF | Assets Forfeiture Fund and Seized Asset Deposit Fund |
| AFR      | Agency Financial Report                              |
| AOUSC    | Administrative Office of the United States Courts    |
| APP      | Annual Performance Plan                              |
| APR      | Annual Performance Report                            |
| ASG      | Associate Attorney General                           |
| ATF      | Bureau of Alcohol, Tobacco, Firearms and Explosives  |
| ATJ      | Access to Justice                                    |
| ATR      | Antitrust Division                                   |

## B

|     |                                   |
|-----|-----------------------------------|
| BAR | Budget and Accrual Reconciliation |
| BJA | Bureau of Justice Assistance      |
| BOP | Bureau of Prisons                 |
| BPO | Broker's Price Opinion            |

## C

|        |   |
|--------|---|
| CDC    | Centers for Disease Control and Prevention                          |
| CFE    | Carbon Pollution-Free Electricity                                   |
| CFO    | Chief Financial Officer   |
| CHRP   | COPS Hiring Recovery Program  |
| CIV    | Civil Division  |
| COPS   | Office of Community Oriented Policing Services                      |
| CPI    | Consumer Price Index  |
| CPOT   | Consolidated Priority Organization Target                           |
| CRM    | Criminal Division   |
| CRS    | Community Relations Service   |
| CRT    | Civil Rights Division   |
| CSCATL | Correctional Systems and Correctional Alternatives for Tribal Lands |
| CSRS   | Civil Service Retirement System                                     |
| CVF    | Crime Victims Fund  |

**D**

|      |   |
|------|---|
| DAG  | Deputy Attorney General                     |
| DATA | Digital Accountability and Transparency Act |
| DCM  | OBDs Office of Debt Collection Management   |
| DEA  | Drug Enforcement Administration             |
| DEO  | Departmental Ethics Office                  |
| DHS  | Department of Homeland Security             |
| DOJ  | Department of Justice                       |
| DOL  | Department of Labor                         |
| DTO  | Drug Trafficking Organization               |

**E**

|       |  |
|-------|--|
| ECAS  | EOIR Courts and Appeals System             |
| EFT   | Electronic Funds Transfer                  |
| ENRD  | Environment and Natural Resources Division |
| EOIR  | Executive Office for Immigration Review    |
| EOUSA | Executive Office for U.S. Attorneys        |
| ERM   | Enterprise Risk Management                 |
| eROPs | Electronic Records of Proceedings          |
| ESCO  | Energy Service Companies                   |
| ESPC  | Energy Savings Performance Contracts       |

F

|           |   |
|-----------|---|
| FASAB     | Federal Accounting Standards Advisory Board                           |
| FASB      | Financial Accounting Standard Board                                   |
| FBI       | Federal Bureau of Investigation                                       |
| FBWT      | Fund Balance with U.S. Treasury                                       |
| F-CHAT    | Facility Climate Hazard Assessment Tool                               |
| FCSC      | Foreign Claims Settlement Commission                                  |
| FECA      | Federal Employees' Compensation Act                                   |
| FECA SBF  | FECA Special Benefits Fund  |
| FEGLI     | Federal Employees Group Life Insurance Program                        |
| FEHB      | Federal Employees Health Benefits Program                             |
| FERS      | Federal Employees Retirement System                                   |
| FERS-FRAE | Federal Employees Retirement System-Further Revised Annuity Employees |
| FERS-RAE  | Federal Employees Retirement System-Revised Annuity Employees System  |
| FFMIA     | Federal Financial Management Improvement Act                          |
| FISMA     | Federal Information Security Management Act                           |
| FMFIA     | Federal Managers' Financial Integrity Act                             |
| FOIA      | Freedom of Information Act  |
| FPI       | Federal Prison Industries, Inc.                                       |
| FR        | Financial Report  |
| FRL       | Fire Research Laboratory  |
| FSA       | First Step Act  |
| FTAP      | Firearms Technical Assistance Project                                 |
| FTE       | Full-Time Equivalent  |
| FY        | Fiscal Year   |

