



U.S. Department of  
**JUSTICE**

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# Agency Financial Report

Fiscal Year 2025



September 30, 2025

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) 2025 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)*.

**Section II – Financial Section:** This section includes OIG's Transmittal Memorandum on the Department's FY 2025 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 and grants.

**Appendices:** This section includes (A) Acronyms, (B) Department Component Websites, and (C) Office of Inspector General Analysis and Summary of Actions Necessary to Close the Report. This report is available at URL: [Department of Justice | FY 2025 Agency Financial Report](https://www.justice.gov/doj/fy-2025-agency-financial-report)<sup>1</sup>

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<sup>1</sup> <https://www.justice.gov/doj/fy-2025-agency-financial-report>



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

January 23, 2026

**A MESSAGE FROM THE ATTORNEY GENERAL**

One year ago, this Department of Justice inherited a justice system in chaos. Violent crime was surging, victims were ignored, and the consequences of mass illegal immigration and open borders were overwhelming our country. The law had been weaponized against parents, conservatives, people of faith, and most of all, President Donald J. Trump. The challenges before this Department were immense.

Today, however, I can proudly say this Department of Justice has reversed course and returned to its core mission: upholding the rule of law, vigorously prosecuting criminals, and keeping the American people safe. I am deeply grateful for every agent, analyst, and attorney across our divisions and law enforcement components, without whom the tremendous accomplishments over the past year would not have been possible.

Because of this Department's efforts, in one year's time, murders dropped nearly 20 percent across eighty-nine of our Nation's largest cities. Sixty-two major cities reported declining murder rates. Overall violent crime dropped by 12 percent, with seventy-one large cities experiencing reductions. Robbery decreased by 18 percent.

Targeted law enforcement surges ordered by President Trump, including the Make D.C. Safe and Beautiful Task Force and the Memphis Safe Task Force, saw tremendous success. After one year, D.C. led the nation with a 28 percent drop in violent crime. As of early January 2026, there have been 8,703 arrests, 885 illegal firearms seized, and 16 missing children recovered in Washington, D.C. Similarly, last year, Memphis saw a 19 percent decrease in violent crime. Since the surge, there have been 5,104 arrests, 826 illegal firearms seized, and 140 missing children located in Memphis.

Over the course of a year, the U.S. Marshals arrested over 62,000 fugitives, including more than 4,200 wanted for homicide, and nearly 3,900 wanted for sexual abuse. The U.S. Marshals have also located 750 missing children that have now been returned to safety. The DEA seized more than 45 million fentanyl pills and over 4,200 kilograms of fentanyl powder. This is in addition to seizing more than 64,000 kilograms of methamphetamine, nearly 200,000 kilograms of cocaine, and over 1,100 kilograms of heroin.

Last year, the FBI doubled its violent-crime arrests compared to the year prior, making more than 25,000 arrests in total. Additionally, the FBI captured four individuals on the Top Ten Most Wanted list in the span of just seven months. Additionally, the ATF arrested more than 5,600 criminals and initiated over 22,000 violent crime cases. More than 31,000 illegal firearms were seized, including 19,000 connected to trafficking operations.

Beyond law enforcement successes, the Department of Justice secured a record 24 victories at the Supreme Court. These included major rulings on illegal immigration, nationwide injunction abuse, ending federal DEI funding mandates, streamlining the federal workforce, and restoring the Executive Branch to its rightful place in our Constitution.

Last year, we filed lawsuits against 15 states for access to voter-roll data to defend the integrity of our elections and prosecuted 800 percent more election fraud cases than the previous year. We secured \$406 million in deals with major universities to end race-based admissions and antisemitic practices. We sued to keep boys out of girls' sports and to defend Americans' Second Amendment rights. We initiated 30 investigations into major companies for discriminating against American workers in favor of foreign visa holders.

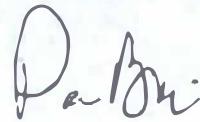
We have achieved these successes because the attorneys and agents at the Department of Justice have been empowered to do what they signed up to do: investigate crimes, build cases, and secure convictions. The Department of Justice remains committed—more than ever—to delivering historic results for the American people in the year ahead.

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 2025 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).

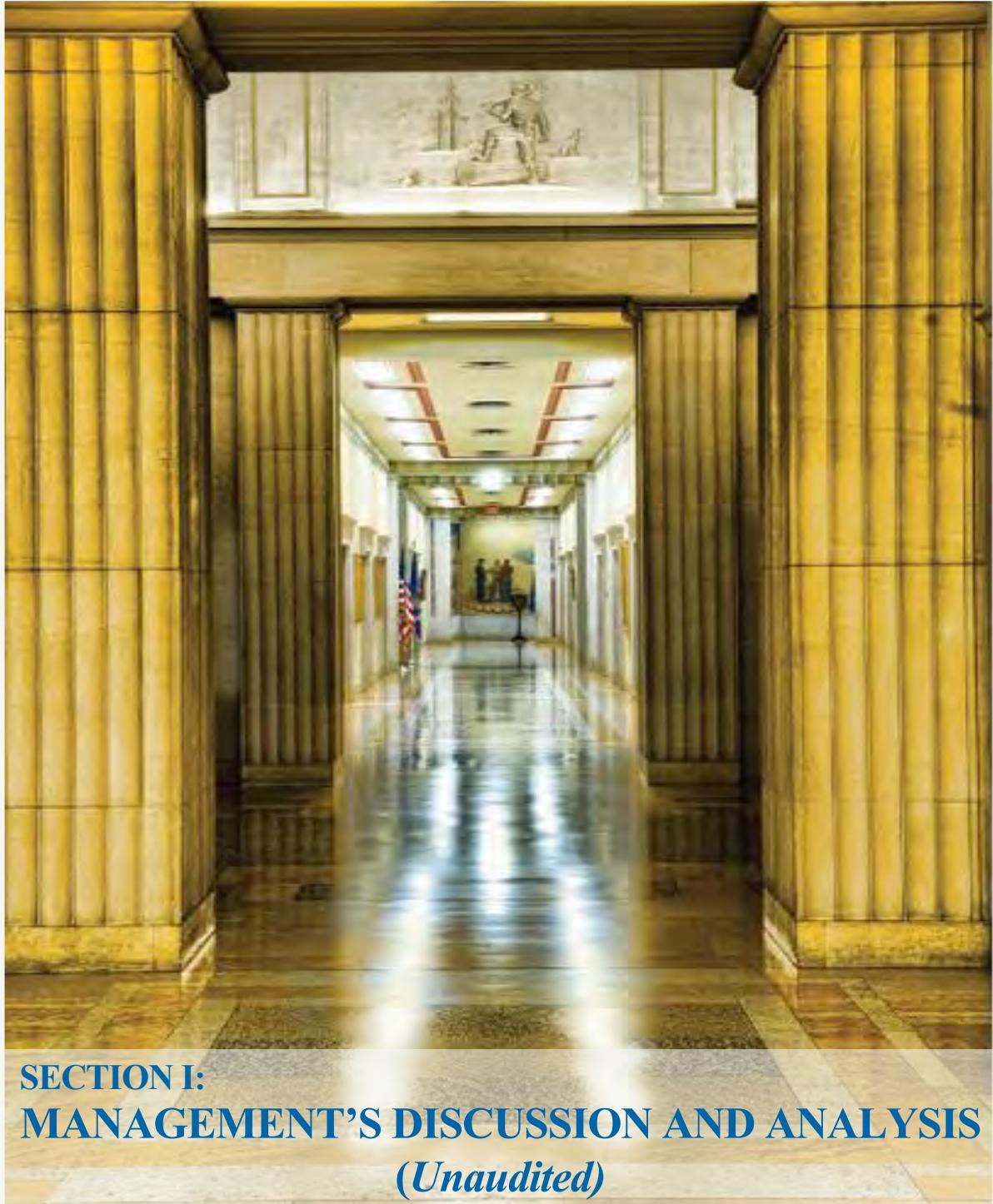
In FY 2025, the Department earned an unmodified audit opinion on our consolidated financial statements for the twenty-second straight year. The auditor's report on internal control identified a material weakness at the consolidated level due to improvements needed in the areas of financial reporting, risk assessment processes, and monitoring activities. Our corrective actions are documented in Section III of this report.

The Department's assessment of risk and internal control in FY 2025 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, 2025, except for the material weakness identified at the consolidated level due to improvements needed in the areas of financial reporting, risk assessment processes, and monitoring activities. Details of that weakness are provided in the AFR section regarding Analysis of Systems, Controls, and Legal Compliance. Corrective actions are already underway and will be evaluated as part of the Department's FY 2026 A-123 internal control assessment.

We look forward to working with our components, the Office of the Inspector General, and auditors in FY 2026 to continue to strengthen our financial operations and reporting.

A handwritten signature in black ink, appearing to read "Pamela Bondi".

Pamela Bondi  
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**
- 13     Analysis of Financial Statements**
- 19     Analysis of Systems, Controls, and Legal Compliance**

# 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

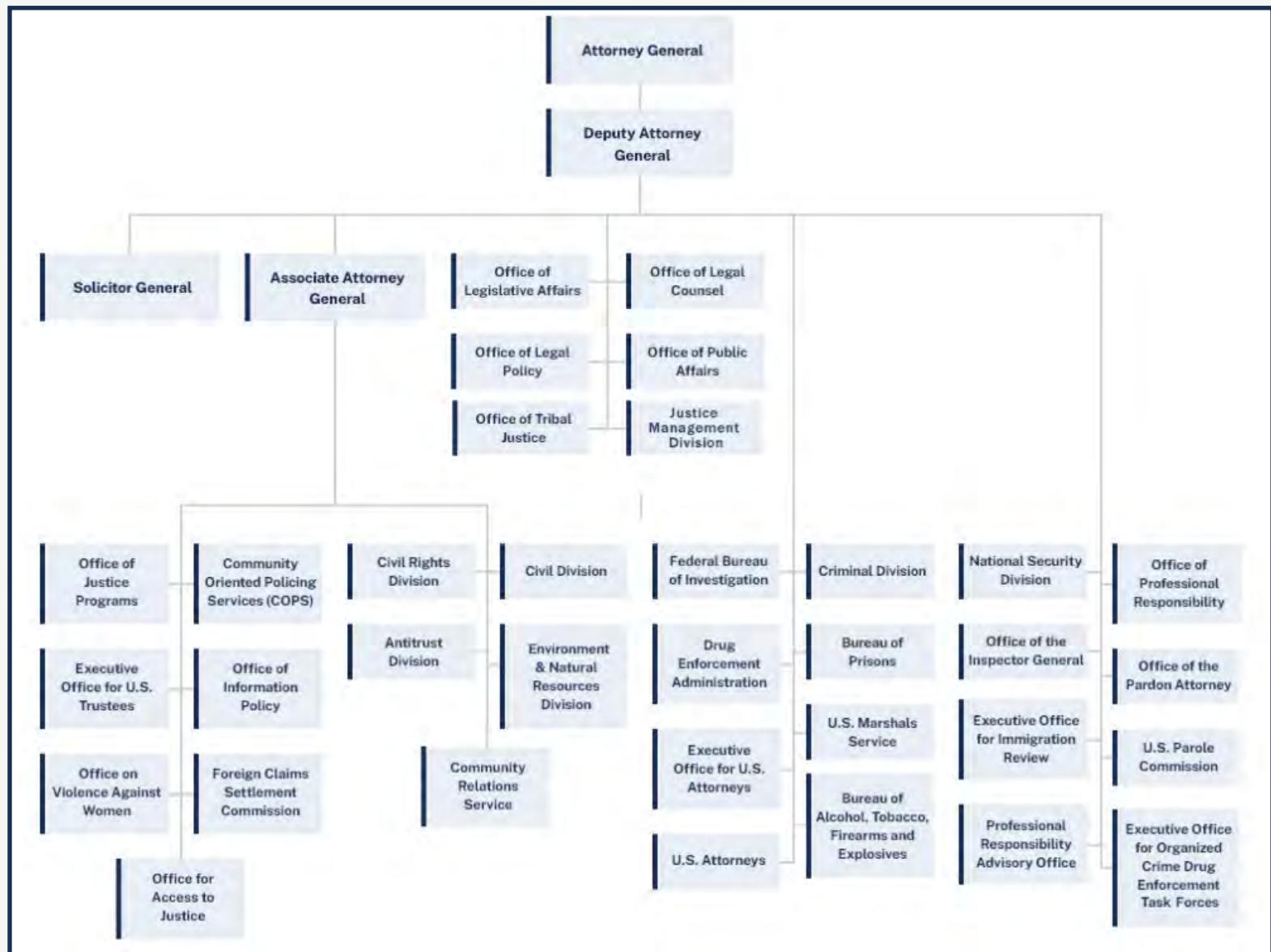
The Department's organizational structure directly shapes its financial reporting, as each principal component executes distinct mission activities that drive resource needs and program costs. Led by the Attorney General, the Justice Department is comprised of more than forty separate component organizations. There are nearly 113,000 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), 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, counterterrorism, 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

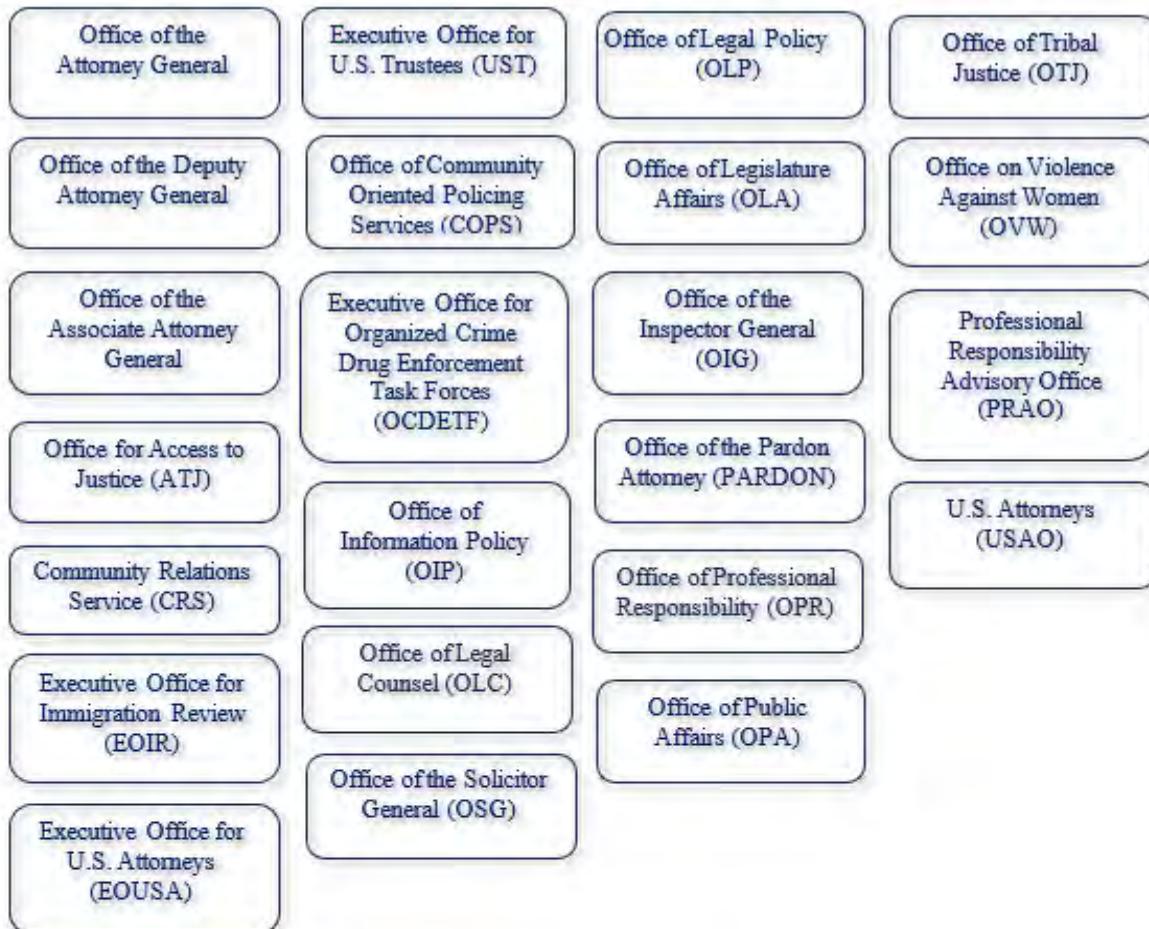
As of September 30, 2025, the Department's financial reporting structure was comprised of nine principal components:



\*OBDs organizational structure presented on the following page.

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

### OFFICES



### BOARDS

Foreign Claims Settlement Commission (FCSC)

U.S. Parole Commission (USPC)

### DIVISIONS

Antitrust Division (ATR)

Civil Division (CIV)

Civil Rights Division (CRT)

Criminal Division (CRM)

Environment and Natural Resources Division (ENRD)

Justice Management Division (JMD)

National Security Division (NSD)

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

Chart 1: DOJ Employees Onboard by Reporting Component

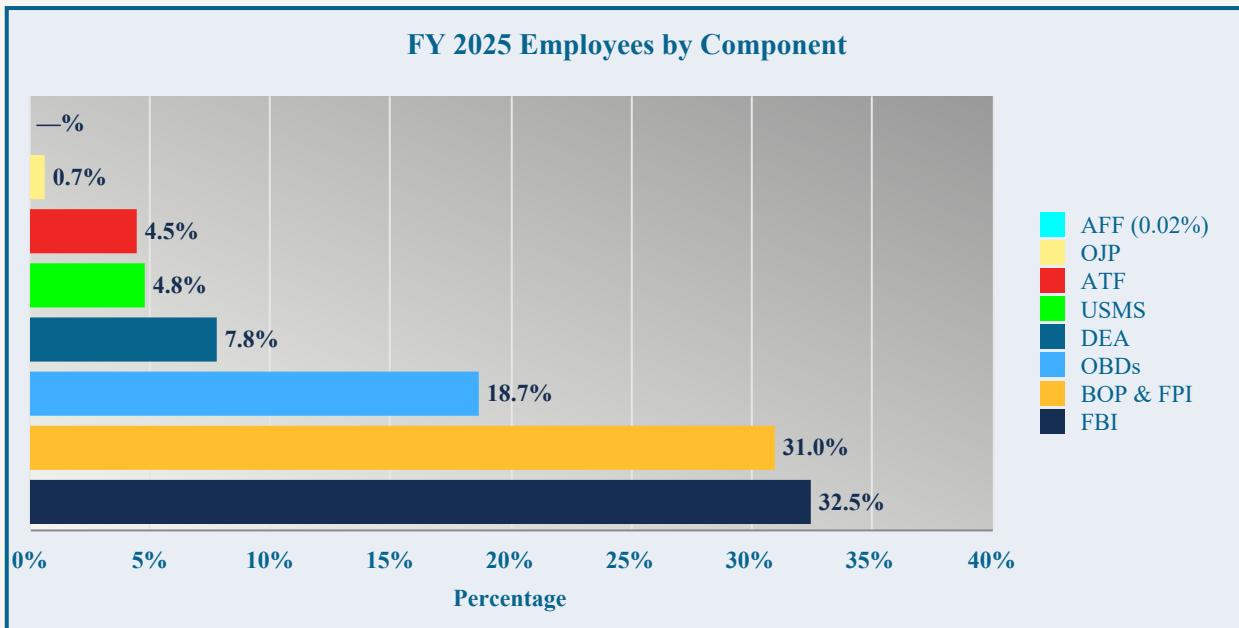
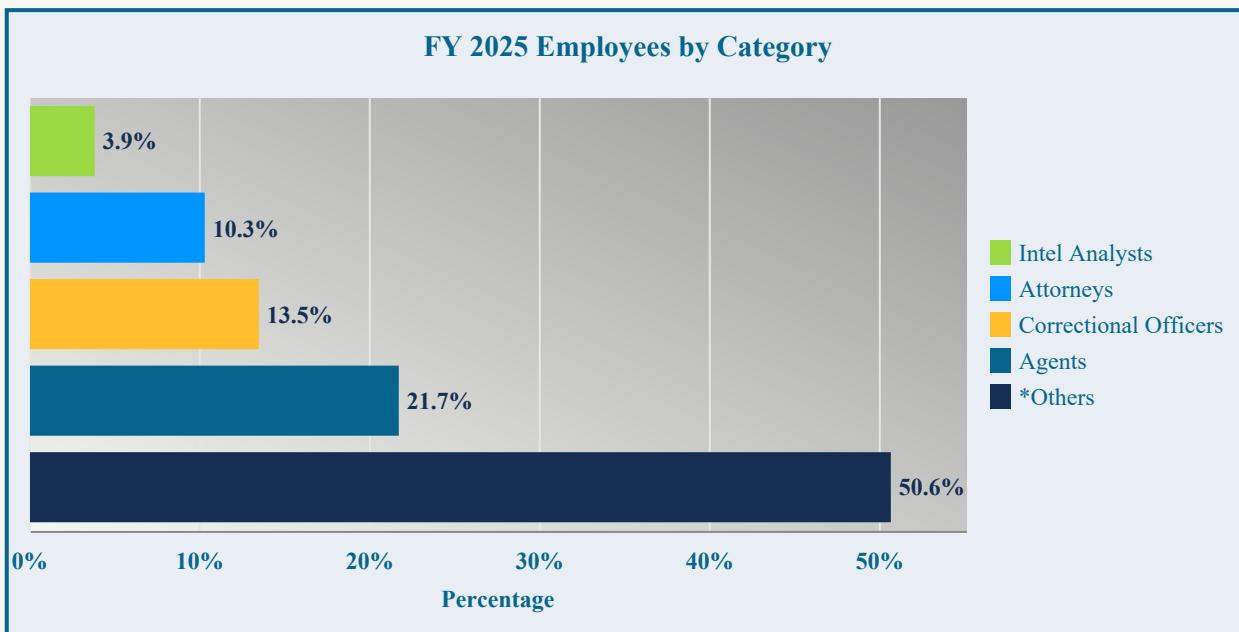


Chart 2: DOJ Employees Onboard by Employee Category



\*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, NSD, OLC, OPA, OSG, PRAO, 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 Social Media Optimizing (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.

DOJ is in the process of developing its FYs 2026 – 2030 Strategic Plan, which defines its mission, goals, objectives, and how it will measure progress in addressing national challenges over a four-year period. As such, for the FY 2025 financial report the Department will not report on performance goals related to the FYs 2022 - 2026 Strategic Plan. Instead, this report includes a sampling of FY 2025 performance highlights from the many accomplishments of the DOJ community.

#### Major Program 1 - Law Enforcement

##### **High-Ranking Cartel de Jalisco Nueva Generación (CJNG) Operative Pleads Guilty:**

On June 20, 2025, Cristian Fernando Gutierrez-Ochoa, a high-ranking CJNG member, pleaded guilty to one count of international money laundering conspiracy as a result of a Drug Enforcement Administration (DEA) investigation. He admitted that he used sophisticated money laundering methods involving real estate transactions, shell companies, and international money transfers to launder CJNG's drug trafficking proceeds.

**Operation Matador:** In September 2025, ATF, with the newly established Homeland Security Task Force (HSTF), concluded "Operation Matador," a year-long investigation targeting members and associates of the violent Foreign Terrorist Organization Mara Salvatrucha (MS-13). Indictments obtained in the U.S. District Court – Middle District of Tennessee charged the defendants with federal firearms and controlled substance offenses, carjacking, assault on a federal agent, and other violations.

**Operation RapTor:** Operation RapTor was a global, coordinated effort by law enforcement in the United States, Europe, South America, and Asia to disrupt fentanyl and opioid trafficking, as well as the sales of other illicit goods and services, on the darknet, or dark web. The operation resulted in the highest number of seizures of any Joint Criminal Opioid and Darknet Enforcement (JCODE) operation, including more than \$200 million in currency and digital assets, over two metric tons of drugs, including 144 kilograms of fentanyl or fentanyl-laced narcotics, and over 180 firearms.

#### Risks

- **Emerging Risks and Technology Vulnerabilities:** Geopolitical, economic, and cybersecurity uncertainties including AI-driven threats, and deepfakes, are increasing risks to law enforcement operations.
- **Talent Needs:** Several DOJ law enforcement components continue to experience staffing shortages. These gaps can increase overtime costs, extend case processing timelines, and reduce investigative capacity during periods of heightened operational demand.

### Major Program 2 - Litigation and Compensation

**United States v. Haider:** On July 15, 2025 the Criminal Division (CRM), secured the extradition from Mexico of Abbas Ali, the leader of an international alien smuggling organization. Haider operated two sham Pakistani film production companies as fronts to contract with film companies in Ecuador, Cuba, and Colombia to sponsor visas for Pakistani nationals purporting to work for Haider's companies. This case is being prosecuted in partnership with the U.S. Attorney's Office for the District of Arizona and is part of Operation Take Back America.

**United States v. Routh:** On September 23, 2025, after a two-week trial, a Federal jury found Ryan Wesley Routh guilty on all counts related to his attempted assassination of President Trump at the Trump International Golf Club on September 15, 2024.

**In re Marie Acree:** On Feb. 20, 2025, the Bankruptcy Court for the Northern District of Georgia granted the U.S. Trustee Program's (USTP) motion for sanctions against four individuals connected to the filing of fraudulent bankruptcy petitions bearing forged signatures of a dead person. The court found that the four individuals knowingly engaged in a fraud on the court and prohibited them from presenting further bankruptcy petitions unless they are the named debtor or the named debtor's attorney.

#### Risks

- **TCOs, Drugs and Violent Crime:** Failure to disrupt transnational criminal organizations (TCOs) can lead to increased violent crime, drug addiction, human trafficking, and overdose deaths.
- **Managing Growing Data:** Without modernizing eLitigation and data management, DOJ faces challenges handling the increasing volume and complexity of digital evidence.

### Major Program 3 - Prisons and Detention

**Implementing the First Step Act Through Several Initiatives:** In FY 2025, the Bureau of Prisons (BOP) advanced the First Step Act through initiatives to improve criminal justice outcomes and reduce the federal prison population. BOP established a dedicated First Step Act team to increase community placements for eligible inmates, which modernized GED education, expanded evidence-based recidivism reduction programs, and improved access to identification documents such as Release Identification Cards, birth certificates, and Social Security cards.

**Updating Inmate Classification Practices to Further the First Step Act Goals:** In FY 2025, the Bureau of Prisons (BOP) updated inmate classification practices under the First Step Act (FSA) by using the Conditional Placement Date, or time credit worksheet, to guide decisions for eligible inmates. This change improves operational efficiency, strengthens institutional safety, and supports successful reentry.

### ***Risks***

- **Staffing Needs:** Correctional Officer shortages and overreliance on overtime compromise prison safety, staff morale, and operation effectiveness.
- **Facility Management and Support:** Aging infrastructure and significant repair backlog threaten the safety of staff and inmates. DOJ may experience an inability to construct, renovate, maintain, or otherwise manage DOJ-controlled spaces due to increasingly complex physical security requirements and constraints related to inmate management, funding, inflationary costs, and logistic challenges.

### **Major Program 4 - Grants**

**Support for Law Enforcement and Reducing Violent Crime:** All of Office of Justice Programs (OJP) open grant funding has been reviewed and reshaped to align with Department objectives to provide critical resources to directly support law enforcement and combat violent crime, and protect American children, provide services to American crime victims, and address public safety challenges. OJP has been working to award \$1.3 billion in grant funding for programs to support state and local law enforcement's efforts to reduce violent crime.

**The Impact of COPS Funding:** In FY 2025, the Office of Community Oriented Policing Services (COPS) increased state and local law enforcement capacity across the nation to enhance school safety across 211 school districts, hire an additional 1,115 sworn law enforcement officers and deputies across 228 jurisdictions, train and prepare over 60,000 first responders for active shooter situations, protect the health and well-being of law enforcement personnel, as well as expand task force investigations to disrupt and combat illicit drugs. From January 20 – September 30, 2025, the COPS Office provided law enforcement training to approximately 43,000 law enforcement personnel.

**The Impact of VAWA Funding:** For FY 2025, OVW awarded approximately \$455 million in grant funding to applicants who help fulfill the mission of supporting victims of sexual assault, domestic violence, dating violence, and stalking and holding offenders accountable. In a recent 6-month performance reporting period (January – June 2025), OVW discretionary grantees reported serving about 82,000 victims, provided about 717,000 transitional housing bed nights for victims and their dependents, and obtained about 19,900 protection orders.

### ***Risks***

- **Grants Management and Oversight:** Ineffective grant management and oversight, including from understaffed grant operations, can result in the inability to serve stakeholders, unmet program objectives, and reputational harm to DOJ.
- **Third-Party Risk:** Inadequate monitoring of third-party risk can compromise the accuracy, reliability, and security of grant data.

### Major Program 5 - Executive Oversight and Enterprise Technology

#### **Budgetary Cost Reductions and Cost Savings at the Executive Office for Immigration Review:**

As of January 20, 2025, the Executive Office for Immigration Review (EOIR) faced a \$40 million deficit. Through strategic initiatives, workforce consolidation, and efficiency measures, EOIR eliminated the shortfall and remained financially solvent.

**Tribal Outreach on Public Safety:** In FY 2025, the Office of Tribal Justice (OTJ) conducted outreach with tribal governments and law enforcement, including senior leader visits, consultations, and in-person meetings. These efforts led to program and operational improvements that strengthened tribal law enforcement and public safety.

#### ***Risks***

- **Artificial Intelligence (AI):** Responsible adoption and leveraging of AI technologies will enhance mission effectiveness and prevent DOJ from falling behind adversaries in data analysis and investigations.
- **IT Modernization & Security:** Weak cybersecurity, lack of technology modernization, and outdated technology could expose sensitive investigation materials and work products.
- **Immigration Law:** National security and public safety could be imperiled if DOJ does not effectively and expeditiously enforce our nation's immigration laws.
- **Implementation Challenges:** EOIR will face unique challenges regarding the ebb and flow of unlawful immigration if it does not optimize their personnel, capacity, technology, and/or court processes.

## Analysis of Financial Statements

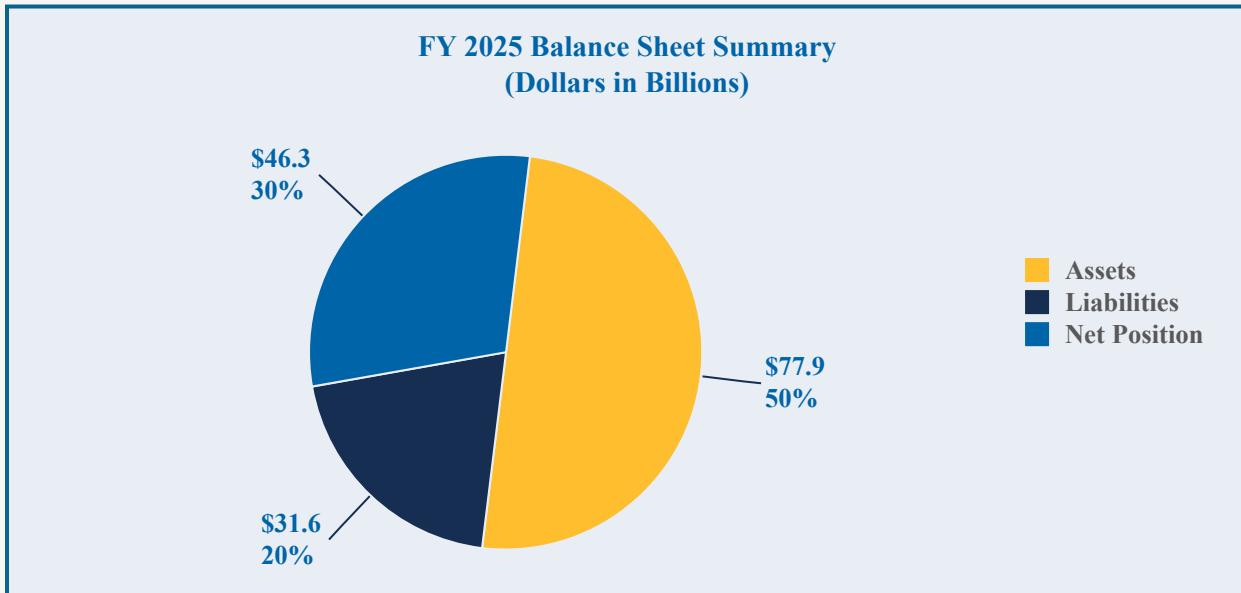
The Department's financial statements received an unmodified audit opinion for the fiscal year ended September 30, 2025. These statements were prepared from the accounting records of the Department in accordance with the accounting principles generally accepted in the United States and standards promulgated by the Federal Accounting Standards Advisory Board (FASAB) and *Office of Management & Budget Circular A-136 (OMB A-136)* financial reporting requirements.

The following information highlights the Department's financial position and results of operations for the fiscal year ended September 30, 2025. 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 2025		Increase/(Decrease)	
<b>BUDGETARY RESOURCES</b>				
Total Budgetary Resources	\$	80.2	\$ 12.3	18.1 %
Total Unobligated Balances		28.0	12.8	84.2 %
Outlays, Net		48.0	1.1	2.3 %
<b>COST OF OPERATIONS</b>				
Gross Program Costs	\$	52.7	\$ 0.5	1.0 %
Less: Earned Revenue		3.4	(0.1)	(2.9) %
<b>Total Net Cost of Operations</b>		<b>49.3</b>	<b>0.6</b>	<b>1.2 %</b>
<b>BALANCE SHEET</b>				
<b>Assets:</b>				
Fund Balance with Treasury	\$	48.1	\$ 10.7	28.6 %
Cash & Other Monetary Assets		3.2	(0.2)	(5.9) %
Investments, Net		6.2	(0.3)	(4.6) %
Accounts Receivable		10.1	9.0	818.2 %
Property, Plant & Equipment, Net		8.8	0.3	3.5 %
Other		1.5	0.1	7.1 %
<b>Total Assets</b>	<b>\$</b>	<b>77.9</b>	<b>\$ 19.6</b>	<b>33.6 %</b>
<b>Liabilities:</b>				
Accounts Payable	\$	2.7	\$ (0.2)	(6.9) %
Advances & Deferred Revenues		1.6	0.1	6.7 %
Federal Employee Benefits		3.2	0.1	3.2 %
Compensation Fund Liabilities		6.9	(0.4)	(5.5) %
Seized Cash & Monetary Instruments		4.6	(0.3)	(6.1) %
Custodial Liabilities		9.7	8.9	1,112.5 %
Other		2.9	—	— %
<b>Total Liabilities</b>	<b>\$</b>	<b>31.6</b>	<b>\$ 8.2</b>	<b>35.0 %</b>
<b>Net Position:</b>				
Unexpended Appropriations	\$	34.2	\$ 9.6	39.0 %
Cumulative Results of Operations		12.1	1.8	17.5 %
<b>Total Net Position</b>	<b>\$</b>	<b>46.3</b>	<b>\$ 11.4</b>	<b>32.7 %</b>

### Balance Sheet

Chart 3: Balance Sheet Summary FY 2025



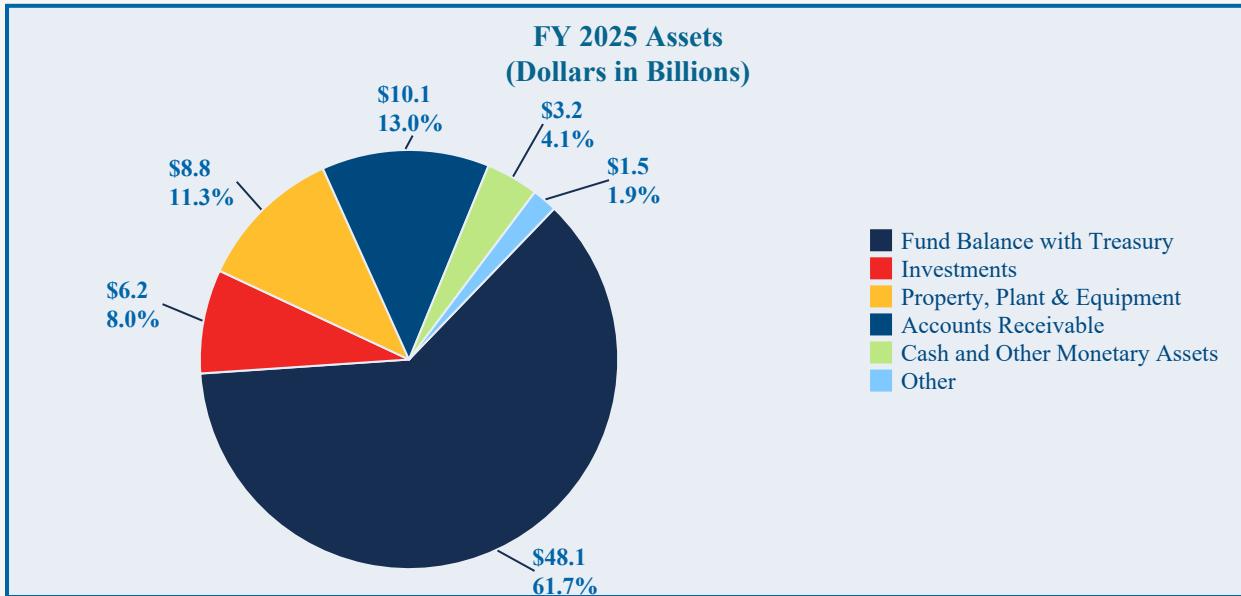
#### Assets

The Department's Consolidated Balance Sheet as of September 30, 2025, reflects \$77.9 billion in total assets, an increase of approximately \$19.6 billion or 33.6 percent compared to the previous year's total. Two primary reasons for the overall increase in assets relate to fund balance with treasury (FBwT) and other than intragovernmental accounts receivable. FBwT increased by approximately \$10.7 billion due primarily to Public Law (PL) 119-21, One Big Beautiful Bill Act which ultimately increased FBwT by \$11.7 billion through multi-year appropriations. Absent PL 119-21, FBwT decreased by approximately \$1.0 billion due to multiple contributing factors considered normal business activity.

Other than intragovernmental accounts receivable increased by approximately \$9.1 billion due to Debt Collection Management (DCM) custodial receivables, including one settlement totaling \$5.9 billion.

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

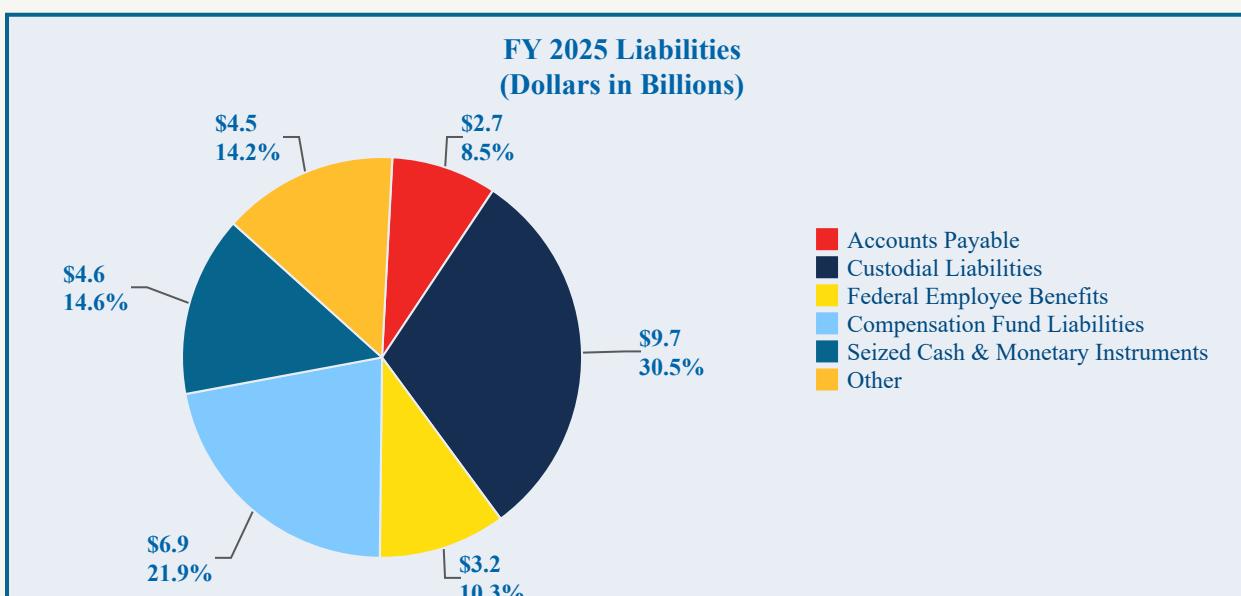
Chart 4: Breakdown of FY 2025 Assets, by Category



### Liabilities

Total liabilities were \$31.6 billion as of September 30, 2025, an increase of nearly \$8.2 billion or 35.0 percent compared to the previous year's total. The most significant drivers were intragovernmental custodial liabilities, which increased approximately \$9.0 billion including a change in the intragovernmental portion of approximately \$8.8 billion. The total change in custodial liability is primarily attributable to the increase in custodial receivable of \$9.1 billion, which was offset by amounts disbursed to other entities and amounts retained. Additionally, the September 11th Victim Compensation Fund (VCF) liability increased \$1.0 billion resulting from expanded outreach, education, and support services initiated in the prior year. These increases were partially offset by a \$1.7 billion decrease in the U.S. Victims of State Sponsored Terrorism Fund (USVSSTF), mainly due to payments to victims that were accrued in the prior year.