G

|        |   |
|--------|---|
| GAAP   | Generally Accepted Accounting Principles  |
| GAO    | Government Accountability Office          |
| GAN    | Grant Adjustment Notice                   |
| GHG    | Greenhouse Gas                            |
| GIS    | Geographic Information System             |
| GMRA   | Government Management Reform Act          |
| GPFFR  | General Purpose Federal Financial Reports |
| GPRA   | Government Performance and Results Act    |
| GPRAMA | GPRA Modernization Act of 2010            |
| GPRS   | Grant Payment Request System              |
| GSA    | General Services Administration           |
| GTAS   | Governmentwide Treasury Account Symbol    |



**H**

HHS Department of Health and Human Services

**I**

ICOR Immigration Court Online Resources  
 IG Inspector General  
 INTERPOL International Criminal Police Organization  
 IPERA Improper Payments Elimination and Recovery Act of 2010  
 IPERIA Improper Payments Elimination and Recovery Improvement Act of 2012  
 IPIA Improper Payments Information Act of 2002  
 IPOL INTERPOL Washington  
 IUS Internal Use Software

**J**

JIST Justice Information Sharing Technology  
 JMD Justice Management Division

**K**

KG Kilogram  
 KPI Key Performance Indicators

**L**

LCM Lower of average cost or market value  
 LEP Limited English Proficiency  
 LVNRV Lower Cost or Net Realizable Value

**M**

MCO Mission Critical Operation  
 MD&A Management's Discussion and Analysis  
 MP Major Program

N

|       |   |
|-------|---|
| N/A   | Not Applicable                                    |
| NADA  | National Automobile Dealers Association           |
| NFEA  | National Firearms Examiner Academy                |
| NIBIN | National Integrated Ballistic Information Network |
| NIJ   | National Institute for Justice                    |
| NSD   | National Security Division                        |
| NZE   | Net Zero Emissions                                |

O

|        |  |
|--------|--|
| OBDs   | Offices, Boards and Divisions                |
| OCDETF | Organized Crime Drug Enforcement Task Forces |
| OCIO   | Office of the Chief Information Officer      |
| OGC    | Office of General Council                    |
| OIG    | Office of the Inspector General              |
| OIP    | Office of Information Policy                 |
| OJP    | Office of Justice Programs                   |
| OLA    | Office of Legislative Affairs                |
| OLC    | Office of Legal Counsel                      |
| OLP    | Office of Legal Policy                       |
| OMB    | Office of Management and Budget              |
| OPA    | Office of the Pardon Attorney                |
| OPM    | Office of Personnel Management               |
| OPR    | Office of Professional Responsibility        |
| OSG    | Office of the Solicitor General              |
| OTJ    | Office of Tribal Justice                     |
| OVC    | Office of Victims of Crime                   |
| OVP    | Office of the Vice President                 |
| OVW    | Office on Violence Against Women             |

P

|          |  |
|----------|--|
| PAR      | Performance and Accountability Report        |
| PHS      | Public Health Services                       |
| PIIA     | Payment Integrity Information Act of 2019    |
| PPE      | Personal Protective Equipment                |
| PP&E     | Property, Plant & Equipment                  |
| PRAO     | Professional Responsibility Advisory Office  |
| PSOB Act | Public Safety Officers' Benefits Act of 1976 |
| PTO      | Priority Threat Organizations                |
| PY       | Prior Year/Previous Year                     |
| P3       | Public-Private Partnerships                  |

R

|       |  |
|-------|--|
| RCA   | Reports Consolidation Act of 2000        |
| RECA  | Radiation Exposure Compensation Act      |
| RI/FS | Remedial Investigation/Feasibility Study |

S

|       |   |
|-------|---|
| SADF  | Seized Asset Deposit Fund                           |
| SAM   | System for Award Management                         |
| SBF   | Special Benefits Fund                               |
| SBR   | Statement of Budgetary Resources                    |
| SCA   | Statement of Custodial Activity                     |
| SCAAP | State Criminal Alien Assistance Program             |
| SFFAS | Statement of Federal Financial Accounting Standards |
| SMO   | Social Media Optimizing                             |
| SOR   | Strategic Objective Review                          |
| SSP   | Sustainability Strategic Plan                       |

T

|            |   |
|------------|---|
| TAX        | Tax Division                                  |
| TEPP       | Threat Enforcement Prioritization Process     |
| TJSIP      | Tribal Justice Systems Infrastructure Program |
| Trust Fund | Federal Prison Commissary Fund                |
| TSP        | Thrift Savings Plan                           |