Chart 5: Breakdown of FY 2025 Liabilities, by Category

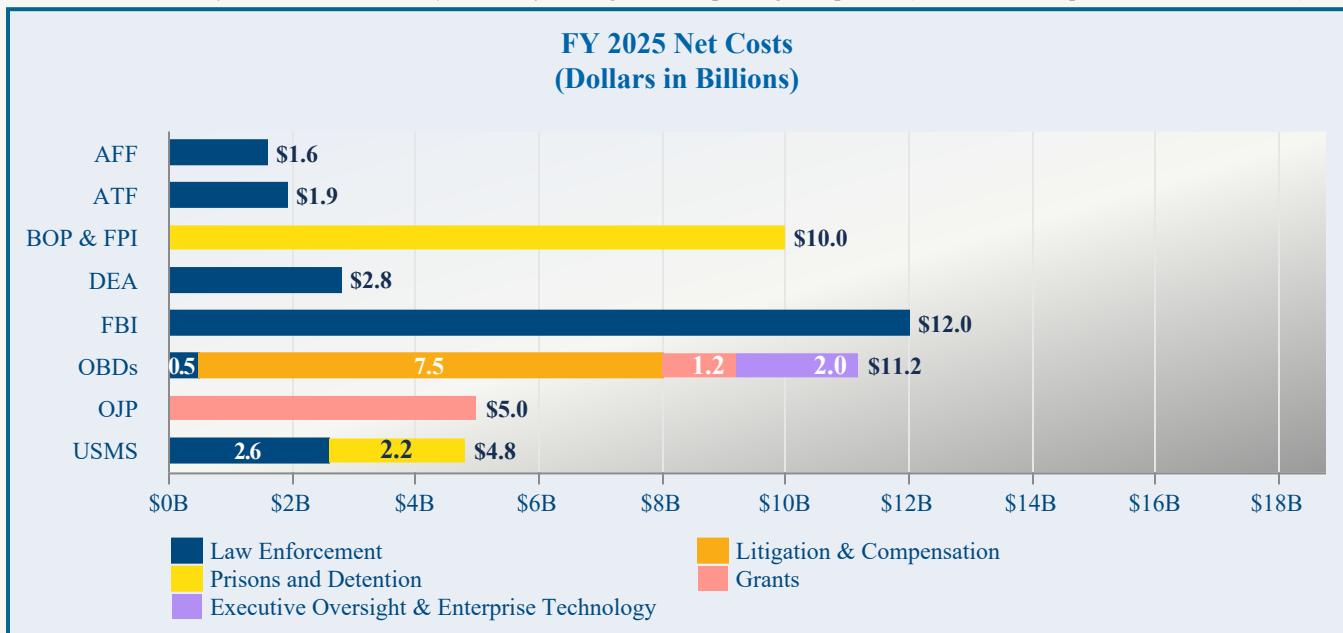


### Statement of Net Cost

#### Net Cost of Operations

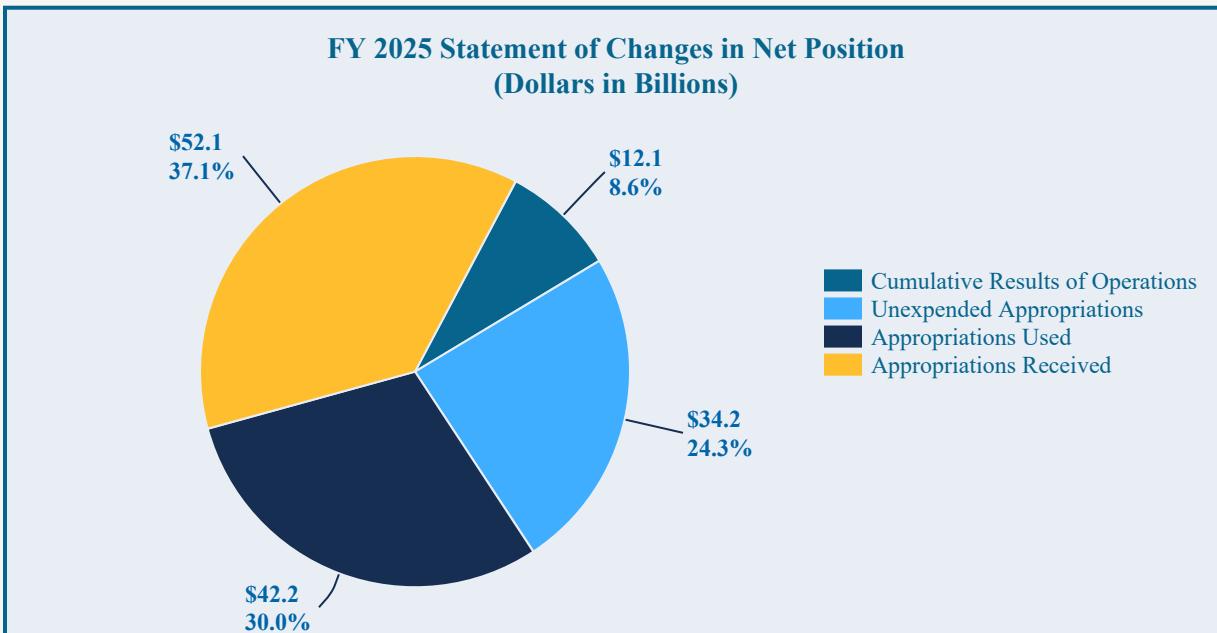
The Department presents their Consolidated Statement of Net Cost by major program. The net cost of the Department's operations totaled \$49.3 billion for the fiscal year ended September 30, 2025, a \$0.6 billion or 1.2 percent increase from the previous year's total. The increase cannot be attributed to any one contributing factor and is instead the result of multiple factors inherent to normal business operations.

*Chart 6: Breakdown of FY 2025 Net Costs, by DOJ Major Program & Reporting Component (without intra-departmental eliminations)*



### Statement of Changes in Net Position

Chart 7: Statement of Changes in Net Position, Summary FY 2025



#### Total Unexpended Appropriations

The Department's Consolidated Statement of Changes in Net Position shows total unexpended appropriations of \$34.2 billion as of September 30, 2025, an increase of \$9.6 billion or 39.0 percent. The primary driver of this increase was \$11.8 billion in appropriations received under Public Law 119-21, the One Big Beautiful Bill Act. This increase was partially offset by negative factors decreasing unexpended appropriations by approximately \$2.1 billion. The most significant of those offsets included a \$0.3 billion decrease in appropriations transferred-in, approximately \$1.0 billion in increased appropriations used, and a \$0.4 billion reduction to the beginning balance, with the remainder attributable to immaterial changes of other adjustments.

#### Total Cumulative Results of Operations

The Department's Consolidated Statement of Changes in Net Position reports cumulative results of operations of \$12.1 billion as of September 30, 2025, representing an increase of approximately \$1.8 billion or 17.5 percent. This increase was primarily attributable to several favorable operating factors, including a \$0.7 billion increase in nonexchange revenue, an increase of approximately \$1.0 billion in appropriations used, and a combined increase of approximately \$0.7 billion from transfers-in without reimbursement and imputed financing. In addition, the beginning balance increased by approximately \$0.7 billion. Other favorable changes consisted of immaterial reduction to permanent rescissions reported as other adjustments. These increases were largely offset by a \$0.9 billion decrease in donations and forfeitures of cash and cash equivalents and an increase in net cost of approximately \$0.6 billion.

## Statement of Budgetary Resources

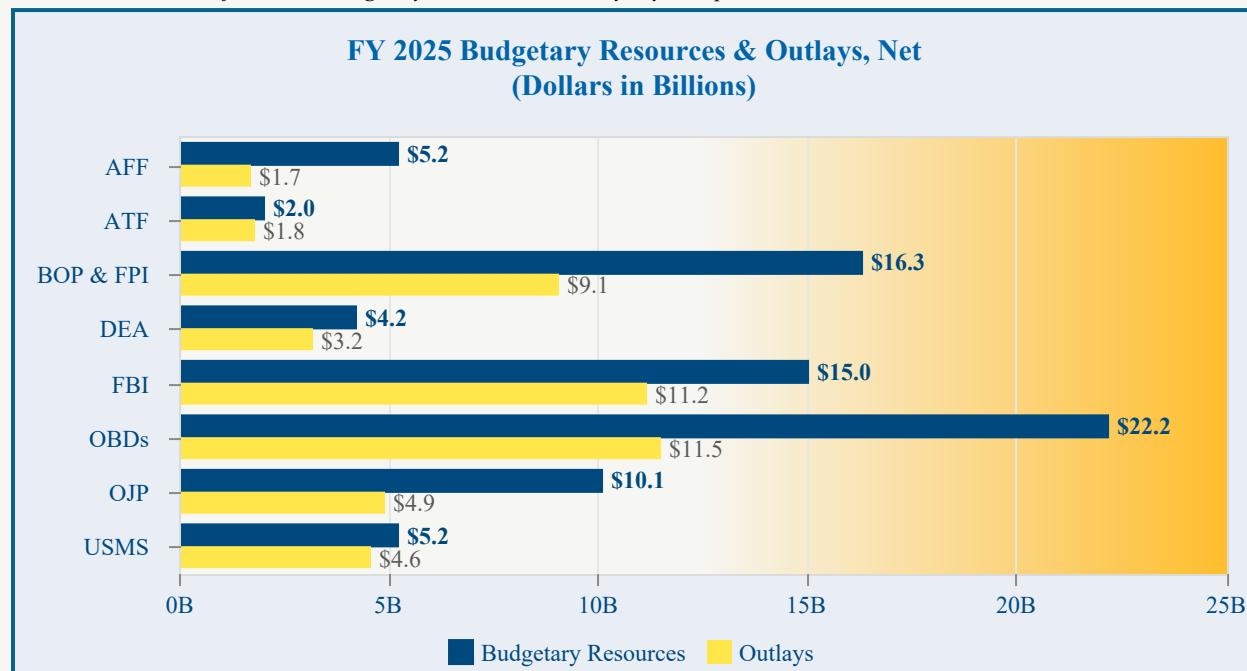
### Budgetary Resources

As presented on the Department's Combined Statement of Budgetary Resources, total budgetary resources were \$80.2 billion for the fiscal year ended September 30, 2025, reflecting a \$12.3 billion or 18.1 percent increase. The most significant factor was a \$11.8 billion increase to appropriations (discretionary and mandatory) primarily related to PL 119-21, One Big Beautiful Bill Act. Additionally, unobligated balance from prior year budget authority, net increased by approximately \$1.1 billion and spending authority from offsetting collections decreased by approximately \$0.5 billion.

### Outlays, Net

The Department's FY 2025 Combined Statement of Budgetary Resources shows for the fiscal year ended September 30, 2025, outlays, net were \$48.0 billion, representing an increase of \$1.2 billion or 2.5 percent. The increase in outlays, net was primarily driven by \$1.7 billion in payments from the USVSSTF to victims that were accrued in the prior year. The remaining offset reflects immaterial fluctuations associated with normal business activities.

Chart 8: Breakdown of FY 2025 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 implemented an upgraded version of its Unified Financial Management System (UFMS), in the cloud, during FY 2025. The UFMS upgrade provides a redesigned acquisitions management module as well as improvements to the integration with Treasury's G-Invoicing system. In addition, the Department continued its efforts to improve processes and data quality by identifying areas where advanced reporting would be applicable and building functionality to extract and consolidate data. Throughout FY 2026, the Department will be evaluating current business processes to determine if additional efficiencies can be gained through the enhanced capabilities of the UFMS upgrade.

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.

Further, in FY 2025, the Department implemented a new financial reporting system to support the preparation of its financial statements and the Agency Financial Report (AFR), replacing a legacy process that had been in place for more than twenty years. The system provides a standardized platform across all Department components, improving consistency in financial reporting. The Department will leverage the initial year of deployment to identify opportunities for process improvements and to enhance financial statement preparation in FY 2026.

### 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 2025, 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.

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

### ***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 to maintain and assess internal control systems across program, operational, administrative, accounting, and financial management areas. The Integrity Act requires federal agencies to implement controls that ensure obligations and costs comply 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 the public. It also 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. 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 *Office of Management and Budget Circular A-123 (OMB A-123), Appendix D, Management of Financial Management Systems – Risk and Compliance*.

### Management Assurances

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

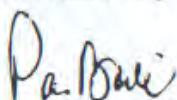
The Federal Managers' Financial Integrity Act of 1982 (FMFIA or Integrity Act), 31 U.S.C. § 3512, provides the statutory basis for management's responsibility for and assessment of internal control. Such controls include program, operational, and administrative areas, as well as accounting and financial 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, 2025, except for the material weakness identified at the consolidated level due to improvements needed in the areas of financial reporting, risk assessment processes, and monitoring activities. 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 2026 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.



Pamela Bondi

January 23, 2026

## 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

## SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

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## SECTION II: FINANCIAL SECTION

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

### In This Section:

- 25      Overview**
- 27      Office of the Inspector General Transmittal Memorandum**
- 29      Independent Auditors' Report**
- 38      Principal Financial Statements**
- 43      Notes to the Principal Financial Statements**
- 95      Required Supplementary Information (*Unaudited*)**
- 96      Deferred Maintenance and Repairs**
- 98      Combining Statement of Budgetary Resources**
- 99      Land Acreage**

# Section II

## Financial 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.

Following the Office of the Inspector General Transmittal Memorandum, and the Independent Auditors' Report are the following financial statements:

**Consolidated Balance Sheet** – 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, 2025.

**Consolidated Statement of Net Cost** – Presents the net cost of Department operations for the fiscal year ended September 30, 2025. The Department's net cost of operations includes the gross costs incurred by the Department less any exchange revenue earned from Department activities.

**Consolidated Statement 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 year ended September 30, 2025.

**Combined Statement 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 year ended September 30, 2025.

**Combined Statement 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 year ended September 30, 2025.

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January 23, 2026

MEMORANDUM FOR THE ATTORNEY GENERAL



FROM: Don R. Berthiaume  
Acting Inspector General

SUBJECT: Independent Auditors' Report on the Audit of the Department of Justice  
Annual Financial Statements, Fiscal Year 2025

PURPOSE: To transmit the Independent Auditors' Report on the Audit of the  
Department of Justice Annual Financial Statements, Fiscal Year 2025  
to the Attorney General (AG)

**FOR YOUR INFORMATION**

**EXECUTIVE SUMMARY:** The attached is being provided to the AG for information.

**DISCUSSION:** The Chief Financial Officers Act of 1990 (Pub. L. No. 101-576), as amended, requires the Department of Justice (Department) Inspector General, or an independent external auditor as determined by the Inspector General, to audit the Department's financial statements.

The Office of the Inspector General (OIG) contracted with the independent public accounting firm KPMG LLP (KPMG) to audit the financial statements of the Department as of and for the fiscal year ended September 30, 2025. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance.

In its audit of the Department's financial statements, KPMG reported:

- The financial statements are fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles.
- One material weakness was reported in internal controls over financial reporting.

- No instances of non-compliance or other matters.
- No instances in which the Department's financial management systems did not substantially comply substantially with the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA).

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 January 23, 2026, 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.

**CONSULTATION: NONE**

**OTHER STAKEHOLDERS: NONE**

Attachments

- Independent Auditors' Report on the Audit of the Department of Justice Annual Financial Statements Fiscal Year 2025

cc: Jolene A. Lauria  
Assistant Attorney General for Administration  
Chief Financial Officer  
Justice Management Division

Christopher C. Alvarez  
Deputy Assistant Attorney General  
Controller  
Justice Management Division

Matthew J. Roper  
Director  
Finance Staff  
Justice Management Division



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

## Independent Auditors' Report

Acting 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 sheet as of September 30, 2025, and the related consolidated statements of net cost, and changes in net position, and combined statements of budgetary resources and custodial activity for the year 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, 2025, and its net cost, changes in net position, budgetary resources, and custodial activity for the year then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *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.

#### *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.

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

### *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 Department'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

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 audit 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 (1) key performance results and (2) 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 Table of Contents, Agency Financial Report Introduction, Message from the Attorney General, Office of the Inspector General Transmittal Memorandum, 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, 2025, 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 accompanying 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, 2025 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 Responses to Finding*

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

*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. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*KPMG LLP*

Washington, D.C.  
January 23, 2026

## Material Weakness

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

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### **Improvements are Needed in Internal Controls Over Financial Reporting, Risk Assessment Processes, and Monitoring Activities**

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The U.S. Department of Justice's (Department) reporting structure is comprised of nine principal components that provide financial information for the preparation of the Department's consolidated financial statements. The preparation of the Department's consolidated financial statements is complex and dependent on Department-wide controls. 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.

Deficiencies exist that highlight the need for improved financial reporting controls, risk assessment, and monitoring throughout the Department.

Specifically, the following were identified:

I. Deficiencies in the Financial Reporting Process:

To prepare interim and year-end financial statements, components submit financial information to the Department's Justice Management Division (JMD), which then compiles the information in the consolidated financial statements. The preparation and review control activities over the Department's consolidated financial statements and its components' financial information were not operating effectively, as required by U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014) (Green Book) Principle 12 – Implement Control Activities.

These deficiencies are a result of weaknesses in the Department's Risk Assessment and Monitoring activities as further detailed in sections II and III below.

The deficiencies in these control activities resulted in material misstatements in the Department's consolidated financial statements and its components' financial information. Examples of misstatements include:

- Insufficient and inaccurate analysis of the financial statements, resulting in material errors not being identified in a timely manner.
- Misstatements on the Statement of Custodial Activity, including over \$700 million between multiple entities in the Disposition of Collections section, misstatements in the (Increase)/Decrease in Amounts Yet to be Transferred, and differences of approximately \$550 million not properly included in the financial statements.
- Incorrect amounts reported in Note 3, *Fund Balance with Treasury*, resulting in the omission of over \$4 billion as amounts restricted for use in future fiscal years.
- Misstatements in Note 8, *Forfeited and Seized Property, Net* due to the improper reporting of an \$8 billion seizure as a current year adjustment as well as a subsequent event for \$15 billion.

- Insufficient and untimely review of the component contingent legal liability responses, resulting in adjustments of over \$40 million to Note 17, *Commitments and Contingencies*.
- Improper presentation of more than \$10 billion of intra-DOJ activities in Note 25, *Reclassification of Financial Statement Line Items for Financial Report Compilation Process*.

II. Deficiencies in risk assessment processes:

The Department and its components' risk assessment processes were not operating effectively. The Department failed to identify, analyze, and respond to risks, as required by Green Book Principle 7 – Identify, Analyze, and Respond to Risks. The Department also failed to identify, analyze, and respond to changes impacting the internal control system and financial statements, as required by Green Book Principle 9 – Identify, Analyze, and Respond to Change. In addition, the Department and its components had insufficient processes to communicate quality information throughout the entity, as required by Green Book Principle 14 – Communicate Internally.

The deficiencies in the Department and components' risk assessment process resulted in:

- Failure to account for or sufficiently analyze and document changes in operations that impact the financial statements, such as the enactment of the One Big Beautiful Bill Act, including the receipt of over \$11 billion in Category C funding and the extension and expansion of the Radiation Exposure Compensation Act (RECA), as well as changes in inputs to certain liabilities, resulting in adjustments totaling \$405 million.
- Inconsistent processes to identify and record eliminations, including not properly recording elimination entries for interim financial reporting and the lack of full implementation of leveraging available technologies to enhance the eliminations process.
- Insufficient risk assessment of certain accounts receivables associated with outstanding debts, and the related impact on the allowance for doubtful accounts.

III. Deficiencies in monitoring activities:

The Department and its components' monitoring activities were not operating effectively. The Department did not perform sufficient monitoring activities, as required by Green Book Principle 16 – Perform Monitoring Activities. In addition, the Department did not evaluate issues and remediate deficiencies, as required by Green Book Principle 17 – Evaluate Issues and Remediate Deficiencies.

The deficiencies in the Department and components' monitoring activities resulted in:

- Insufficient identification of internal control failures, including analysis of the design, implementation, and effectiveness of controls.
- A material weakness reported for the Department since FY 2021. While the Department has made some progress in addressing the findings, similar deficiencies continue to be identified.

As a result of the above deficiencies in financial reporting, risk assessment and monitoring, 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 ensure the year-end financial statements and disclosures were presented fairly, in all material respects.

**Recommendations:**

We recommend that the Department:

1. Continue to recruit and retain individuals with relevant financial management and/or accounting skills, and 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 is finalizing its hiring plan for submission to the Office of Personnel Management. The Department will continue recruitment of individuals with accounting and financial management skills and provide training to new and existing personnel. Specifically, the Department will:

- Continue to recruit and hire qualified accounting and financial management candidates.
- 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; implement more consistent processes across components and improve data for analysis and reporting, to enhance the design of period end financial reporting controls, including the identification and investigation of events and transactions impacting all financial statements.

**Management Response:** Management concurs with the recommendation. 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 deployed a new tool set to generate financial statements and the Agency Financial Report (AFR) during FY 2025 that replaced a more than twenty-year-old legacy system. This new tool provided a consistent platform for use by all components in the preparation of the Department's financial statements. The Department will leverage lessons learned from year one of the deployment of this new system to address deficiencies and improve the process in FY 2026.
- Department management will continue to work with the Department's reporting components to improve the assessment and analysis of non-GAAP policies on component operations while continuing to improve the overall analysis of the aggregate impact of non-GAAP policies at the consolidated level.
- In anticipation of a return to comparative financial statements for FY 2026, 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 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 continue to assess existing and implement new processes to evaluate evolving risks to financial reporting associated with changes in legislation as well as changes in day-to-day Agency operations.

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 analysis of non-GAAP policies and the continued standardization of business processes.

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.
- Create reports and business processes that systemically link buyer obligation data with seller revenue agreements to ensure that revenue and expense data match 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 Sheet  
As of September 30, 2025**

<b>Dollars in Thousands</b>	<b>2025</b>
<b>ASSETS (Note 2)</b>	
Intragovernmental Assets:	
Fund Balance with Treasury (Note 3)	\$ 48,086,737
Investments, Net (Note 5)	6,247,872
Accounts Receivable, Net (Note 6)	462,592
Advances and Prepayments	260,217
Other Assets (Note 10)	30,075
Total Intragovernmental Assets	<u><u>\$ 55,087,493</u></u>
Other than Intragovernmental Assets:	
Cash and Other Monetary Assets (Note 4)	\$ 3,168,447
Accounts Receivable, Net (Note 6)	9,635,342
Inventory and Related Property, Net:	
Forfeited Property, Net (Note 8)	459,609
Other Inventory and Related Property, Net (Note 7)	122,035
Property, Plant and Equipment, Net (Note 9)	8,794,182
Advances and Prepayments	642,285
Other Assets (Note 10)	261
Total Other than Intragovernmental Assets	<u><u>\$ 22,822,161</u></u>
<b>Total Assets</b>	<u><u><b>\$ 77,909,654</b></u></u>
<b>LIABILITIES (Note 11)</b>	
Intragovernmental Liabilities:	
Accounts Payable	\$ 343,283
Advances from Others and Deferred Revenue	195,853
Other Liabilities:	
Custodial Liabilities (Note 22)	9,650,172
Other (Note 16)	549,112
Total Intragovernmental Liabilities	<u><u>\$ 10,738,420</u></u>
Other than Intragovernmental Liabilities:	
Accounts Payable	\$ 2,347,925
Federal Employee Salary, Leave and Benefits (Note 15)	1,506,098
Post-Employment Benefits (Note 15)	1,742,439
Environmental and Disposal Liabilities (Note 12)	90,103
Advances from Others and Deferred Revenue	1,382,810
Other Liabilities:	
Accrued Grant Liabilities	894,342
Seized Cash and Monetary Instruments (Note 14)	4,607,543
Radiation Exposure Compensation Act Liabilities (Note 26)	11,078
September 11th Victim Compensation Fund Liabilities (Note 26)	3,772,393
United States Victims of State Sponsored Terrorism Act Liabilities (Note 26)	3,136,216
Lessee Lease Liability (Note 13)	425,001
Other (Note 16)	943,035
Total Other than Intragovernmental Liabilities	<u><u>\$ 20,858,983</u></u>
<b>Total Liabilities</b>	<u><u><b>\$ 31,597,403</b></u></u>
Commitments and Contingencies (Note 17)	
<b>NET POSITION</b>	
Unexpended Appropriations:	
Unexpended Appropriations - Funds from Dedicated Collections (Note 18)	\$ 2,437,697
Unexpended Appropriations - Funds from other than Dedicated Collections	31,754,358
<b>Total Unexpended Appropriations</b>	<u><u><b>\$ 34,192,055</b></u></u>
Cumulative Results of Operations:	
Cumulative Results of Operations - Funds from Dedicated Collections (Note 18)	9,028,436
Cumulative Results of Operations - Funds from other than Dedicated Collections	3,091,760
<b>Total Cumulative Results of Operations</b>	<u><u><b>\$ 12,120,196</b></u></u>
<b>Total Net Position</b>	<u><u><b>\$ 46,312,251</b></u></u>
<b>Total Liabilities and Net Position</b>	<u><u><b>\$ 77,909,654</b></u></u>