U

|         |   |
|---------|---|
| UDO     | Undelivered Orders                                      |
| UFMS    | Unified Financial Management System                     |
| U.S.    | United States   |
| USAs    | United States Attorneys                                 |
| USAO    | United States Attorneys' Offices                        |
| U.S.C.  | United States Code                                      |
| USD     | United States Dollars                                   |
| USERRA  | Uniformed Services Employment and Re-employment Act     |
| USMS    | United States Marshals Service                          |
| USPC    | United States Parole Commission                         |
| USSGL   | United States Standard General Ledger                   |
| UST     | Executive Office for United States Trustees             |
| USVSSTF | United States Victims of State Sponsored Terrorism Fund |

V

|      |                            |
|------|----------------------------|
| VAWA | Violence Against Women Act |
| VCF  | Victim Compensation Fund   |

W

|     |                       |
|-----|-----------------------|
| WCF | Working Capital Fund  |
| WTC | World Training Center |

Z

|     |                        |
|-----|------------------------|
| ZEV | Zero Emission Vehicles |
|-----|------------------------|

## APPENDIX C

| Component  | Website  |
|--|--|
| Assets Forfeiture Fund (AFF)                                     | <a href="http://www.justice.gov/afp/assets-forfeiture-fund-aff">www.justice.gov/afp/assets-forfeiture-fund-aff</a> |
| American Indian and Alaska Native Affairs Desk (OJP)             | <a href="http://www.ojp.gov/programs/aiana.htm">www.ojp.gov/programs/aiana.htm</a>                                 |
| Antitrust Division (ATR)   | <a href="http://www.justice.gov/atr">www.justice.gov/atr</a>   |
| Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)        | <a href="http://www.atf.gov/">www.atf.gov/</a>   |
| Bureau of Justice Assistance (OJP)                               | <a href="http://bja.ojp.gov/">bja.ojp.gov/</a>   |
| Bureau of Justice Statistics (OJP)                               | <a href="http://www.bjs.gov/">www.bjs.gov/</a>   |
| Civil Division (CIV)   | <a href="http://www.justice.gov/civil/">www.justice.gov/civil/</a>   |
| Civil Rights Division (CRD)                                      | <a href="http://www.justice.gov/crt/">www.justice.gov/crt/</a>   |
| Community Oriented Policing Services (COPS)                      | <a href="https://cops.usdoj.gov/">https://cops.usdoj.gov/</a>  |
| Community Relations Service (CRS)                                | <a href="http://www.justice.gov/crs">www.justice.gov/crs</a>   |
| Criminal Division (CRM)  | <a href="http://www.justice.gov/criminal/">www.justice.gov/criminal/</a>   |
| Diversion Control Program (DCP)                                  | <a href="https://www.deadiversion.usdoj.gov/">https://www.deadiversion.usdoj.gov/</a>                              |
| Drug Enforcement Administration (DEA)                            | <a href="http://www.justice.gov/dea/">www.justice.gov/dea/</a>   |
| Environment and Natural Resources Division (ENRD)                | <a href="http://www.justice.gov/enrd/">www.justice.gov/enrd/</a>   |
| Executive Office for Immigration Review (EOIR)                   | <a href="http://www.justice.gov/eoir/">www.justice.gov/eoir/</a>   |
| Executive Office for U.S. Attorneys (EOUSA)                      | <a href="http://www.justice.gov/usao/eousa/">www.justice.gov/usao/eousa/</a>                                       |
| Executive Office for U.S. Trustees (EOT)                         | <a href="http://www.justice.gov/ust/">www.justice.gov/ust/</a>   |
| Federal Bureau of Investigation (FBI)                            | <a href="http://www.fbi.gov/">www.fbi.gov/</a>   |
| Federal Bureau of Prisons (BOP)                                  | <a href="http://www.bop.gov/">www.bop.gov/</a>   |
| Federal Prison Industries (FPI)                                  | <a href="http://www.unicor.gov/">www.unicor.gov/</a>   |
| Foreign Claims Settlement Commission of the United States (FCSC) | <a href="http://www.justice.gov/fcsc/">www.justice.gov/fcsc/</a>   |
| INTERPOL Washington  | <a href="http://www.justice.gov/interpol-washington/">www.justice.gov/interpol-washington/</a>                     |
| Justice Management Division (JMD)                                | <a href="http://www.justice.gov/jmd/">www.justice.gov/jmd/</a>   |
| National Criminal Justice Reference Service (OJP)                | <a href="http://www.ncjrs.gov/">www.ncjrs.gov/</a>   |
| National Institute of Corrections (OIC)                          | <a href="http://www.nicic.gov/">www.nicic.gov/</a>   |
| National Institute of Justice (OJP)                              | <a href="https://nij.ojp.gov/">https://nij.ojp.gov/</a>  |
| National Security Division (NSD)                                 | <a href="http://www.justice.gov/nsd/">www.justice.gov/nsd/</a>   |
| Office of Access to Justice (ATJ)                                | <a href="https://www.justice.gov/atj">https://www.justice.gov/atj</a>  |
| Office of Information Policy (OIP)                               | <a href="http://www.justice.gov/oip/oip.html">www.justice.gov/oip/oip.html</a>                                     |
| Office of Justice Programs (OJP)                                 | <a href="http://www.ojp.gov/">www.ojp.gov/</a>   |
| Office of Juvenile Justice and Delinquency Prevention (OJDP)     | <a href="http://www.ojjdp.gov/">www.ojjdp.gov/</a>   |
| Office of Legal Counsel (OLC)                                    | <a href="http://www.justice.gov/olc/index.html">www.justice.gov/olc/index.html</a>                                 |
| Office of Legal Policy (OLP)                                     | <a href="http://www.justice.gov/olp/">www.justice.gov/olp/</a>   |
| Office of Legislative Affairs (OLA)                              | <a href="http://www.justice.gov/ola/">www.justice.gov/ola/</a>   |
| Office of Professional Responsibility (OPR)                      | <a href="http://www.justice.gov/opr/index.html">www.justice.gov/opr/index.html</a>                                 |
| Office of Public Affairs (OPA)                                   | <a href="http://www.justice.gov/opa/index.html">www.justice.gov/opa/index.html</a>                                 |
| Office of the Associate Attorney General (OAAG)                  | <a href="http://www.justice.gov/asg/index.html">www.justice.gov/asg/index.html</a>                                 |
| Office of the Attorney General (OAG)                             | <a href="http://www.justice.gov/ag/">www.justice.gov/ag/</a>   |