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

**U.S. Department of Justice  
Consolidated Statement of Net Cost  
For the Fiscal Year Ended September 30, 2025**

Dollars in Thousands	2025
<b>Major Program 1: Law Enforcement</b>	
Gross Cost	\$ 22,505,803
Less: Earned Revenues	1,499,203
Subtotal Net Cost of Operations (Note 19)	<u><u>\$ 21,006,600</u></u>
<b>Major Program 2: Litigation and Compensation</b>	
Gross Cost	\$ 7,910,025
Less: Earned Revenues	430,524
Subtotal Net Cost of Operations (Note 19)	<u><u>\$ 7,479,501</u></u>
<b>Major Program 3: Prisons and Detention</b>	
Gross Cost	\$ 12,823,819
Less: Earned Revenues	949,784
Subtotal Net Cost of Operations (Note 19)	<u><u>\$ 11,874,035</u></u>
<b>Major Program 4: Grants</b>	
Gross Cost	\$ 6,085,213
Less: Earned Revenues	10,576
Subtotal Net Cost of Operations (Note 19)	<u><u>\$ 6,074,637</u></u>
<b>Major Program 5: Executive Oversight and Enterprise Technology</b>	
Gross Cost	\$ 3,331,615
Less: Earned Revenues	537,247
Subtotal Net Cost of Operations (Note 19)	<u><u>\$ 2,794,368</u></u>
<b>Total Net Cost of Operations</b>	<u><u><b>\$ 49,229,141</b></u></u>

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

**U.S. Department of Justice  
Consolidated Statement of Changes in Net Position  
For the Fiscal Year Ended September 30, 2025**

**Dollars in Thousands**

	<b>2025</b>			
	<b>Funds from Dedicated Collections (Note 18)</b>	<b>Funds from other than Dedicated Collections</b>	<b>Eliminations</b>	<b>Total</b>
<b>Unexpended Appropriations</b>				
<b>Beginning Balances</b>	<b>\$ 3,057,176</b>	<b>\$ 21,579,496</b>	<b>\$ —</b>	<b>\$ 24,636,672</b>
Appropriations Received	—	52,071,494	—	52,071,494
Appropriations Transferred-In/Out	12,699	338,534	—	351,233
Other Adjustments	—	(673,621)	—	(673,621)
Appropriations Used	(632,178)	(41,561,545)	—	(42,193,723)
<b>Net Change in Unexpended Appropriations</b>	<b>\$ (619,479)</b>	<b>\$ 10,174,862</b>	<b>\$ —</b>	<b>\$ 9,555,383</b>
<b>Total Unexpended Appropriations</b>	<b>\$ 2,437,697</b>	<b>\$ 31,754,358</b>	<b>\$ —</b>	<b>\$ 34,192,055</b>
<b>Cumulative Results of Operations</b>				
<b>Beginning Balances</b>	<b>\$ 6,686,593</b>	<b>\$ 3,571,491</b>	<b>\$ —</b>	<b>\$ 10,258,084</b>
Other Adjustments	(250,000)	(300,001)	—	(550,001)
Appropriations Used	632,178	41,561,545	—	42,193,723
Nonexchange Revenues	3,678,849	1,106	—	3,679,955
Donations and Forfeitures of Cash and Cash Equivalents	1,621,560	54	—	1,621,614
Transfers-In/Out Without Reimbursement	(110,410)	881,838	—	771,428
Donations and Forfeitures of Property	534,302	—	—	534,302
Imputed Financing (Note 20)	100,007	2,764,284	(13,609)	2,850,682
Other	1,160	(11,610)	—	(10,450)
<b>Net Cost of Operations</b>	<b>\$ (3,865,803)</b>	<b>\$ (45,376,947)</b>	<b>\$ 13,609</b>	<b>\$ (49,229,141)</b>
<b>Net Change in Cumulative Results of Operations</b>	<b>\$ 2,341,843</b>	<b>\$ (479,731)</b>	<b>\$ —</b>	<b>\$ 1,862,112</b>
<b>Total Cumulative Results of Operations</b>	<b>\$ 9,028,436</b>	<b>\$ 3,091,760</b>	<b>\$ —</b>	<b>\$ 12,120,196</b>
<b>Net Position</b>	<b>\$ 11,466,133</b>	<b>\$ 34,846,118</b>	<b>\$ —</b>	<b>\$ 46,312,251</b>

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

**U.S. Department of Justice  
Combined Statement of Budgetary Resources  
For the Fiscal Year Ended September 30, 2025**

<b>Dollars in Thousands</b>	<b>2025</b>
<b>Budgetary Resources</b>	
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory) (Note 21)	\$ 17,081,492
Appropriations (discretionary and mandatory)	57,615,924
Spending Authority from Offsetting Collections (discretionary and mandatory)	5,489,484
<b>Total Budgetary Resources</b>	<b><u>\$ 80,186,900</u></b>
<b>Status of Budgetary Resources</b>	
New Obligations and Upward Adjustments (Total)	\$ 52,142,689
Unobligated Balance, End of Year:	
Apportioned, Unexpired Accounts	25,291,668
Exempt from Apportionment, Unexpired Accounts	370,633
Unapportioned, Unexpired Accounts	<u>1,196,303</u>
Unexpired Unobligated Balance, End of Year	26,858,604
Expired Unobligated Balance, End of Year	1,185,607
Unobligated Balance - End of Year (Total)	<u>28,044,211</u>
<b>Total Status of Budgetary Resources</b>	<b><u>\$ 80,186,900</u></b>
<b>Outlays, Net</b>	
Outlays, Net (Total) (discretionary and mandatory)	\$ 48,025,615
Less: Distributed Offsetting Receipts	1,797,735
Agency Outlays, Net (discretionary and mandatory)	<b><u>\$ 46,227,880</u></b>

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

**U.S. Department of Justice  
Combined Statement of Custodial Activity  
For the Fiscal Year Ended September 30, 2025**

<b>Dollars in Thousands</b>	<b>2025</b>
<b>Total Custodial Revenue</b>	
Sources of Cash Collections	
Federal Debts, Fines, Penalties and Restitution	\$ 7,245,139
Fees and Licenses	208,218
Miscellaneous	3,389
Total Cash Collections	<u>\$ 7,456,746</u>
Accrual Adjustments	9,130,238
<b>Total Custodial Revenue (Note 22)</b>	<b><u>\$ 16,586,984</u></b>
<b>Disposition of Collections</b>	
Transferred to Federal Agencies	
U.S. Department of Agriculture	(96,105)
U.S. Department of Commerce	(5,770)
U.S. Department of the Interior	(557,566)
U.S. Department of Justice	(1,075,235)
U.S. Department of Labor	(5,051)
U.S. Department of State	(6,235)
U.S. Department of the Treasury	(712,581)
Office of Personnel Management	(4,021)
Social Security Administration	(500)
U.S. Nuclear Regulatory Commission	(191)
U.S. Department of Veterans Affairs	(23,253)
General Services Administration	(23,144)
National Science Foundation	(956)
Environmental Protection Agency	(809,276)
U.S. Department of Transportation	(2,462)
U.S. Department of Homeland Security	(118,634)
Small Business Administration	(149,780)
U.S. Department of Health and Human Services	(1,365,917)
National Aeronautics and Space Administration	(1,820)
U.S. Department of Housing and Urban Development	(27,908)
U.S. Department of Energy	(3,610)
U.S. Department of Education	(22,392)
U.S. Agency of International Development	(2,248)
Treasury General Fund	(1,311,667)
U.S. Department of Defense	(507,398)
Other Intragovernmental	(138,795)
Transferred to the Public	(409,943)
(Increase)/Decrease in Amounts Yet to be Transferred	(8,997,550)
Increase/(Decrease) in Refunds Payable and Other Liabilities	(9,661)
Retained by the Reporting Entity	(197,315)
<b>Total Disposition Of Collections</b>	<b><u>(16,586,984)</u></b>
<b>Custodial Revenue Less Disposition of Collections</b>	<b><u>\$ —</u></b>

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

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

## **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 Sheet. These include Custodial Liabilities; Accrued Grant Liabilities; Seized Cash and Monetary Instruments; 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 Sheet to identify Forfeited Property, Net, and Other Inventory and Related Property, Net.

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

**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 Statement of Budgetary Resources and Statement of Custodial Activity are combined statements for FY 2025, 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 Statement 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 Statement 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.

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

**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 Sheet 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

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

**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.

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

**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 based on 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. Financial Management Information Bulletin 2024-04, *Update to Program Statement 1404.04, 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.

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

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

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

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.

*SFFAS No. 54, Leases*, and related amendments requires federal lessees to recognize a lease liability and a lease asset at the commencement of the lease term. Unless the lease 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 Statement 1404.05*, 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.

**L. Advances and Prepayments**

Advances and prepayments, classified as assets on the Consolidated Balance Sheet, 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.

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

**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 date 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 Sheet. Seized property other than cash and monetary instruments are only presented in the notes to the financial statements.

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**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, and disclosed in Note 11, Liabilities not Covered by Budgetary Resources. 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.

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**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. For FY 2025, a portion of annual leave was accrued as an accounts payable due to the Deferred Resignation Program (DRP).

**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.

**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.

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

**T. Retirement Plan (continued)**

- 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.

**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,

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

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

and miscellaneous cost for approved compensation cases for the Department employees. The Department liability is further allocated to component reporting entities based on 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.

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

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

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

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
- 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

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

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

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.

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.

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.

These notes are an integral part of the financial statements.

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

**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. Subsequent Events**

Subsequent events and transactions occurring after September 30, 2025 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.

**AC. 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.

**AD. Public-Private Partnerships**

*SFFAS No. 49, Public-Private Partnerships: Disclosure Requirements and SFFAS No. 63, Omnibus Amendments 2024-1: Amending Statements of Federal Financial Accounting Standards 38, 49, and Technical Bulletin 2011-1*, 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 FY 2025, 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.

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**Note 2. Non-Entity Assets**

As of September 30, 2025

	<u>2025</u>
Intragovernmental	
Fund Balance with Treasury	\$ 439,996
Investments, Net	1,580,000
Accounts Receivable, Net	60
Total Intragovernmental	<u>\$ 2,020,056</u>
Other than Intragovernmental	
Cash and Other Monetary Assets	\$ 3,097,064
Accounts Receivable, Net	9,497,920
Total Other than Intragovernmental	<u>\$12,594,984</u>
Total Non-Entity Assets	<u>\$14,615,040</u>
Total Entity Assets	<u>\$63,294,614</u>
Total Assets	<u><u>\$77,909,654</u></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, 2025

	<u>2025</u>
Status of Fund Balances With Treasury	
Unobligated Balance - Available	\$25,662,301
Unobligated Balance - Unavailable	2,381,910
Obligated Balance Not Yet Disbursed	20,262,425
Non-Budgetary Fund Balance with Treasury	4,256,812
Budgetary Resources from Invested Balances	(4,484,598)
Total Status of Fund Balances with Treasury	<u><u>\$48,078,850</u></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.

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**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 year ended September 30, 2025, the amount restricted for future use was \$11.7 billion.

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, 2025, the respective immaterial variance of \$7,887 between Fund Balance with Treasury line item on the Balance Sheet and Total Status of Fund Balances on the note represent sequestered BOP balances.

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

As of September 30, 2025

	<u>2025</u>
Cash	
Undeposited Collections	\$ 16
Imprest Funds	71,316
Seized Cash Deposited	2,969,488
Other	50,637
Total Cash	<u>\$ 3,091,457</u>
Other Monetary Assets	
Seized Monetary Instruments	76,990
Total Other Monetary Assets	<u>76,990</u>
Total Cash and Other Monetary Assets	<u><u>\$ 3,168,447</u></u>

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

**Note 5. Investments, Net**

	<u>Cost/ Acquisition Value</u>	<u>Amortization Method</u>	<u>Amortized (Premium) Discount</u>	<u>Interest Reivable</u>	<u>Investments, Net</u>	<u>Market Value</u>
As of September 30, 2025						
Intragovernmental Securities and Investments:						
Non-Marketable: Market Based	\$ 6,193,261	Straight-Line	\$ 54,413	\$ 198	\$ 6,247,872	\$ 6,250,951

These notes are an integral part of the financial statements.

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**Note 6. Accounts Receivable, Net**

As of September 30, 2025

	<u>2025</u>
Intragovernmental	
Accounts Receivable	<u>\$ 462,592</u>
Total Intragovernmental	<u>\$ 462,592</u>
Other than Intragovernmental	
Accounts Receivable	<u>\$13,458,833</u>
Allowance for Uncollectible Accounts	<u>(3,823,491)</u>
Total Other than Intragovernmental	<u>9,635,342</u>
Total Accounts Receivable, Net	<u><u>\$10,097,934</u></u>

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.

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

As of September 30, 2025

	<u>2025</u>
Inventory	
Raw Materials	<u>\$ 54,851</u>
Work in Process	<u>12,576</u>
Finished Goods	<u>14,547</u>
Inventory Purchased for Resale	<u>22,292</u>
Inventory Allowance	<u>(3,819)</u>
Operating Materials and Supplies	
Held for Current Use	<u>21,588</u>
Total Other Inventory and Related Property, Net	<u><u>\$ 122,035</u></u>

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**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 year ended September 30, 2025, \$408,733 of forfeited properties were sold, \$740 were destroyed or donated, \$53,545 were returned to owners, \$101,402 were converted to cash, and \$1,567 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.

As of September 30, 2025

Forfeited Property Category		Beginning Balance	Adjustments (1)	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	223		384	596	(973)	230	— 230
	Value	\$ 14,124	\$ 1,703	\$ 235,307	\$ (109,927)	\$ 141,207	— \$ 141,207	
Digital Assets	Number	225		(40)	439	(259)	365	— 365
	Value	\$ 184,733	\$ (6,283)	\$ 323,800	\$ (284,828)	\$ 217,422	\$ (822)	\$ 216,600
Real Property	Number	85		(3)	174	(168)	88	— 88
	Value	\$ 82,768	\$ (14,060)	\$ 96,793	\$ (108,367)	\$ 57,134	\$ (58)	\$ 57,076
Personal Property	Number	4,660		(377)	3,052	(2,630)	4,705	— 4,705
	Value	\$ 51,465	\$ (8,557)	\$ 64,833	\$ (62,865)	\$ 44,876	\$ (150)	\$ 44,726
Non-Valued Firearms	Number	65,044		(226)	18,594	(23,187)	60,225	— 60,225
<b>Total</b>	<b>Number</b>	<b>70,237</b>		<b>(262)</b>	<b>22,855</b>	<b>(27,217)</b>	<b>65,613</b>	<b>— 65,613</b>
	<b>Value</b>	<b>\$ 333,090</b>		<b>\$ (27,197)</b>	<b>\$ 720,733</b>	<b>\$ (565,987)</b>	<b>\$ 460,639</b>	<b>\$ (1,030)</b>
								<b>\$ 459,609</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. Valuation changes occur primarily due to changes in appraisals.

**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.

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

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 analyzed 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). “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.

**Method of Disposition of Seized Property:**

For the fiscal year ended September 30, 2025, \$1,789,192 of seized property were forfeited, \$235,474 were returned to parties with a bona fide interest, and \$102,197 were either released to a designated party or transferred to the appropriate federal entity under forfeiture or abandonment procedures. Non-valued property was primarily disposed of through destruction.

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

As of September 30, 2025

<b>Seized Property Category</b>		<b>Beginning Balance</b>	<b>Adjustments (1)</b>	<b>Seizures</b>	<b>Disposals</b>	<b>Ending Balance</b>	<b>Liens and Claims</b>	<b>Ending Balance, Net of Liens</b>
<b>Seized for Forfeiture</b>								
Seized Cash & Monetary Instruments	Number	21,479	386	6,492	(9,257)	19,100	—	19,100
	Value	\$ 4,820,779	\$ 7,946	\$ 1,309,784	\$ (1,574,465)	\$ 4,564,044	\$ (2,093,487)	\$ 2,470,557
Financial Instruments	Number	581	(107)	399	(393)	480	—	480
	Value	\$ 302,532	\$ (7,770)	\$ 317,360	\$ (88,434)	\$ 523,688	\$ (49,807)	\$ 473,881
Digital Assets	Number	1,347	75	692	(453)	1,661	—	1,661
	Value	\$ 1,170,564	\$ 202,046	\$ 831,055	\$ (331,512)	\$ 1,872,153	\$ (1,762,226)	\$ 109,927
Real Property	Number	45	(5)	47	(44)	43	—	43
	Value	\$ 64,635	\$ (15,916)	\$ 50,527	\$ (40,645)	\$ 58,601	\$ (20,134)	\$ 38,467
Personal Property	Number	7,945	101	3,065	(3,769)	7,342	—	7,342
	Value	\$ 522,651	\$ (179,750)	\$ 68,809	\$ (84,650)	\$ 327,060	\$ (205,359)	\$ 121,701
Non-Valued Firearms	Number	44,172	5,781	21,150	(20,968)	50,135	—	50,135
<b>Total</b>	<b>Number</b>	<b>75,569</b>	<b>6,231</b>	<b>31,845</b>	<b>(34,884)</b>	<b>78,761</b>	<b>—</b>	<b>78,761</b>
	<b>Value</b>	<b>\$ 6,881,161</b>	<b>\$ 6,556</b>	<b>\$ 2,577,535</b>	<b>\$ (2,119,706)</b>	<b>\$ 7,345,546</b>	<b>\$ (4,131,013)</b>	<b>\$ 3,214,533</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, 2025

<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	\$ 59,363	\$ (7,031)	\$ 16,482	\$ (6,380)	\$ 62,434
Digital Assets	Number	239	(139)	60	(2)	158
	Value	\$ 316,491	\$ (163,098)	\$ 40,236	\$ (53)	\$ 193,576
Personal Property	Number	286	4	55	(43)	302
	Value	\$ 3,220	\$ 372	\$ 52,451	\$ (724)	\$ 55,319
Non-Valued Firearms	Number	87,200	(2,904)	20,877	(12,704)	92,469
Drug Evidence						
Cocaine	KG	168,987	596	155,727	(148,832)	176,478
Heroin	KG	7,788	301	533	(1,262)	7,360
Marijuana	KG	6,754	239	342	(1,214)	6,121
Bulk Drug Evidence	KG	76,790	104	93,852	(70,059)	100,687
Methamphetamine	KG	86,235	2,806	26,509	(27,977)	87,573
Other	KG	29,133	1,032	8,333	(6,361)	32,137
<b>Total Drug Evidence</b>	<b>KG</b>	<b>375,687</b>	<b>5,078</b>	<b>285,296</b>	<b>(255,705)</b>	<b>410,356</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, 2025

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	\$ 185,416	\$ —	\$ 185,416	N/A
Construction in Progress	1,747,162	—	1,747,162	N/A
Buildings, Improvements and Renovations	12,475,900	(8,358,517)	4,117,383	2-50 yrs
Other Structures and Facilities	1,104,692	(689,344)	415,348	10-50 yrs
Equipment & Vehicles <sup>1</sup>	2,268,441	(1,501,032)	767,409	5-30 yrs
Leasehold Improvements	2,404,891	(1,656,918)	747,973	2-20 yrs
Internal Use Software	2,878,938	(2,531,716)	347,222	2-10 yrs
Internal Use Software in Development	57,652	—	57,652	N/A
Other Property, Plant and Equipment	1,158	—	1,158	10-20 yrs
Lessee Right-to-Use Lease Asset	552,973	(145,514)	407,459	2-30 yrs
<b>Total</b>	<b>\$ 23,677,223</b>	<b>\$ (14,883,041)</b>	<b>\$ 8,794,182</b>	

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

As of September 30, 2025

	2025
Balance Beginning of Year	\$ 8,519,791
Capitalized Acquisitions	1,207,708
Dispositions	(28,176)
Transfer In/Out without Reimbursements	(8,032)
Revaluation	7,374
Depreciation Expense	(803,727)
Lessee Lease Amortization Expense	(81,831)
Lease Cancellations/Downward Adjustments	(18,785)
Other	(140)
<b>Balance End of Year</b>	<b>\$ 8,794,182</b>

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

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**Note 10. Other Assets**

As of September 30, 2025

	<b>2025</b>
Intragovernmental	
Other Assets Intragovernmental	\$ 30,075
Other than Intragovernmental	
Other Assets Other than Intragovernmental	\$ 261
Total Other Assets	<b><u>\$ 30,336</u></b>

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

As of September 30, 2025

	<b>2025</b>
Intragovernmental	
Other Liabilities	
Accrued FECA Liabilities	\$ 357,412
Other Unfunded Employment Related Liabilities	1,532
Other	6,956
Total Intragovernmental	<b><u>\$ 365,900</u></b>
Other than Intragovernmental	
Unfunded Leave and Other Employment Related Liabilities	\$ 1,074,509
Actuarial FECA	1,742,439
Environmental and Disposal Liabilities (Note 12)	90,103
Advances from Others and Deferred Revenue	923,201
Other Liabilities	
Contingent Liabilities (Note 17)	165,955
Unfunded Lessee Lease Liability	424,850
Radiation Exposure Compensation Act Liabilities (Note 26)	11,078
September 11 <sup>th</sup> Victim Compensation Fund Liabilities (Note 26)	3,772,393
Other	390,569
Total Other than Intragovernmental	<b><u>\$ 8,595,097</u></b>
Total Liabilities Not Covered by Budgetary Resources	<b><u>\$ 8,960,997</u></b>
Total Liabilities Covered by Budgetary Resources	7,684,400
Total Liabilities Not Requiring Budgetary Resources	14,952,006
Total Liabilities	<b><u>\$ 31,597,403</u></b>

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.

These notes are an integral part of the financial statements.

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**Note 12. Environmental and Disposal Liabilities**

As of September 30, 2025

	<u>2025</u>
Firing Ranges	
Beginning Balance, Brought Forward	\$ 35,008
Inflation Adjustment	338
Total Firing Range Liability	<u>\$ 35,346</u>
Asbestos	
Beginning Balance, Brought Forward	\$ 53,196
New Asbestos	30
Abatements	(175)
Inflation Adjustment	1,658
Future Funded Expenses	48
Total Asbestos Liability	<u>\$ 54,757</u>
Total Environmental and Disposal Liabilities	<u><u>\$ 90,103</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 projectiles from rifles, shotguns, and pistols. At operational firing ranges, lead-containing bullets are fired and eventually fall to the ground at or near the range. As of September 30, 2025, BOP Management determined their estimated clean-up liability to be \$33,043.