## U.S. Department of Justice

| Component  | Website  |
|--|--|
| Office of the Deputy Attorney General                | <a href="http://www.justice.gov/dag/">www.justice.gov/dag/</a>   |
| Office of the Inspector General (OIG)                | <a href="http://www.justice.gov/oig/">www.justice.gov/oig/</a>   |
| Office of the Pardon Attorney (OPA)                  | <a href="http://www.justice.gov/pardon/">www.justice.gov/pardon/</a>   |
| Office of the Solicitor General (OSG)                | <a href="http://www.justice.gov/osg/">www.justice.gov/osg/</a>   |
| Office of Tribal Justice (OTJ)                       | <a href="https://www.justice.gov/otj">https://www.justice.gov/otj</a>  |
| Office for Victims of Crime (OJP)                    | <a href="http://www.ovc.gov/">www.ovc.gov/</a>   |
| Office on Violence Against Women (OVW)               | <a href="http://www.justice.gov/ovw">www.justice.gov/ovw</a>   |
| Organized Crime Drug Enforcement Task Force (OCDETF) | <a href="http://www.dea.gov/organized-crime-drug-enforcement-task-force-ocdetf">www.dea.gov/organized-crime-drug-enforcement-task-force-ocdetf</a> |
| Tax Division (TAX)                                   | <a href="http://www.justice.gov/tax/">www.justice.gov/tax/</a>   |
| U.S. Attorneys (USAO)                                | <a href="http://www.justice.gov/usao/">www.justice.gov/usao/</a>   |
| U.S. Marshals Service (USMS)                         | <a href="http://www.justice.gov/marshals/">www.justice.gov/marshals/</a>   |
| U.S. Parole Commission (USPC)                        | <a href="http://www.justice.gov/uspc/">www.justice.gov/uspc/</a>   |

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Thank you for your interest in the Department of Justice FY 2024 Agency Financial Report. We welcome your comments and suggestions on how we can improve this report for FY 2025. Please email any comments to: [performance@usdoj.gov](mailto:performance@usdoj.gov)



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