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, 2025, the FBI reported the estimated firing range cleanup liability of \$2,303.

## **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. As of September 30, 2025, BOP Management recorded a clean-up liability in the amount of \$52,036.

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 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, 2025, the FBI reported the estimated asbestos cleanup liability of \$2,721.

## **Note 13. Leases**

In accordance with *SFFAS No. 54*, the Department reviewed current lease agreements with underlying assets, excluding those having terms of 24 months, 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, 2025, DOJ reported approximately \$268,485 in lessee right-to-use lease assets and approximately \$209,246 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 approximately 1.1 to 5.1 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, 2025

**Other than Intragovernmental Lessee Agreements**

Land, Building, and Operational Space:

Fiscal Year	Principal	Interest	Total
2026	63,155	16,414	79,569
2027	58,617	13,624	72,241
2028	47,777	11,207	58,984
2029	41,066	9,205	50,271
2030	32,441	7,542	39,983
2031 - 2035	86,573	21,977	108,550
2036 - 2040	33,217	9,857	43,074
2041 -2045	18,413	3,134	21,547
2046+	6,375	1,123	7,498
Subtotal: Land, Buildings and Operational Space	\$ 387,634	\$ 94,083	\$ 481,717

Machinery, Equipment, and Vehicles:

Fiscal Year	Principal	Interest	Total
2026	12,747	1,416	14,163
2027	8,061	948	9,009
2028	5,371	673	6,044
2029	5,380	421	5,801
2030	3,938	717	4,655
2031 - 2035	1,770	299	2,069
2036 - 2040	100	5	105
2041 -2045	—	—	—
2046+	—	—	—
Subtotal: Machinery and Equipment	\$ 37,367	\$ 4,479	\$ 41,846
Total	\$ 425,001	\$ 98,562	\$ 523,563

Intragovernmental lease agreements are typically through the General Services 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, 2025

Buildings	\$ 1,985,904
Equipment and Vehicles	53,982
Other	158
<b>Total</b>	<b><u>\$ 2,040,044</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, 2025

	2025
Investments, Net	\$ 1,580,000
Seized Cash Deposited	2,969,488
Seized Monetary Instruments	76,990
Cash in Transit to (AFF)/SADF	(18,935)
<b>Total Seized Cash and Monetary Instruments</b>	<b><u>\$ 4,607,543</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, 2025

	2025
Federal Employee Salary, Leave, and Benefits	
Accrued Funded Payroll and Leave	\$ 410,011
Employer Contributions and Payroll Taxes Payable	17,264
Unfunded Leave	1,078,823
<b>Total Federal Employee Salary, Leave, and Benefits</b>	<b><u>\$ 1,506,098</u></b>
Post-Employment Benefits	
Actuarial FECA	\$ 1,742,439
<b>Total</b>	<b><u>\$ 3,248,537</u></b>

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**Note 16. Other Liabilities**

As of September 30, 2025

	<b>2025</b>
<b>Intragovernmental:</b>	
Benefit Program Contributions Payable	\$ 499,687
Employer Contributions and Payroll Taxes Payable	29,020
Liability for Clearing Accounts	(40)
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	2,921
Other Liabilities	17,524
<b>Total Intragovernmental</b>	<b><u>\$ 549,112</u></b>
 <b>Other than Intragovernmental</b>	
Other Liabilities without Related Budgetary Obligations	\$ 441,138
Other Liabilities with Related Budgetary Obligations	41,190
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	92,615
Liability for Clearing Accounts	1,212
Custodial Liabilities	196,963
Contingent Liabilities (Note 17)	165,955
Other Liabilities	3,962
<b>Total Other than Intragovernmental</b>	<b><u>\$ 943,035</u></b>
 <b>Total Other Liabilities</b>	<b><u>\$ 1,492,147</u></b>

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, 2025	Accrued Liabilities	Estimated Range of Loss	
		Lower	Upper
<b>Legal Contingencies:</b>			
Probable	\$ 165,955	\$ 165,955	\$ 462,726
Reasonably Possible		\$ 110,119	\$ 1,554,714

**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, 2025	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Fund (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	U.S. VSSTF (OBD)	Crime Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
<b>Balance Sheet</b>										
<b>Assets</b>										
Intragovernmental Assets:										
Fund Balance with Treasury Investments, Net	\$ 3,123,427	\$ 202,471	\$ 356,991	\$ 185,316	\$ 321,354	\$ 5,004	\$ 7,639,860	\$ 5,695	\$ —	\$ 11,840,118
Accounts Receivable, Net	1,171,700	—	—	—	19,511	3,101,849	—	—	—	4,293,060
Advances and Prepayments	11,586	—	—	1,038	367	—	—	—	—	12,991
Total Intragovernmental Assets	564	—	66	774	78	—	112,908	—	—	114,390
	<b>\$ 4,307,277</b>	<b>\$ 202,471</b>	<b>\$ 357,057</b>	<b>\$ 187,128</b>	<b>\$ 341,310</b>	<b>\$ 3,106,853</b>	<b>\$ 7,752,768</b>	<b>\$ 5,695</b>	<b>\$ —</b>	<b>\$ 16,260,559</b>
Other than Intragovernmental Assets:										
Accounts Receivable, Net	\$ 9	\$ 216	\$ —	\$ 39	\$ 72,110	\$ —	\$ —	\$ —	\$ —	\$ 72,374
Inventory and Related Property, Net	459,609	22,292	—	—	—	—	—	—	—	481,901
Property, Plant, and Equipment, Net	722	2,021	19,208	39	13,947	—	—	—	—	35,937
Advances and Prepayments	2,104	20	16	1,849	198	—	497	—	—	4,684
Other Assets	1	—	—	—	—	—	—	—	—	1
Total Other than Intragovernmental Assets	<b>\$ 462,445</b>	<b>\$ 24,549</b>	<b>\$ 19,224</b>	<b>\$ 1,927</b>	<b>\$ 86,255</b>	<b>\$ —</b>	<b>\$ 497</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 594,897</b>
Total Assets	<b>\$ 4,769,722</b>	<b>\$ 227,020</b>	<b>\$ 376,281</b>	<b>\$ 189,055</b>	<b>\$ 427,565</b>	<b>\$ 3,106,853</b>	<b>\$ 7,753,265</b>	<b>\$ 5,695</b>	<b>\$ —</b>	<b>\$ 16,855,456</b>
<b>Liabilities</b>										
Intragovernmental Liabilities										
Accounts Payable	\$ 50,996	\$ 1,340	\$ 15,040	\$ 7,048	\$ 6,794	\$ —	\$ 26,198	\$ —	\$ —	\$ 107,416
Other Liabilities	1,834	10,651	2,802	9,912	1,389	6	—	—	—	26,594
Total Intragovernmental Liabilities	<b>\$ 52,830</b>	<b>\$ 11,991</b>	<b>\$ 17,842</b>	<b>\$ 16,960</b>	<b>\$ 8,183</b>	<b>\$ 6</b>	<b>\$ 26,198</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 134,010</b>
Other than Intragovernmental Liabilities:										
Accounts Payable	\$ 508,559	\$ 38,698	\$ 18,625	\$ 1,699	\$ (481)	\$ 920	\$ 1,338	\$ —	\$ —	\$ 569,358
Federal Employee Salary, Leave and Benefits	4,650	(928)	27,957	12,789	15,682	6,323	—	—	—	66,473
Advances from Others and Deferred Revenue	459,609	—	917,583	—	—	—	—	—	—	1,377,192
Other Liabilities	(18,916)	65	353	—	8	3,136,216	124,460	104	—	3,242,290
Total Other than Intragovernmental Liabilities	<b>\$ 953,902</b>	<b>\$ 37,835</b>	<b>\$ 964,518</b>	<b>\$ 14,488</b>	<b>\$ 15,209</b>	<b>\$ 3,143,459</b>	<b>\$ 125,798</b>	<b>\$ 104</b>	<b>\$ —</b>	<b>\$ 5,255,313</b>
Total Liabilities	<b>\$ 1,006,732</b>	<b>\$ 49,826</b>	<b>\$ 982,360</b>	<b>\$ 31,448</b>	<b>\$ 23,392</b>	<b>\$ 3,143,465</b>	<b>\$ 151,996</b>	<b>\$ 104</b>	<b>\$ —</b>	<b>\$ 5,389,323</b>
<b>Net Position</b>										
Unexpended Appropriations	\$ —	\$ —	\$ —	\$ 31,999	\$ (264)	\$ 2,405,962	\$ —	\$ —	\$ —	\$ 2,437,697
Cumulative Results of Operations	3,762,990	177,194	(606,079)	125,608	404,437	(2,442,574)	7,601,269	5,591	—	9,028,436
Total Net Position	<b>\$ 3,762,990</b>	<b>\$ 177,194</b>	<b>\$ (606,079)</b>	<b>\$ 157,607</b>	<b>\$ 404,173</b>	<b>\$ (36,612)</b>	<b>\$ 7,601,269</b>	<b>\$ 5,591</b>	<b>\$ —</b>	<b>\$ 11,466,133</b>
Total Liabilities and Net Position	<b>\$ 4,769,722</b>	<b>\$ 227,020</b>	<b>\$ 376,281</b>	<b>\$ 189,055</b>	<b>\$ 427,565</b>	<b>\$ 3,106,853</b>	<b>\$ 7,753,265</b>	<b>\$ 5,695</b>	<b>\$ —</b>	<b>\$ 16,855,456</b>

These notes are an integral part of the financial statements.

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

<b>As of September 30, 2025</b>	<b>Assets Forfeiture Fund (AFF)</b>	<b>Federal Prison Commissary Account (BOP)</b>	<b>Diversion Control Fee Account (DEA)</b>	<b>Antitrust Division (OBD)</b>	<b>U.S. Trustee System Fund (OBD)</b>	<b>U.S. VSSTF (OBD)</b>	<b>Crime Victims Fund (OJP)</b>	<b>Domestic Trafficking Victims Fund (OJP)</b>	<b>Eliminations Between Dedicated Funds</b>	<b>Total Funds from Dedicated Collections (Consolidated)</b>
Statement of Net Cost										
Gross Cost of Operations	\$ 1,664,597	\$ 416,145	\$ 672,012	\$ 272,584	\$ 278,703	\$ 351,291	\$ 1,721,879	\$ 2,342	\$ —	\$ 5,379,553
Less: Earned Revenues	17,070	351,784	597,667	282,449	264,780	—	—	—	—	1,513,750
Net Program Costs	<u>\$ 1,647,527</u>	<u>\$ 64,361</u>	<u>\$ 74,345</u>	<u>\$ (9,865)</u>	<u>\$ 13,923</u>	<u>\$ 351,291</u>	<u>\$ 1,721,879</u>	<u>\$ 2,342</u>	<u>\$ —</u>	<u>\$ 3,865,803</u>
As of September 30, 2025										
Statement of Changes in Net Position										
<b>Unexpended Appropriations</b>										
Beginning Balance	\$ —	\$ —	\$ —	\$ 19,300	\$ (264)	\$ 3,038,140	\$ —	\$ —	\$ —	\$ 3,057,176
Appropriations Transferred in/out	—	—	—	12,699	—	—	—	—	—	12,699
Appropriations Used	—	—	—	—	—	(632,178)	—	—	—	(632,178)
Total Unexpended Appropriations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 31,999</u>	<u>\$ (264)</u>	<u>\$ 2,405,962</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,437,697</u>
<b>Cumulative Results of Operations</b>										
Beginning Balance	\$ 3,325,197	\$ 226,184	\$ (575,180)	\$ 114,583	\$ 403,796	\$ (3,070,694)	\$ 6,256,614	\$ 6,093	\$ —	\$ 6,686,593
Appropriations Used	—	—	—	—	—	632,178	—	—	—	632,178
Other than Intragovernmental Non-exchange revenue	(10,701)	—	—	—	123	—	3,156,534	1,840	—	3,147,796
Miscellaneous Receipts: Fines and Fees	382,902	—	—	—	—	148,151	—	—	—	531,053
Intragovernmental Non-exchange revenue	1,956,780	—	—	—	—	199,082	—	—	—	2,155,862
Donations and forfeitures of cash and property	(1,742)	—	—	—	(18,668)	—	(90,000)	—	—	(110,410)
Transfers in/out without reimbursements	8,081	15,371	43,446	—	33,109	—	—	—	—	100,007
Imputed Financing	(250,000)	—	—	1,160	—	—	—	—	—	(248,840)
Net Costs of Operations	<u>(1,647,527)</u>	<u>(64,361)</u>	<u>(74,345)</u>	<u>9,865</u>	<u>(13,923)</u>	<u>(351,291)</u>	<u>(1,721,879)</u>	<u>(2,342)</u>	<u>—</u>	<u>(3,865,803)</u>
Net Change and Cumulative Results of Operations	437,793	(48,990)	(30,899)	11,025	641	628,120	1,344,655	(502)	—	2,341,843
Total Cumulative Results of Operation	<u>\$ 3,762,990</u>	<u>\$ 177,194</u>	<u>\$ (606,079)</u>	<u>\$ 125,608</u>	<u>\$ 404,437</u>	<u>\$ (2,442,574)</u>	<u>\$ 7,601,269</u>	<u>\$ 5,591</u>	<u>\$ —</u>	<u>\$ 9,028,436</u>
<b>Net Position, End of Period</b>	<u><b>\$ 3,762,990</b></u>	<u><b>\$ 177,194</b></u>	<u><b>\$ (606,079)</b></u>	<u><b>\$ 157,607</b></u>	<u><b>\$ 404,173</b></u>	<u><b>\$ (36,612)</b></u>	<u><b>\$ 7,601,269</b></u>	<u><b>\$ 5,591</b></u>	<u><b>\$ —</b></u>	<u><b>\$ 11,466,133</b></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, 2025, a total of \$40.9 million of the GSA award has been transferred to the ATR. The total related repayment disbursed was \$1.3 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.

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

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 was 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, 2025

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Major Program 1: Law Enforcement</b>											
Gross Cost	\$ 1,664,597	\$ 1,909,515	\$ —	\$ 3,460,659	\$ 13,110,616	\$ —	\$ 534,276	\$ —	\$ 2,621,759	\$ (795,619)	\$ 22,505,803
Less: Earned Revenues	\$ 17,070	\$ 56,080	\$ —	\$ 620,937	\$ 1,112,041	\$ —	\$ (135)	\$ —	\$ 50,094	\$ (356,884)	\$ 1,499,203
Net Cost of Operations	<u>\$ 1,647,527</u>	<u>\$ 1,853,435</u>	<u>\$ —</u>	<u>\$ 2,839,722</u>	<u>\$ 11,998,575</u>	<u>\$ —</u>	<u>\$ 534,411</u>	<u>\$ —</u>	<u>\$ 2,571,665</u>	<u>\$ (438,735)</u>	<u>\$ 21,006,600</u>
<b>Major Program 2: Litigation and Compensation</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,938,174	\$ —	\$ —	\$ (28,149)	\$ 7,910,025
Less: Earned Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 478,459	\$ —	\$ —	\$ (47,935)	\$ 430,524
Net Cost of Operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7,459,715</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19,786</u>	<u>\$ 7,479,501</u>				
<b>Major Program 3: Prisons and Detention</b>											
Gross Cost	\$ —	\$ —	\$ 10,363,772	\$ —	\$ 591,130	\$ 7,939	\$ —	\$ 2,186,287	\$ (325,309)	\$ 12,823,819	
Less: Earned Revenues	\$ —	\$ —	\$ 416,825	\$ —	\$ 576,005	\$ —	\$ —	\$ 551	\$ (43,597)	\$ 949,784	
Net Cost of Operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,946,947</u>	<u>\$ —</u>	<u>\$ 15,125</u>	<u>\$ 7,939</u>	<u>\$ —</u>	<u>\$ 2,185,736</u>	<u>\$ (281,712)</u>	<u>\$ 11,874,035</u>	
<b>Major Program 4: Grants</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,192,426	\$ 5,008,147	\$ —	\$ (115,360)	\$ 6,085,213
Less: Earned Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,254	\$ 24,990	\$ —	\$ (16,668)	\$ 10,576
Net Cost of Operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,190,172</u>	<u>\$ 4,983,157</u>	<u>\$ —</u>	<u>\$ (98,692)</u>	<u>\$ 6,074,637</u>				
<b>Major Program 5: Executive Oversight and Enterprise Technology</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,354,778	\$ —	\$ —	\$ (23,163)	\$ 3,331,615
Less: Earned Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,346,154	\$ —	\$ —	\$ (808,907)	\$ 537,247
Net Cost of Operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,008,624</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 785,744</u>	<u>\$ 2,794,368</u>				
<b>Net Cost of Operations</b>	<b><u>\$ 1,647,527</u></b>	<b><u>\$ 1,853,435</u></b>	<b><u>\$ 9,946,947</u></b>	<b><u>\$ 2,839,722</u></b>	<b><u>\$ 11,998,575</u></b>	<b><u>\$ 15,125</u></b>	<b><u>\$ 11,200,861</u></b>	<b><u>\$ 4,983,157</u></b>	<b><u>\$ 4,757,401</u></b>	<b><u>\$ (13,609)</u></b>	<b><u>\$ 49,229,141</u></b>

These notes are an integral part of the financial statements.

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## **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
	Regular Employees Offset
	Law Enforcement Officers
	Law Enforcement Officers Offset
Federal Employees Retirement System (FERS)	Regular Employees
	Regular Employees - Revised Annuity Employees (RAE)
	Regular Employees - Further Revised Annuity Employees (FRAE)
	Law Enforcement Officers
	Law Enforcement Officers - RAE
	Law Enforcement Officers - FRAE

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 Year Ended September 30, 2025

	2025
Imputed Inter-Departmental Financing	
U.S. Treasury Judgment Fund	\$ 173,515
Health Insurance	1,104,207
Life Insurance	2,774
Pension	1,570,186
Total Imputed Inter-Departmental	<u><u>\$ 2,850,682</u></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 year ended September 30, 2025, the FPI imputed costs were \$13,609.

**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, 2025

	2025
Unobligated Balance Brought Forward from Prior Year	\$ 15,211,389
<b>Adjustment to Budgetary Resources Made During Current Year</b>	
Downward Adjustments of Prior Year Undelivered	1,682,097
Downward Adjustments of Prior Year Delivered	197,154
Other Adjustments	(9,148)
Total Adjustments	<u><u>1,870,103</u></u>
Unobligated balance Brought Forward from Prior Year	<u><u>\$ 17,081,492</u></u>

These notes are an integral part of the financial statements.

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**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, 2025

	<b>2025</b>
Intragovernmental:	
UDO Obligations Unpaid	\$ 1,577,328
UDO Obligations Prepaid/Advanced	517,894
Total Intragovernmental UDO	<u>\$ 2,095,222</u>
Other than Intragovernmental:	
UDO Obligations Unpaid	\$ 15,764,765
UDO Obligations Prepaid/Advanced	487,900
Total Other than Intragovernmental UDO	<u>16,252,665</u>
Total UDO	<u>\$ 18,347,887</u>

**Permanent Indefinite Appropriations:**

A permanent indefinite appropriation is open-ended as to both its period of availability (amount of time available for the agency 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.

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**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, 2024, is presented below. A current year reconciliation is not presented because the submission of the *Budget of the United States (Budget)* for FY 2027, which presents the execution of the FY 2025 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 2026.

For the Fiscal Year End September 30, 2024

(Dollars in Millions)

	Total Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Agency Outlays, Net
Statement of Budgetary Resources (SBR)	67,886	52,675	1,613	45,255
Funds not Reported in the Budget				
Expired Funds: ATF, BOP, DEA, FBI, OBDs, & USMS	(1,832)	(607)	(1)	2
USMS Court Security Funds	(726)	(669)	—	(697)
Distributed Offsetting Receipts	—	—	(1)	461
Special and Trust Fund Receipts	—	—	—	1,150
Other	(2)	(1)	(2)	(4)
Budget of the United States Government	<u>\$ 65,326</u>	<u>\$ 51,398</u>	<u>\$ 1,609</u>	<u>\$ 46,167</u>

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

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## **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 judgments 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.

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, 2025, the Department reported total custodial revenue on the SCA in the amount of \$16,586,984. The custodial revenue represented \$7,456,746 in custodial collections and \$9,130,238 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, 2025, the assets and liabilities related to custodial activities were \$9,847,135. As of September 30, 2025, the total funds returned to the Treasury General Fund were \$(1,311,667).

The table below shows collection activity by revenue type.

As of September 30, 2025

	2025 Collections
<b>Non-Exchange Revenue</b>	
Excise Taxes	\$ 193,218
Fines, penalties, interest and other revenue	7,263,528
Less: amounts collected for non-Federal entities	409,943
Total amount of federal revenues collected	<u><u>\$ 7,046,803</u></u>
<b>Refund/Payments</b>	
Excise Taxes	\$ 9,661
Total amount of federal revenues collected	<u><u>\$ 9,661</u></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 Fiscal Year Ended September 30, 2025

	Intra-governmental	Other than Intra-governmental	Total
<b>NET COST</b>	<b>\$ 11,592,224</b>	<b>\$ 37,636,917</b>	<b>\$ 49,229,141</b>
<b>Components of Net Cost That Are Not Part of the Budgetary Outlays:</b>			
Property, Plant, and Equipment Depreciation Expense	\$ —	\$ (803,727)	\$ (803,727)
Property, Plant, and Equipment Disposal and Revaluation	—	(26,188)	(26,188)
Lessee Lease Amortization	—	(81,831)	(81,831)
Gain/Losses on lease cancellations	—	1,415	1,415
Costs of Goods Sold	—	(217,454)	(217,454)
Other	—	(24,804)	(24,804)
<b>Increase/(Decrease) in Assets</b>			
Accounts Receivable, Net	(66,047)	(20,372)	(86,419)
Securities and Investments	(1,405)	(25)	(1,430)
Other Assets	(57,302)	10,554	(46,748)
<b>(Increase)/Decrease in Liabilities</b>			
Accounts Payable	(67,719)	230,974	163,255
Lessee Lease Liability	—	(20,155)	(20,155)
Environmental and Disposal Liabilities	—	(1,898)	(1,898)
Federal Employee Salary, Leave and Benefits	—	(79,613)	(79,613)
Post-Employment Benefits	—	(26,724)	(26,724)
Other Liabilities	18,245	596,625	614,870
<b>Financing Sources</b>			
Imputed Costs	(2,850,682)	—	(2,850,682)
<b>Total Components of Net Costs That Are Not Part of the Budgetary Outlays:</b>	<b>\$ (3,024,910)</b>	<b>\$ (463,223)</b>	<b>\$ (3,488,133)</b>
<b>Component of Budgetary Outlays That Are Not Part of Net Operating Costs:</b>			
Acquisition of Capital assets	\$ (19,724)	\$ 974,542	\$ 954,818
Acquisition of Inventory	4	213,031	213,035
Acquisition of Other Assets	70,562	200,448	271,010
<b>Financing Sources</b>			
Transfers out (in) without Reimbursements	(74,949)	—	(74,949)
<b>Total Components of Budgetary Outlays That Are Not Part of Net Operating Costs:</b>	<b>\$ (24,107)</b>	<b>\$ 1,388,021</b>	<b>\$ 1,363,914</b>
<b>Misc Items</b>			
Distributed Offsetting Receipts	\$ (882,970)	\$ (646,927)	\$ (1,529,897)
Recognition of Right-to-Use Lease Assets	—	740	740
Custodial/Non-Exchange Revenue	—	16,292	16,292
Other Temporary Timing Differences	3,059	(13)	3,046
Appropriated Receipts for Trust/Special Funds	—	632,777	632,777
<b>Total Other Reconciling Items</b>	<b>\$ (879,911)</b>	<b>\$ 2,869</b>	<b>\$ (877,042)</b>
<b>Total Net Outlays</b>	<b>\$ 7,663,296</b>	<b>\$ 38,564,584</b>	<b>\$ 46,227,880</b>
<b>Budgetary Agency Outlays, net (SBR 4210)</b>			<b>\$ 46,227,880</b>
Budgetary Agency Outlays, Net			\$ 46,227,880

These notes are an integral part of the financial statements.

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#### **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, 2025

	FY 2025		
	Actual Amount Paid in FY	Estimated Amount to be Paid over Expected Life	
ESPC	\$ 39,424	\$ 444,736	
Estimated Total	<u>\$ 39,424</u>	<u>\$ 444,736</u>	

**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, 2025

FY 2025 Department of Justice Statement of Net Cost		Line Items Used to Prepare FY 2025 Government-Wide Statement of Net Cost			
Financial Statement Line	Amounts	Dedicated Collections Consolidated	Other than Dedicated Collections (with Eliminations)	Total	Reclassified Financial Statement Line
Gross Costs					Non-Federal Costs
	\$ 39,663,971	\$ 4,598,491	\$ 35,065,480	\$ 39,663,971	Non-federal Gross Costs
	<b>\$ 39,663,971</b>	<b>\$ 4,598,491</b>	<b>\$ 35,065,480</b>	<b>\$ 39,663,971</b>	<b>Total Non-federal Costs</b>
					Intragovernmental Costs
		177,795	5,081,342	5,259,137	Benefit Program Costs
		100,007	2,750,675	2,850,682	Imputed Costs
		460,077	3,351,208	3,811,285	Buy/Sell Costs
		43,184	1,028,216	1,071,400	Other Expenses (w/o Reciprocals)
	<b>\$ 12,992,504</b>	<b>\$ 781,063</b>	<b>\$ 12,211,441</b>	<b>\$ 12,992,504</b>	<b>Total Intragovernmental Costs</b>
	<b>Total Gross Costs</b>	<b>\$ 52,656,475</b>	<b>\$ 5,379,554</b>	<b>\$ 47,276,921</b>	Total Reclassified Gross Costs
Earned Revenue					Non-Federal Earned Revenue
	2,026,331	1,487,310	539,021	2,026,331	Non-Federal Earned Revenue
					Intragovernmental Revenue
		17,754	1,358,598	1,376,352	Buy/Sell Revenue
		8,686	15,965	24,651	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
	<b>\$ 1,401,003</b>	<b>\$ 26,440</b>	<b>\$ 1,374,563</b>	<b>\$ 1,401,003</b>	<b>Total Intragovernmental Earned Revenue</b>
	<b>Total Earned Revenue</b>	<b>\$ 3,427,334</b>	<b>\$ 1,513,750</b>	<b>\$ 1,913,584</b>	Total Reclassified Earned Revenue
	<b>Net Cost</b>	<b>\$ 49,229,141</b>	<b>\$ 3,865,804</b>	<b>\$ 45,363,337</b>	<b>Net Cost</b>
Exchange Statement of Custodial Activity					
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	Total Reclassified Exchange Custodial Collections
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
<i>Total Disposition of Exchange Custodial Collections</i>	—	—	—	—	<b>Total Intragovernmental Earned Revenue</b>
					Total Reclassified Disposition of Custodial Collections

These notes are an integral part of the financial statements.

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

For the Year Ended September 30, 2025

FY 2025 Department of Justice Statement of Changes in Net Position		Line Items Used to Prepare FY 2025 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	\$ 24,636,672	\$ 3,057,176	\$ 21,579,496	\$ 24,636,672	Unexpended Appropriations, Beginning Balance
Appropriations Received	52,071,494	—	52,071,494	52,071,494	Appropriations Received
Other Adjustments	(673,621)	—	(673,621)	(673,621)	Other Adjustments
Appropriations Transferred-In/Out	351,233	12,699	338,534	351,233	Non-Expenditure Transfers-In/Out of Unexpended Appropriations & Financing Sources (Federal)
Appropriations Used	(42,193,723)	(632,178)	(41,561,545)	(42,193,723)	Appropriations Used
<b>Total Unexpended Appropriations</b>	<b>\$ 34,192,055</b>	<b>\$ 2,437,697</b>	<b>\$ 31,754,358</b>	<b>\$ 34,192,055</b>	<b>Total Unexpended Appropriations</b>
<b>Cumulative Results of Operations</b>					
Cumulative Results, Beginning Balance	\$ 10,258,084	\$ 6,686,593	\$ 3,571,491	\$ 10,258,084	Cumulative Results, Beginning Balance, as adjusted
Other Adjustments	(550,001)	(250,000)	(300,001)	(550,001)	Collections for others transferred to the General Fund of the U.S. Government (RC 44)
Appropriations Used	42,193,723	632,178	41,561,545	42,193,723	Appropriations Used
					<b>Non-federal Non-Exchange Revenues</b>
Non-Exchange Revenue	3,679,955	\$ 3,147,796	\$ 1,106	\$ 3,148,902	Other Taxes and Receipts
					<b>Federal Non-Exchange Revenues</b>
		531,053	—	531,053	Federal securities interest revenue including associated gains and losses (non-exchange) (RC 03) /1
<b>Total Non-Exchange Revenues</b>	<b>\$ 3,679,955</b>	<b>\$ 3,678,849</b>	<b>\$ 1,106</b>	<b>\$ 3,679,955</b>	<b>Total Non-Exchange Revenues</b>
Donations and Forfeitures of Cash and Equivalents	1,621,614	1,621,560	54	1,621,614	Other Taxes and Receipts
Transfers In/Out w/o Reimbursement	771,428	(108,668)	473,759	365,091	Non-expenditure Transfers-In/Out of Unexpended Appropriations and Financing Sources (RC 08) /1
		—	415,582	415,582	Expenditure Transfers-In of Financing Sources (RC 09) /1
		(1,742)	(7,503)	(9,245)	Transfers-In/Out without Reimbursement (RC 18) /1
Donations and Forfeitures of Property	534,302	534,302	—	534,302	Other Taxes and Receipts
Imputed Financing	2,850,682	100,007	2,750,675	2,850,682	Imputed financing sources (RC 25) /1
Other	(10,450)	1,160	(16,874)	(15,714)	Non-entity collections transferred to the General Fund of the U.S. Government (RC 44)
		—	(115)	(115)	Accrual for non-entity amounts to be collected and transferred to the General Fund of the U.S. Government (RC 48)
		—	5,379	5,379	Other Taxes and Receipts
<b>Net Cost of Operations</b>	<b>\$ (49,229,141)</b>	<b>\$ (3,865,803)</b>	<b>\$ (45,363,338)</b>	<b>\$ (49,229,141)</b>	<b>Net Cost of Operations</b>
<b>Ending Balance - Cumulative Results of Operations</b>	<b>\$ 12,120,196</b>	<b>\$ 9,028,436</b>	<b>\$ 3,091,760</b>	<b>\$ 12,120,196</b>	<b>Cumulative Results of Operations</b>
<b>Total Net Position</b>	<b>\$ 46,312,251</b>	<b>\$ 11,466,133</b>	<b>\$ 34,846,118</b>	<b>\$ 46,312,251</b>	<b>Net Position</b>

These notes are an integral part of the financial statements.

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

FY 2025 Department of Justice Statement of Changes in Net Position		Line Items Used to Prepare FY 2025 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
Non-Exchange Custodial Collections from SCA	\$ 16,571,984	\$ —	\$ 7,441,746	\$ 7,441,746	Other Taxes and Receipts
		—	9,130,238	9,130,238	Accrual Adjustments
<i>Total Non-Exchange Custodial Revenue</i>	<i>\$ 16,571,984</i>	<i>\$ —</i>	<i>\$ 16,571,984</i>	<i>\$ 16,571,984</i>	<i>Net Custodial Revenue</i>
		\$ —	\$ (409,943)	\$ (409,943)	Other Taxes and Receipts
		—	(5,660,848)	(5,660,848)	Collections Transferred to a TAS Other Than the General Fund of the U.S. Government
		—	(1,296,667)	(1,296,667)	Collections Transferred to the General Fund of the U.S. Government
Disposition of Non-Exchange Custodial Collections from SCA			(9,007,211)	(9,007,211)	Non-Cash Accrual Adjustment
			(197,315)	(197,315)	Retained by the Reporting Entity
<i>Total Disposition of Non-Exchange Custodial Collections</i>	<i>\$ (16,571,984)</i>	<i>\$ —</i>	<i>\$ (16,571,984)</i>	<i>\$ (16,571,984)</i>	<i>Net Custodial Activity</i>

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 enacted the Radiation Exposure Compensation Act (RECA), Pub. L. No. 101-426, to provide compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of radiation exposure from above-ground nuclear weapons tests or uranium industry employment. Implementing regulations were published in the Federal Register on April 10, 1992, establishing an objective, non-adversarial claims process. Revisions in March 1999 further expanded eligibility and eased evidentiary requirements. On July 10, 2000, the RECA Amendments of 2000 (Pub. L. No. 106-245) created additional claimant categories, new compensable diseases, and modified exposure thresholds. Subsequent Federal Register rulemakings culminating in the final rule effective April 22, 2004, established the current regulatory framework.

The statute recognizes five categories of claimants: uranium miners, uranium millers, ore transporters, downwinders, and onsite participants. Each must demonstrate presence in a designated location for a required period and a subsequent covered illness.

Pursuant to the National Defense Authorization Act (NDAA) for FY 2005, compensation for uranium miners, millers, and ore transporters (Section 5 claimants) is paid from the Department of Labor's Energy Employees Occupational Illness Compensation Fund (EEOICPA). DOJ retains responsibility for Section 4 claimants—downwinders and onsite participants—whose payments are made from the RECA Trust Fund. DOJ continues to coordinate with DOL to ensure accurate cross-program processing and payment sequencing.

The RECA Extension Act of 2022 (Pub. L. No. 117-139) extended the Trust Fund and filing deadline by two years. The *One Big Beautiful Bill Act* (OBBA), PL. No. 119-21, enacted July 4, 2025, further reauthorized RECA through December 31, 2028, and significantly expanded eligibility. The expansion increases individual award amounts (up to \$100,000), adds geographic areas of eligibility (including parts of New Mexico, Utah, Idaho, and Nevada), and creates a new Manhattan Project Waste (MPW) claimant category eligible for \$50,000 or the amount of verified out-of-pocket medical expenses, whichever is greater. The MPW claimant category is both adjudicated and paid from the DOJ RECA Trust Fund.

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

Claimant Type	Agency Responsibility	Notes
Uranium Miners (RECA Sec. 5)	Adjudicated by DOJ Payable under DOL EEOICPA	Eligible for additional \$50K
Uranium Millers (RECA Sec. 5)	Adjudicated by DOJ Payable under DOL EEOICPA	Eligible for additional \$50K
Ore Transporters (RECA Sec. 5)	Adjudicated by DOJ Payable under DOL EEOICPA	None
Downwinders (RECA Sec. 4)	Adjudicated by and Payable under DOJ RECA	Expanded geographic areas require new population modeling
Onsite Participants (RECA Sec. 4)	Adjudicated by and Payable under DOJ RECA	Historical claim volumes low; new eligibility rules apply
Manhattan Project Waste (MPW) Claimants (RECA Sec. 5A)	Adjudicated by and Payable under DOJ RECA	Self-filers eligible for \$50K, or out of pocket medical expenses, whichever is greater.

As of September 30, 2025, DOJ continued to process eligible Section 4 claimants (downwinders and onsite participants) under prior program authorities, and has received initial filings under the OBBBA expansion. Some MPW claims have been preliminarily acknowledged but cannot be fully adjudicated until implementing regulations are issued. DOJ anticipates issuing final regulations and establishing updated adjudication procedures during FY 2026.

OBBA significantly expanded the population and eligibility criteria for people exposed to radiation compared to the original RECA program and created a restitution system under RECA for people affected by exposure to MPW. The reauthorization and expansion fundamentally altered the factors required for liability modeling by significantly expanding the geographic area covered, adding additional eligible diseases and authorizing new entitlements associated with MPW sites.

A confluence of factors has made it currently impossible to reliably estimate the liability for the expanded portion of the RECA program. These factors include: the legislative expansion, the requirement for specialized data to define the eligible population, the new legislative provisions, and the inability to rely on historical claims data.

**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.

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

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 \$3.8 billion for estimated future benefits payable by the Department as of September 30, 2025.

In accordance with *SFFAS No. 5*, the September 30, 2025, 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, 2025. 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.

The Department recognizes there are uncertainties that will influence future claims submitted beyond those submitted by September 30, 2025, 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.

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

### **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.

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.

To date, the Special Master has paid lump sum catch-up payments totaling \$613.6 million to the 2,081 claimants the Comptroller General determined were eligible to receive them and has terminated the Beirut barracks / Khobar Towers reserve fund. As required by the statute, the remaining \$2.3 billion was transferred to the USVSSTF general fund for use in future distribution rounds.

As of September 30, 2025, the USVSSTF recognized liabilities for future claims amounted to \$3.1 billion.

## **Note 27. Subsequent Events**

In accordance with SFFAS 39, *Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statements on Auditing Standards*, subsequent events or transactions affect basic information or required supplementary information and occur subsequent to the reporting period but before the financial report is issued. The following events represent conditions that did not exist at the end of the reporting period, but arose subsequent to September 30, 2025. Transactions in reference to these events will occur in FY 2026.

On October 31, 2025, the USVSSTF Special Master announced and later authorized a sixth-round of payments for all eligible claims by the statutory deadline of January 1, 2026, totaling approximately \$2.8 billion. The amount authorized for disbursement resulted primarily from terminating the 1983 Beirut Barracks and 1996 Khobar Towers Bombing reserve fund after lump sum catch-up payments to certain claimants and from continuous qualifying case deposits.

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

**Note 27. Subsequent Events (continued)**

On October 10, 2025, United States Marshals Service received an Interbank settlement of \$627.9 million; being a partial payment towards the \$11 billion forfeiture order against Alameda Research. The company collapsed in November 2022, alongside its sister company FTX, due to a bankruptcy filing. As a result of forfeiture of \$11 billion, \$627 million was received and payments went out to the victims in November FY 2026.

On October 14, 2025, an indictment was unsealed in federal court in Brooklyn, New York, charging Cambodian national Chen Zhi, the founder of Prince Holding Group with wire fraud conspiracy, money laundering conspiracy, and for operating forced-labor scam compounds across Cambodia. The seizure and action was the largest ever filed by the Department of Justice, totaling 127,271 Bitcoin worth approximately \$8.0 billion at the time of seizure.

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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 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 G-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 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 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 2025, the Department issued a data call to components to assess the department-wide DM&R. Based on the G-PP&E portfolio of the DOJ, other than BOP, the remaining components do not have a G-PP&E portfolio with significant DM&R.

## **Deferred Maintenance and Repairs (continued)**

With over 120 owned institutions, totaling over 66 million square feet, encompassing 44 thousand acres, the BOP is unlike other DOJ components. The BOP is solely responsible for managing and maintaining their aging infrastructure. More than 50 percent of BOP's prison facilities are over 30 years 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 FY 2025, the BOP began to review and analyze the results of a comprehensive survey of its building and facilities inventory that was delivered at the end of FY 2024. The initial survey results prompted BOP to conduct additional training across its institutions to reinforce policy on evaluating what constitutes capital improvements vs. maintenance activities given the age of many BOP facilities. BOP conducted a second survey after completing the training and is evaluating the new 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 revised 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, 2025**

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)	\$ 3,098,558	\$ 195,917	\$ 1,465,155	\$ 490,888	\$ 2,661,786	\$ 191,997	\$ 7,028,649	\$ 1,693,640	\$ 254,902	\$ 17,081,492
Appropriations (discretionary and mandatory)	2,044,985	1,787,704	13,628,956	3,616,713	11,109,378	—	12,416,039	8,129,820	4,882,329	57,615,924
Spending Authority from Offsetting Collections (discretionary and mandatory)	30,712	60,800	440,972	41,119	1,232,242	550,462	2,721,667	315,433	96,077	5,489,484
<b>Total Budgetary Resources</b>	<b>\$ 5,174,255</b>	<b>\$ 2,044,421</b>	<b>\$ 15,535,083</b>	<b>\$ 4,148,720</b>	<b>\$ 15,003,406</b>	<b>\$ 742,459</b>	<b>\$ 22,166,355</b>	<b>\$ 10,138,893</b>	<b>\$ 5,233,308</b>	<b>\$ 80,186,900</b>
<b>Status of Budgetary Resources</b>										
New Obligations and Upward Adjustments (Total)	\$ 1,741,461	\$ 1,765,383	\$ 9,303,505	\$ 3,427,428	\$ 12,375,998	\$ 512,675	\$ 14,630,122	\$ 3,663,801	\$ 4,722,316	\$ 52,142,689
Unobligated Balance, End of Year:										
Apportioned, Unexpired Accounts	2,606,608	263,659	5,774,110	641,830	2,101,175	—	7,032,937	6,414,163	457,186	25,291,668
Exempt from Apportionment, Unexpired Accounts	—	—	140,849	—	—	229,784	—	—	—	370,633
Unapportioned, Unexpired Accounts	826,186	5,629	—	5,347	36,318	—	260,081	60,799	1,943	1,196,303
Unexpired, Unobligated Balance, End of Year	3,432,794	269,288	5,914,959	647,177	2,137,493	229,784	7,293,018	6,474,962	459,129	26,858,604
Expired Unobligated Balance, End of Year	—	9,750	316,619	74,115	489,915	—	243,215	130	51,863	1,185,607
Unobligated Balance - End of Year (Total)	3,432,794	279,038	6,231,578	721,292	2,627,408	229,784	7,536,233	6,475,092	510,992	28,044,211
<b>Total Status of Budgetary Resources</b>	<b>\$ 5,174,255</b>	<b>\$ 2,044,421</b>	<b>\$ 15,535,083</b>	<b>\$ 4,148,720</b>	<b>\$ 15,003,406</b>	<b>\$ 742,459</b>	<b>\$ 22,166,355</b>	<b>\$ 10,138,893</b>	<b>\$ 5,233,308</b>	<b>\$ 80,186,900</b>
<b>Outlays, Net</b>										
Outlays, Net (Total) (discretionary and mandatory)	\$ 1,701,258	\$ 1,737,466	\$ 9,124,023	\$ 3,230,615	\$ 11,172,603	\$ 10,190	\$ 11,500,259	\$ 4,918,656	\$ 4,630,545	\$ 48,025,615
Less: Distributed Offsetting Receipts	373,969	232	13,819	632,777	99	—	775,273	—	1,566	1,797,735
Agency Outlays, Net (discretionary and mandatory)	<b>\$ 1,327,289</b>	<b>\$ 1,737,234</b>	<b>\$ 9,110,204</b>	<b>\$ 2,597,838</b>	<b>\$ 11,172,504</b>	<b>\$ 10,190</b>	<b>\$ 10,724,986</b>	<b>\$ 4,918,656</b>	<b>\$ 4,628,979</b>	<b>\$ 46,227,880</b>

**U.S. Department of Justice  
Land Acreage  
As of September 30, 2025**

## 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, 2025, estimated land acres by component is presented in the following table:

As of September 30, 2025	ATF	BOP	DEA	FBI	Total
<b>PP&amp;E Land</b>					
Start of Prior Year	35	45,283	12	1,976	47,306
Start of Current Year	35	44,110	12	1,975	46,132
End of Current Year	35	44,106	12	1,975	46,128

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 predominant use, as it is used for mission related activities. DOJ does not have any land considered as commercial by predominant 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*

### **In This Section:**

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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, 2025**

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)	\$ 3,123,427	\$ 600,070	\$ 7,197,907	\$ 1,563,908	\$ 5,784,464	\$ 23,613	\$ 9,259,119	\$ 19,165,847	\$ 1,368,382	\$ —	\$ 48,086,737
Investments (Note 5)	2,751,700	—	—	—	—	374,812	3,121,360	—	—	—	6,247,872
Accounts Receivable, Net (Note 6)	11,586	24,463	14,111	5,633	388,886	33,042	286,567	6,747	10,103	(318,546)	462,592
Advances and Prepayments	564	211	97,560	41,760	15,581	—	10,550	96,147	1,631	(3,787)	260,217
Other Assets (Note 10)	—	520	—	—	—	29,555	—	—	—	—	30,075
Total Intragovernmental Assets	\$ 5,887,277	\$ 625,264	\$ 7,309,578	\$ 1,611,301	\$ 6,188,931	\$ 461,022	\$ 12,677,596	\$ 19,268,741	\$ 1,380,116	\$ (322,333)	\$ 55,087,493
Other than Intragovernmental Assets:											
Cash and Other Monetary Assets (Note 4)	\$ 2,984,044	\$ 13,644	\$ 491	\$ 16,981	\$ 153,163	\$ —	\$ 124	\$ —	\$ —	\$ —	\$ 3,168,447
Accounts Receivable, Net (Note 6)	9	767	24,612	3,433	41,335	5,642	9,558,187	996	361	—	9,635,342
Inventory and Related Property, Net:											
Forfeited Property, Net (Note 8)	459,609	—	—	—	—	—	—	—	—	—	459,609
Other Inventory and Related Property, Net (Note 7)	—	—	22,292	13,593	—	78,155	—	—	—	7,995	122,035
Property, Plant and Equipment, Net (Note 9)	722	219,811	3,587,178	437,859	3,646,325	69,973	154,243	47,833	630,238	—	8,794,182
Advances and Prepayments	2,104	4,070	11,981	5,125	188,376	970	148,466	277,154	4,039	—	642,285
Other Assets (Note 10)	1	—	—	—	2	74	—	—	—	184	261
Total Other than Intragovernmental Assets	\$ 3,446,489	\$ 238,292	\$ 3,646,554	\$ 476,991	\$ 4,029,201	\$ 154,814	\$ 9,861,020	\$ 325,983	\$ 642,817	—	\$ 22,822,161
<b>Total Assets</b>	<b>\$ 9,333,766</b>	<b>\$ 863,556</b>	<b>\$ 10,956,132</b>	<b>\$ 2,088,292</b>	<b>\$ 10,218,132</b>	<b>\$ 615,836</b>	<b>\$ 22,538,616</b>	<b>\$ 19,594,724</b>	<b>\$ 2,022,933</b>	<b>\$ (322,333)</b>	<b>\$ 77,909,654</b>
<b>Liabilities (Note 11)</b>											
Intragovernmental Liabilities:											
Accounts Payable	\$ 50,996	\$ 20,416	\$ 82,264	\$ 118,092	\$ 99,278	\$ 3,945	\$ 187,508	\$ 53,527	\$ 45,803	\$ (318,546)	\$ 343,283
Advances from Others and Deferred Revenue	—	—	—	—	13,986	148,866	36,658	130	—	(3,787)	195,853
Other Liabilities:											
Custodial Liabilities (Note 22)	—	—	—	3,219	12,823	—	9,634,106	—	24	—	9,650,172
Other (Note 16)	1,834	37,383	281,131	40,815	102,454	3,926	44,564	1,102	35,903	—	549,112
Total Intragovernmental Liabilities	\$ 52,830	\$ 57,799	\$ 363,395	\$ 162,126	\$ 228,541	\$ 156,737	\$ 9,902,836	\$ 54,759	\$ 81,730	\$ (322,333)	\$ 10,738,420
Other than Intragovernmental Liabilities:											
Accounts Payable	\$ 508,559	\$ 33,527	\$ 368,544	\$ 92,462	\$ 429,840	\$ 35,811	\$ 373,466	\$ 113,507	\$ 392,209	—	\$ 2,347,925
Federal Employee Salary, Leave and Benefits (Note 15)	4,650	93,820	321,799	154,141	525,931	8,825	307,000	15,730	74,202	—	1,506,098
Post-Employment Benefits (Note 15)	—	130,191	1,060,518	122,593	229,819	15,773	63,541	173	119,831	—	1,742,439
Environmental and Disposal Liabilities (Note 12)	—	—	85,079	—	5,024	—	—	—	—	—	90,103
Advances from Others and Deferred Revenue	459,609	—	—	917,583	5,618	—	—	—	—	—	1,382,810
Other Liabilities:											
Accrued Grant Liabilities	—	—	—	—	—	—	270,057	624,285	—	—	894,342
Seized Cash and Monetary Instruments (Note 14)	4,545,109	4,568	—	561	57,305	—	—	—	—	—	4,607,543
Radiation Exposure Compensation Act Liabilities (Note 26)	—	—	—	—	—	—	11,078	—	—	—	11,078
September 11th Victim Compensation Fund Liabilities (Note 26)	—	—	—	—	—	—	3,772,393	—	—	—	3,772,393
United States Victims of State Sponsored Terrorism Act Liabilities (Note 26)	—	—	—	—	—	—	3,136,216	—	—	—	3,136,216
Lessee Lease Liability (Note 13)	—	23,876	3,142	122,671	210,562	127	39,265	—	25,358	—	425,001
Other (Note 16)	19	2,447	591,968	20,413	63,228	—	243,173	—	21,787	—	943,035
Total Other than Intragovernmental Liabilities	\$ 5,517,946	\$ 288,429	\$ 2,431,050	\$ 1,430,424	\$ 1,527,327	\$ 60,536	\$ 8,216,189	\$ 753,695	\$ 633,387	—	\$ 20,858,983
<b>Total Liabilities</b>	<b>\$ 5,570,776</b>	<b>\$ 346,228</b>	<b>\$ 2,794,445</b>	<b>\$ 1,592,550</b>	<b>\$ 1,755,868</b>	<b>\$ 217,273</b>	<b>\$ 18,119,025</b>	<b>\$ 808,454</b>	<b>\$ 715,117</b>	<b>\$ (322,333)</b>	<b>\$ 31,597,403</b>
Commitments and Contingencies (Note 17)											
<b>NET POSITION</b>											
Unexpended Appropriations - Funds from Dedicated Collections (Note 18)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,437,697	\$ —	\$ —	—	\$ 2,437,697
Unexpended Appropriations - Funds from other than Dedicated Collections	\$ —	470,078	6,467,963	973,466	4,804,870	—	7,042,590	11,107,476	887,915	—	31,754,358
<b>Total Unexpended Appropriations</b>	<b>\$ —</b>	<b>\$ 470,078</b>	<b>\$ 6,467,963</b>	<b>\$ 973,466</b>	<b>\$ 4,804,870</b>	<b>\$ —</b>	<b>\$ 9,480,287</b>	<b>\$ 11,107,476</b>	<b>\$ 887,915</b>	<b>\$ —</b>	<b>\$ 34,192,055</b>
Cumulative Results of Operations - Funds from Dedicated Collections (Note 18)	\$ 3,762,990	—	177,194	(606,079)	—	—	(1,912,529)	7,606,860	—	—	9,028,436
Cumulative Results of Operations - Funds from other than Dedicated Collections	—	47,250	1,516,530	128,355	3,657,394	398,563	(3,148,167)	71,934	419,901	—	3,091,760
<b>Total Cumulative Results of Operations</b>	<b>\$ 3,762,990</b>	<b>\$ 47,250</b>	<b>\$ 1,693,724</b>	<b>\$ (477,724)</b>	<b>\$ 3,657,394</b>	<b>\$ 398,563</b>	<b>\$ (5,060,696)</b>	<b>\$ 7,678,794</b>	<b>\$ 419,901</b>	<b>\$ —</b>	<b>\$ 12,120,196</b>
Total Net Position	\$ 3,762,990	\$ 517,328	\$ 8,161,687	\$ 495,742	\$ 8,462,264	\$ 398,563	\$ 4,419,591	\$ 18,786,270	\$ 1,307,816	—	\$ 46,312,251
<b>Total Liabilities and Net Position</b>	<b>\$ 9,333,766</b>	<b>\$ 863,556</b>	<b>\$ 10,956,132</b>	<b>\$ 2,088,292</b>	<b>\$ 10,218,132</b>	<b>\$ 615,836</b>	<b>\$ 22,538,616</b>	<b>\$ 19,594,724</b>	<b>\$ 2,022,933</b>	<b>\$ (322,333)</b>	<b>\$ 77,909,654</b>

**U.S. Department of Justice**  
**Consolidating Statement of Net Cost**  
**For the Fiscal Year Ended September 30, 2025**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated (Note 19)
<b>Major Program 1: Law Enforcement</b>											
Gross Cost	\$ 1,664,597	\$ 1,909,515	\$ —	\$ 3,460,659	\$ 13,110,616	\$ —	\$ 534,276	\$ —	\$ 2,621,759	\$ (795,619)	\$ 22,505,803
Less: Earned Revenues	17,070	56,080	—	620,937	1,112,041	—	(135)	—	50,094	(356,884)	1,499,203
Subtotal Net Cost of Operations (Note 19)	\$ 1,647,527	\$ 1,853,435	\$ —	\$ 2,839,722	\$ 11,998,575	\$ —	\$ 534,411	\$ —	\$ 2,571,665	\$ (438,735)	\$ 21,006,600
<b>Major Program 2: Litigation and Compensation</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,938,174	\$ —	\$ —	\$ (28,149)	\$ 7,910,025
Less: Earned Revenues	—	—	—	—	—	—	478,459	—	—	(47,935)	430,524
Subtotal Net Cost of Operations (Note 19)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,459,715	\$ —	\$ —	\$ 19,786	\$ 7,479,501
<b>Major Program 3: Prisons and Detention</b>											
Gross Cost	\$ —	\$ —	\$ 10,363,772	\$ —	\$ 591,130	\$ 7,939	\$ —	\$ 2,186,287	\$ (325,309)	\$ 12,823,819	
Less: Earned Revenues	—	—	416,825	—	576,005	—	—	551	(43,597)	949,784	
Subtotal Net Cost of Operations (Note 19)	\$ —	\$ —	\$ 9,946,947	\$ —	\$ 15,125	\$ 7,939	\$ —	\$ 2,185,736	\$ (281,712)	\$ 11,874,035	
<b>Major Program 4: Grants</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,192,426	\$ 5,008,147	\$ —	\$ (115,360)	\$ 6,085,213
Less: Earned Revenues	—	—	—	—	—	—	2,254	24,990	—	(16,668)	10,576
Subtotal Net Cost of Operations (Note 19)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,190,172	\$ 4,983,157	\$ —	\$ (98,692)	\$ 6,074,637
<b>Major Program 5: Executive Oversight and Enterprise Technology</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,354,778	\$ —	\$ —	\$ (23,163)	\$ 3,331,615
Less: Earned Revenues	—	—	—	—	—	—	1,346,154	—	—	(808,907)	537,247
Subtotal Net Cost of Operations (Note 19)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,008,624	\$ —	\$ —	\$ 785,744	\$ 2,794,368
<b>Net Cost of Operations</b>	<b>\$ 1,647,527</b>	<b>\$ 1,853,435</b>	<b>\$ 9,946,947</b>	<b>\$ 2,839,722</b>	<b>\$ 11,998,575</b>	<b>\$ 15,125</b>	<b>\$ 11,200,861</b>	<b>\$ 4,983,157</b>	<b>\$ 4,757,401</b>	<b>\$ (13,609)</b>	<b>\$ 49,229,141</b>

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2025**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Unexpended Appropriations</b>											
<b>Beginning Balances</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>Appropriations Received</b>											
Funds from Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Funds from other than Dedicated Collections	\$ —	\$ 1,787,421	\$ 13,637,146	\$ 2,934,249	\$ 11,085,402	\$ —	\$ 11,836,233	\$ 6,568,833	\$ 4,222,210	\$ —	\$ 52,071,494
<b>Appropriations Transferred-In/Out</b>											
Funds from Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12,699	\$ —	\$ —	\$ —	\$ 12,699
Funds from other than Dedicated Collections	\$ —	\$ (5,335)	\$ (231,423)	\$ 11,862	\$ 774	\$ —	\$ (35,690)	\$ (52,043)	\$ 650,389	\$ —	\$ 338,534
<b>Other Adjustments</b>											
Funds from Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Funds from other than Dedicated Collections	\$ —	\$ (344)	\$ (1,662)	\$ (231)	\$ (289)	\$ —	\$ (533,863)	\$ (137,120)	\$ (112)	\$ —	\$ (673,621)
<b>Appropriations Used</b>											
Funds from Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (632,178)	\$ —	\$ —	\$ —	\$ (632,178)
Funds from other than Dedicated Collections	\$ —	\$ (1,707,769)	\$ (9,020,557)	\$ (2,588,185)	\$ (11,178,894)	\$ —	\$ (9,261,420)	\$ (3,233,124)	\$ (4,571,596)	\$ —	\$ (41,561,545)
<b>Net Change in Unexpended Appropriations</b>											
Funds from Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (619,479)	\$ —	\$ —	\$ —	\$ (619,479)
Funds from other than Dedicated Collections	\$ —	\$ 73,973	\$ 4,383,504	\$ 357,695	\$ (93,007)	\$ —	\$ 2,005,260	\$ 3,146,546	\$ 300,891	\$ —	\$ 10,174,862
<b>Total Unexpended Appropriations: Ending</b>											
Funds from Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,437,697	\$ —	\$ —	\$ —	\$ 2,437,697
Funds from other than Dedicated Collections	\$ —	\$ 470,078	\$ 6,467,963	\$ 973,466	\$ 4,804,870	\$ —	\$ 7,042,590	\$ 11,107,476	\$ 887,915	\$ —	\$ 31,754,358
<b>Total All Funds</b>	<b>\$ —</b>	<b>\$ 470,078</b>	<b>\$ 6,467,963</b>	<b>\$ 973,466</b>	<b>\$ 4,804,870</b>	<b>\$ —</b>	<b>\$ 9,480,287</b>	<b>\$ 11,107,476</b>	<b>\$ 887,915</b>	<b>\$ —</b>	<b>\$ 34,192,055</b>

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2025 (continued)**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Cumulative Results of Operations</b>											
Beginning Balances											
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
Other Adjustments											
Funds from Dedicated Collections	\$ (250,000)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ (250,000)
Funds from other than Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (300,000)	\$ —	\$ —		\$ (300,001)
Appropriations Used											
Funds from Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 632,178	\$ —	\$ —		\$ 632,178
Funds from other than Dedicated Collections	\$ —	\$ 1,707,769	\$ 9,020,557	\$ 2,588,185	\$ 11,178,894	\$ —	\$ 9,261,420	\$ 3,233,124	\$ 4,571,596		\$ 41,561,545
Nonexchange Revenues											
Funds from Dedicated Collections	\$ 372,201	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 148,274	\$ 3,158,374	\$ —		\$ 3,678,849
Funds from other than Dedicated Collections	\$ —	\$ —	\$ —	\$ 95	\$ —	\$ —	\$ —	\$ 1,011	\$ —		\$ 1,106
Donations and Forfeitures of Cash and Cash											
Funds from Dedicated Collections	\$ 1,422,478	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 199,082	\$ —	\$ —		\$ 1,621,560
Funds from other than Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 54	\$ —	\$ —		\$ 54
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	\$ (1,742)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (18,668)	\$ (90,000)	\$ —		\$ (110,410)
Funds from other than Dedicated Collections	\$ —	\$ (4,183)	\$ —	\$ 49,794	\$ 162,936	\$ —	\$ 660,851	\$ (180)	\$ 12,620		\$ 881,838
Donations and Forfeitures of Property											
Funds from Dedicated Collections	\$ 534,302	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ 534,302
Imputed Financing (Note 20)											
Funds from Dedicated Collections	\$ 8,081	\$ —	\$ 15,371	\$ 43,446	\$ —	\$ —	\$ 33,109	\$ —	\$ —		\$ 100,007
Funds from other than Dedicated Collections	\$ —	\$ 138,492	\$ 944,335	\$ 202,004	\$ 869,567	\$ 30,637	\$ 397,370	\$ 15,814	\$ 166,065	\$ (13,609)	\$ 2,750,675
Other											
Funds from Dedicated Collections	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,160	\$ —	\$ —		\$ 1,160
Funds from other than Dedicated Collections	\$ —	\$ —	\$ (277)	\$ —	\$ (11,333)	\$ —	\$ —	\$ —	\$ —		\$ (11,610)
<b>Net Cost of Operations</b>											
Funds from Dedicated Collections	\$ (1,647,527)	\$ —	\$ (64,361)	\$ (74,345)	\$ —	\$ —	\$ (355,349)	\$ (1,724,221)	\$ —		\$ (3,865,803)
Funds from other than Dedicated Collections	\$ —	\$ (1,853,435)	\$ (9,882,586)	\$ (2,765,377)	\$ (11,998,575)	\$ (15,125)	\$ (10,845,512)	\$ (3,258,936)	\$ (4,757,401)	\$ 13,609	\$ (45,363,338)
<b>Net Change in Cumulative Results of Operations</b>											
Funds from Dedicated Collections	\$ 437,793	\$ —	\$ (48,990)	\$ (30,899)	\$ —	\$ —	\$ 639,786	\$ 1,344,153	\$ —		\$ 2,341,843
Funds from other than Dedicated Collections	\$ —	\$ (11,357)	\$ 82,124	\$ 74,606	\$ 201,489	\$ 15,512	\$ (825,817)	\$ (9,167)	\$ (7,121)		\$ (479,731)
<b>Cumulative Results of Operations: Ending</b>											
Funds from Dedicated Collections	\$ 3,762,990	\$ —	\$ 177,194	\$ (606,079)	\$ —	\$ —	\$ (1,912,529)	\$ 7,606,860	\$ —		\$ 9,028,436
Funds from other than Dedicated Collections	\$ —	\$ 47,250	\$ 1,516,530	\$ 128,355	\$ 3,657,394	\$ 398,563	\$ (3,148,167)	\$ 71,934	\$ 419,901	\$ —	\$ 3,091,760
Total All Funds	\$ 3,762,990	\$ 47,250	\$ 1,693,724	\$ (477,724)	\$ 3,657,394	\$ 398,563	\$ (5,060,696)	\$ 7,678,794	\$ 419,901	\$ —	\$ 12,120,196
<b>Net Position</b>											
Funds from Dedicated Collections	\$ 3,762,990	\$ —	\$ 177,194	\$ (606,079)	\$ —	\$ —	\$ 525,168	\$ 7,606,860	\$ —		\$ 11,466,133
Funds from other than Dedicated Collections	\$ —	\$ 517,328	\$ 7,984,493	\$ 1,101,821	\$ 8,462,264	\$ 398,563	\$ 3,894,423	\$ 11,179,410	\$ 1,307,816	\$ —	\$ 34,846,118
Net Position - Total	\$ 3,762,990	\$ 517,328	\$ 8,161,687	\$ 495,742	\$ 8,462,264	\$ 398,563	\$ 4,419,591	\$ 18,786,270	\$ 1,307,816	\$ —	\$ 46,312,251

**U.S. Department of Justice**  
**Combining Statement of Custodial Activity**  
**For the Fiscal Year Ended September 30, 2025**

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	\$ —	\$ 1,539	\$ —	\$ 9,468	\$ —	\$ —	\$ 7,234,132	\$ —	\$ —	\$ 7,245,139
Fees and Licenses	—	193,218	—	15,000	—	—	—	—	—	208,218
Miscellaneous	—	232	—	—	1,591	—	—	—	1,566	3,389
<b>Total Cash Collections</b>	<b>\$ —</b>	<b>\$ 194,989</b>	<b>\$ —</b>	<b>\$ 24,468</b>	<b>\$ 1,591</b>	<b>\$ —</b>	<b>\$ 7,234,132</b>	<b>\$ —</b>	<b>\$ 1,566</b>	<b>\$ 7,456,746</b>
<b>Accrual Adjustments</b>										
<b>Total Custodial Revenue (Note 22)</b>	<b>\$ —</b>	<b>\$ 194,820</b>	<b>\$ —</b>	<b>\$ 24,931</b>	<b>\$ 11,751</b>	<b>\$ —</b>	<b>\$ 16,353,906</b>	<b>\$ —</b>	<b>\$ 1,576</b>	<b>\$ 16,586,984</b>
<b>Disposition of Collections</b>										
Transferred to Federal Agencies										
U.S. Department of Agriculture	—	—	—	—	—	—	(96,105)	—	—	(96,105)
U.S. Department of Commerce	—	—	—	—	—	—	(5,770)	—	—	(5,770)
U.S. Department of the Interior	—	—	—	—	—	—	(557,566)	—	—	(557,566)
U.S. Department of Justice	—	—	—	—	—	—	(1,075,235)	—	—	(1,075,235)
U.S. Department of Labor	—	—	—	—	—	—	(5,051)	—	—	(5,051)
U.S. Department of State	—	—	—	—	—	—	(6,235)	—	—	(6,235)
U.S. Department of the Treasury	—	—	—	—	—	—	(712,581)	—	—	(712,581)
Office of Personnel Management	—	—	—	—	—	—	(4,021)	—	—	(4,021)
Social Security Administration	—	—	—	—	—	—	(500)	—	—	(500)
U.S. Nuclear Regulatory Commission	—	—	—	—	—	—	(191)	—	—	(191)
U.S. Department of Veterans Affairs	—	—	—	—	—	—	(23,253)	—	—	(23,253)
General Services Administration	—	—	—	—	—	—	(23,144)	—	—	(23,144)
National Science Foundation	—	—	—	—	—	—	(956)	—	—	(956)
Environmental Protection Agency	—	—	—	—	—	—	(809,276)	—	—	(809,276)
U.S. Department of Transportation	—	—	—	—	—	—	(2,462)	—	—	(2,462)
U.S. Department of Homeland Security	—	—	—	—	—	—	(118,634)	—	—	(118,634)
Small Business Administration	—	—	—	—	—	—	(149,780)	—	—	(149,780)
U.S. Department of Health and Human Services	—	—	—	—	—	—	(1,365,917)	—	—	(1,365,917)
National Aeronautics and Space Administration	—	—	—	—	—	—	(1,820)	—	—	(1,820)
U.S. Department of Housing and Urban Development	—	—	—	—	—	—	(27,908)	—	—	(27,908)
U.S. Department of Energy	—	—	—	—	—	—	(3,610)	—	—	(3,610)
U.S. Department of Education	—	—	—	—	—	—	(22,392)	—	—	(22,392)
U.S. Agency of International Development	—	—	—	—	—	—	(2,248)	—	—	(2,248)
Treasury General Fund	—	(185,159)	—	(24,468)	(1,591)	—	(1,098,883)	—	(1,566)	(1,311,667)
U.S. Department of Defense	—	—	—	—	—	—	(507,398)	—	—	(507,398)
Other Intragovernmental	—	—	—	—	—	—	(138,795)	—	—	(138,795)
Transferred to the Public	—	—	—	—	—	—	(409,943)	—	—	(409,943)
(Increase)/Decrease in Amounts Yet to be Transferred	—	—	—	(463)	(10,160)	—	(8,986,917)	—	(10)	(8,997,550)
(Increase)/Decrease in Refunds Payable and Other Liabilities	—	(9,661)	—	—	—	—	—	—	—	(9,661)
Retained by the Reporting Entity	—	—	—	—	—	—	(197,315)	—	—	(197,315)
<b>Total Disposition Of Collections</b>	<b>\$ —</b>	<b>\$ (194,820)</b>	<b>\$ —</b>	<b>\$ (24,931)</b>	<b>\$ (11,751)</b>	<b>\$ —</b>	<b>\$ (16,353,906)</b>	<b>\$ —</b>	<b>\$ (1,576)</b>	<b>\$ (16,586,984)</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					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Improvements are Needed in Internal Controls Over Financial Reporting, Risk Assessment Process, and Monitoring Activities	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>

**Table 2. Summary of Management Assurances**

<b>Effectiveness of Internal Control over Operations (FMFIA § 2)</b>						
<b>Statement of Assurance</b>	Unmodified					
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
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>
<b>Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)</b>						
<b>Statement of Assurance</b>	Modified					
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Improvements are Needed in Internal Controls Over Financial Reporting, Risk Assessment Process, and Monitoring Activities	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>
<b>Compliance with Financial Management System Requirements (FMFIA § 4)</b>						
<b>Statement of Assurance</b>	Federal Systems Conform					
<b>Non-Compliances</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
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>
<b>Compliance with Section 803(a) of Federal Financial Management Improvement Act (FFMIA)</b>						
<b>Compliance with Specific Requirements</b>						
<b>Specific Requirements</b>	<b>Agency</b>			<b>Auditor</b>		
<b>Federal Financial Management System Requirements</b>	No Lack of Compliance Noted			No Lack of Compliance Noted		
<b>Applicable Federal Accounting Standards</b>	No Lack of Compliance Noted			No Lack of Compliance Noted		
<b>USSGL at Transaction Level</b>	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

<b>U.S. DEPARTMENT OF JUSTICE Corrective Action Plan Issue and Milestone Schedule</b>	<b>Report Date</b> September 30, 2025	
<b>Issue Title</b> Improvements are Needed in Financial Management and Reporting Controls, Risk Assessment and Monitoring and Timely Remediation of Deficiencies	<b>Issue ID</b> 01DOJ001	<b>Component Name</b> Department
<b>Issue Category</b> FMFIA § 2 Operations <input type="checkbox"/> Significant Deficiency <input type="checkbox"/> Material Weakness FMFIA § 2 Financial Reporting <input type="checkbox"/> Significant Deficiency <input checked="" type="checkbox"/> Material Weakness FMFIA § 4 <input type="checkbox"/> Financial Management Systems Do Not Comply with Financial System Requirements		
<b>Issue Category – SAT Concurrence or Recategorization</b> Concur		
<b>Issue Description</b> <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 2025 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. Additionally, the Department implemented a new tool set to generate financial statements and the Agency Financial Report (AFR) during FY 2025 replacing a more than twenty-year-old legacy system. The tool provides a consistent platform for use by all components in the preparation of the Department's financial statements. The Department will leverage the first year of the deployment of this new system to address deficiencies and improve the process in FY 2026.</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 internal control standards and continued system modernization efforts; and</li><li>• Deficiencies in the monitoring of internal controls, including analysis of internal controls and financial analysis, and timely remediation of 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>		

<b>Business Process Area (Applicable for FFMIA § 2 Financial Reporting Only)</b>				
Financial Reporting				
<b>Date First Identified</b> This condition was identified in DOJ OIG Audit of FY 2025 Consolidated Financial Statements.	<b>Original Target Completion Date</b> 9/30/2026	<b>Current Target Completion Date</b>	<b>Actual Completion Date</b>	
<b>Issue Identified By</b> KPMG and DOJ OIG	<b>Source Document Title</b> DOJ OIG Audit of FY 2025 Consolidated Financial Statements			
<b>Description of Remediation</b> 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. Perform a review of methodologies supporting the recognition of programmatic liabilities and conduct additional analysis on existing models to ensure accurate adjustments are reported.	April 30, 2026			
2. 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, 2026			
3. Continue to ensure Department Financial Statement Working Group discusses best practices for financial reporting controls, Department policy implementation, risk assessments and new accounting and internal control standards, if applicable.	As needed, no less than monthly during FY 2026			
4. Continue to provide Federal Financial Management training to Department staff, while recruiting and hiring qualified accounting and financial management candidates.	Monthly during FY 2026			
5. Ensure Department components assess and validate internal controls over financial management transactions and preparation of financial statements.	Quarterly during FY 2026			
6. 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 2026			
<b>Reason for Not Meeting Original Target Completion Date</b> Not Applicable				
<b>Status of Funding Available to Achieve Corrective Action</b> Funding Available				
<b>Planned Measures to Prevent Recurrence</b> 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 2026 consolidated financial statements.				
<b>Validation Indicator</b> 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> All Department Components				

## **Office of the 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.

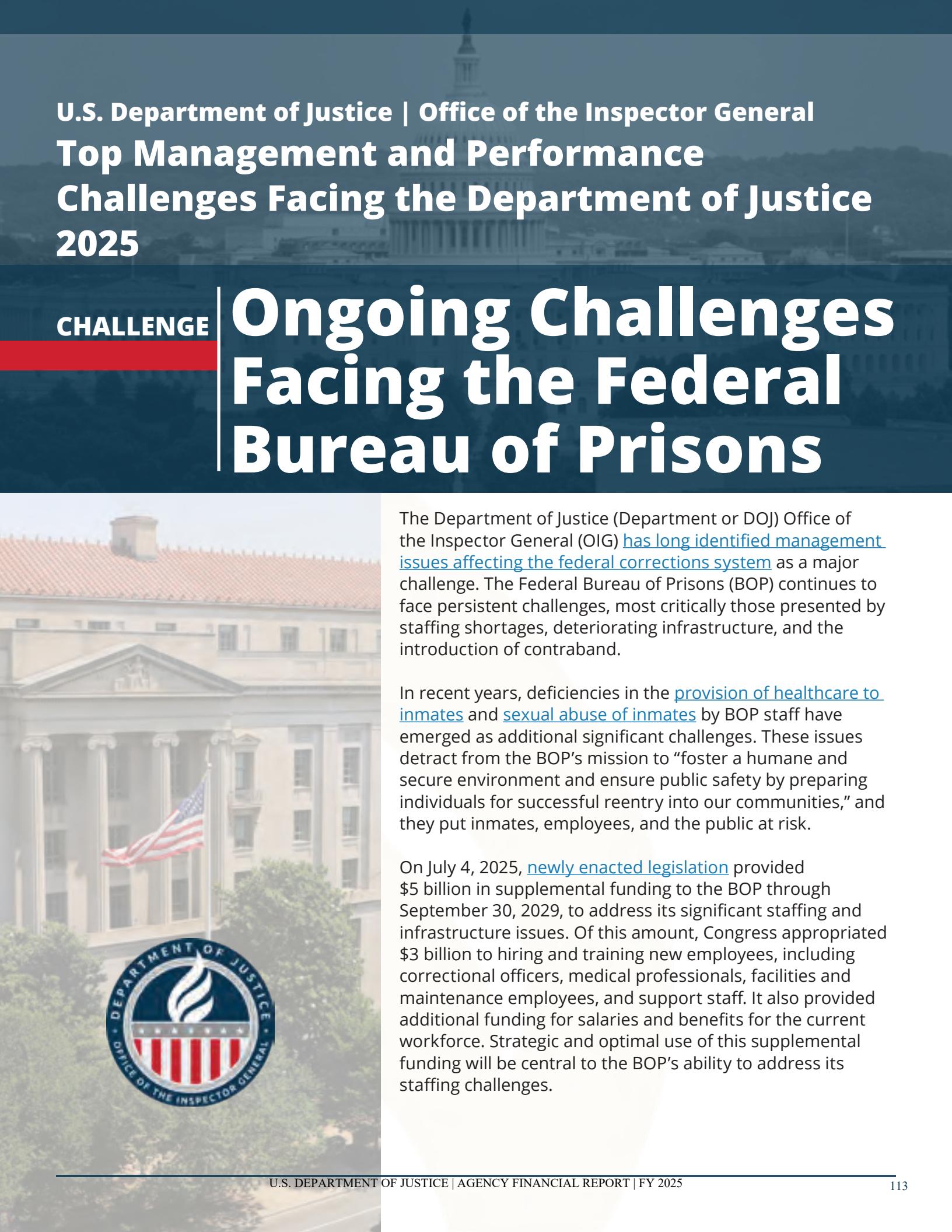
Presented on the following pages are the OIG-identified Top Management and Performance Challenges in the Department, and Department management's response to those challenges.

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

# **Top Management and Performance Challenges Facing the Department of Justice 2025**

**CHALLENGE**

## **Ongoing Challenges Facing the Federal Bureau of Prisons**



The Department of Justice (Department or DOJ) Office of the Inspector General (OIG) [has long identified management issues affecting the federal corrections system](#) as a major challenge. The Federal Bureau of Prisons (BOP) continues to face persistent challenges, most critically those presented by staffing shortages, deteriorating infrastructure, and the introduction of contraband.

In recent years, deficiencies in the [provision of healthcare to inmates](#) and [sexual abuse of inmates](#) by BOP staff have emerged as additional significant challenges. These issues detract from the BOP's mission to "foster a humane and secure environment and ensure public safety by preparing individuals for successful reentry into our communities," and they put inmates, employees, and the public at risk.

On July 4, 2025, [newly enacted legislation](#) provided \$5 billion in supplemental funding to the BOP through September 30, 2029, to address its significant staffing and infrastructure issues. Of this amount, Congress appropriated \$3 billion to hiring and training new employees, including correctional officers, medical professionals, facilities and maintenance employees, and support staff. It also provided additional funding for salaries and benefits for the current workforce. Strategic and optimal use of this supplemental funding will be central to the BOP's ability to address its staffing challenges.





**Exterior of Federal Medical Center Devens.**  
(Devens, MA)

**Source:** DOJ OIG

While the \$2 billion supplemental appropriation for maintenance and repairs of facilities over the next 5 years is a positive development, the BOP has estimated that substantial additional funding will be needed for it to fully remedy the dire condition of its infrastructure system wide.

The OIG anticipates conducting oversight of the BOP's use of the supplemental \$5 billion funding and, consistent with the Federal Prison Oversight Act, continuing our unannounced inspections of BOP facilities and investigating allegations of staff involvement in contraband smuggling and sexual abuse of inmates.

## Priority Recommendations

The OIG publicly identifies its three highest priority recommendations on its website, on oversight.gov, and in its Semiannual Reports. Currently, two of these priorities relate to the BOP:

- In a 2021 Management Advisory Memorandum, 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 to address the concern.
- In a 2023 report, the OIG recommended that the BOP develop and implement a reliable method to calculate appropriate staffing levels and communicate its needs to executive and legislative branch stakeholders.

These priority recommendations remain open.

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

## Top Management and Performance Challenges Facing the Department of Justice 2025

### CHALLENGE | Safeguarding National Security

The Department plays a critical role in safeguarding U.S. interests and citizens when it collects intelligence and investigates and prosecutes those seeking to undermine our national security. Events of the past year, including attacks in New Orleans and Boulder, which are being investigated as acts of terrorism, have again demonstrated the essential need for the Department to be vigilant in its efforts to deter and counter terrorism and violent extremism. The threat of targeted violence from U.S.-based extremists remains high, while foreign terrorist organizations continue to [pose a risk](#) to the homeland and to U.S. interests abroad.

To protect national security, the Department uses sensitive investigative authorities that implicate constitutional rights and civil liberties. For example, the Federal Bureau of Investigation's (FBI) use of certain authorities under the [Foreign Intelligence Surveillance Act](#) (FISA) receives close scrutiny by the Department and policymakers to ensure that constitutional rights and privacy interests of Americans are not sacrificed in furtherance of foreign intelligence gathering.

In April 2024, Congress passed the [Reforming Intelligence and Securing America Act](#) (RISAA), which both reauthorized certain FISA authorities for two years and tasked the OIG with reviewing the FBI's practices under FISA Section 702. In compliance with RISAA, the OIG submitted a report to Congress. The OIG found that the FBI implemented all reforms mandated by RISAA and that the FBI's compliance with the court-approved querying procedures has improved. However, rigorous internal and external oversight of the FBI's querying practices under Section 702 remain necessary. Next year, the Department and the FBI will face the challenge of securing renewal of this sensitive investigative authority.

The FBI has identified [Transnational organized crime](#), driven by illicit drug trafficking and other violent crimes, as a "significant and growing threat to national and international security with dire implications for public safety, public health, democratic institutions, and economic stability across the globe."





**Exterior of the  
J. Edgar Hoover  
FBI Building  
(Washington, D.C.)**

Source: DOJ OIG

In a February 2025 [Attorney General Memorandum](#), the Department announced directives and initiatives to pursue the total elimination of Cartels and Transnational Criminal Organizations to curb the flow of deadly drugs into the country and eliminate the threats that these groups pose. Achieving this policy will require significant law enforcement and intelligence resources and enhanced collaboration with international, federal, state, and local law enforcement partners.

Cybersecurity presents another National Security issue for the Department. Specifically, the Department needs to respond effectively to threats to national security posed in this ever-evolving area. Inadequate data security, cyber intrusions by foreign actors, ransomware, and ubiquitous technical surveillance of law enforcement activities, among other issues, present potential threats to national security and to Department operations.

## **Emerging Technology:**

### **Audit of the DEA's and FBI's Efforts to Integrate Artificial Intelligence (AI) and Other Emerging Technology within the U.S. Intelligence Community (as required by the FY 2023 National Defense Authorization Act)**

The OIG released a report on the DEA's and FBI's compliance with AI and other emerging technology requirements contained in the National Defense Authorization Act for FY 2023. These requirements apply to U.S. Intelligence Community elements, including the entire FBI and the DEA's Office of National Security Intelligence. The OIG found both agencies are in the early stages of AI integration, with some progress made. The FBI published an AI policy, established an AI Ethics Council, and is conducting inventories of AI use. The DEA's Office of National Security Intelligence is leveraging a partner agency's AI tool. Barriers to these agencies' accelerated adoption of AI include funding constraints, difficulties hiring and retaining a technical workforce, and the need to modernize data architecture. Both agencies are still required to submit reports to Congress on their AI efforts.

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

## Top Management and Performance Challenges Facing the Department of Justice 2025

CHALLENGE

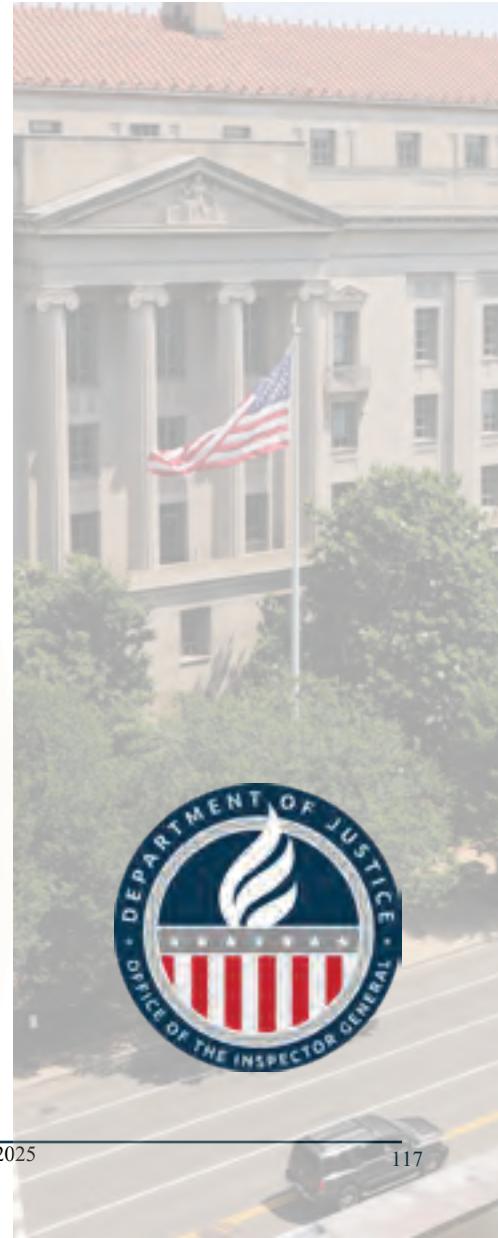
### Maintaining Public Trust in the U.S. Department of Justice

Maintaining public trust remains the Department's core, enduring challenge. Indeed, in every Top Management and Performance Challenges Report since 2007, the OIG has identified the need for the Department to be attentive to the public's confidence and trust in it.

Most fundamentally, the Department maintains the public's trust by faithfully applying the law to the facts. Doing so is the foundation of our system of justice and is central to the Department's mission. It leads to enforcement actions being pursued with objectivity and protection of individual rights. Strict adherence to the law and proceedings based on facts enhances the likelihood that victims and witnesses will be willing to come forward in support of the Department's cases, and that jurors are receptive to the Department's evidence and arguments. The Department cannot succeed in its mission without the public's backing.

Criminal wrongdoing and administrative misconduct by Department employees undermine the public's trust in the Department. The Department can gain the public's confidence by supporting investigation of its personnel who engage in wrongdoing. Moreover, transparency enhances trust. Whistleblowers may provide information that identifies potential criminal wrongdoing and administrative misconduct by Department employees, which undermines trust in the Department. The Department can expand upon the public's confidence in it by ensuring that whistleblowers are protected from reprisal and supporting DOJ OIG's investigations of personnel who engage in criminal or administrative misconduct.

The DOJ OIG could be better positioned for this important function in two ways: testimonial subpoena authority and jurisdiction over all attorney misconduct. The Department's support for these reforms would further





**The Robert F. Kennedy  
Department of Justice  
Building**  
(Washington, D.C.)

**Source:** DOJ OIG

improve the public's confidence in the Department by ensuring DOJ OIG's ability to compel testimony from non-DOJ employees, such as former employees, who often decline to speak with DOJ OIG about misconduct they committed or witnessed while employed by the Department.

The Department's Office of Professional Responsibility, not the OIG, has jurisdiction to review and investigate allegations of misconduct involving Department attorneys that relate to their authority to investigate, litigate, or provide legal advice. The DOJ OIG is alone among federal OIGs in its lack of authority to investigate allegations of misconduct by its agency's attorneys. Extending the OIG's jurisdiction to include allegations against attorneys relating to their authority to investigate, litigate, or provide legal advice would treat Department attorneys the same as attorneys at other federal agencies, and the same as Department law enforcement agents and other categories of Department employees in their accountability for misconduct.

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

# **Top Management and Performance Challenges Facing the Department of Justice 2025**

**CHALLENGE**

## **Law Enforcement and Protection of Individual Rights**

The Department is the nation's principal law enforcement agency. Department personnel at its law enforcement components, prosecuting offices, and grantmaking components coordinate with and rely on federal, state, local, and Tribal agencies. Maintaining strong working relationships with these partners is critical to the Department's success in pursuing its law enforcement mission.

While specific law enforcement priorities shift over time, opioids, particularly fentanyl, have consistently presented significant law enforcement challenges for the Department and the nation in recent years. Congress's passage of the Halt Fentanyl Act in July 2025, which classified any substance that meets the definition of fentanyl related substance as Schedule I, was a big step forward; however, fentanyl precursors, pre-precursors, pre-pre-precursors remain a challenge for the Department because they are used to manufacture fentanyl but are unregulated. Consequently, the Department must remain committed to seeking additional legislation on this issue and continue directing its resources to stemming the flow of opioids into the country to address the tragedies of the opioid epidemic through its Drug Enforcement Administration programs. Additionally, the Department needs to maintain its leadership role in combatting violent crime and child abuse and exploitation. The Department also faces a continued challenge in identifying and prosecuting fraud related to the \$5 trillion distributed through pandemic relief programs.



The Department has access to a wide range of authorities for addressing criminal activity and enterprises. In addition to traditional tools such as compulsory process and confidential informants, technology advances in artificial intelligence and facial recognition enhance investigative capabilities but also expand risks to civil liberties. The Department must adapt its guidance for use of all its authorities so it is appropriately sensitive to individual rights and separation of powers, as highlighted in the DOJ OIG's 2024 review of the Department's methods used to obtain record of members of Congress, Congressional Staffers, and members of the news media.

Law enforcement operations are dangerous, and officers encounter myriad difficulties in carrying out their essential duties under trying conditions. However, it is essential to maintaining the public's confidence in law enforcement and respect for the rule of law that law enforcement officers who exceed their legal authority be held accountable for their actions. The Department therefore faces the longstanding challenge of supporting law enforcement by providing it with the resources and authorities that it needs and holding accountable those who breach the public's trust.

## Priority Recommendation

Currently, one of the OIG's priority recommendations relates to law enforcement and the protection of individual rights:

- In a 2021 report, the OIG recommended that the FBI reassess its policies to more precisely describe when FBI employees are required to promptly contact and coordinate with state and local law enforcement and social service agencies after receiving allegations of crimes against children that potentially fall under state jurisdiction.

This priority recommendation remains open.



**The United States Capitol Building**  
(Washington, D.C.)

**Source:**  
DOJ OIG

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

# **Top Management and Performance Challenges Facing the Department of Justice 2025**

## **CHALLENGE | Responsible Use of Taxpayer Funds**

In Fiscal Year (FY) 2024, the Department awarded over \$5.6 billion in grants and over \$9.5 billion in contracts. The planning, administration, and oversight of contracts and grants continues to be a challenge for the Department as a responsible steward of taxpayer dollars.

Specifically, areas of concern for Department contracting include the execution of well-designed acquisition plans and government cost estimates, monitoring of contractors' performance, and ensuring acquisition personnel have and exercise the necessary skills and judgment throughout the procurement lifecycle. Strengthening the contract acquisition planning process by requiring contracting officials, 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.

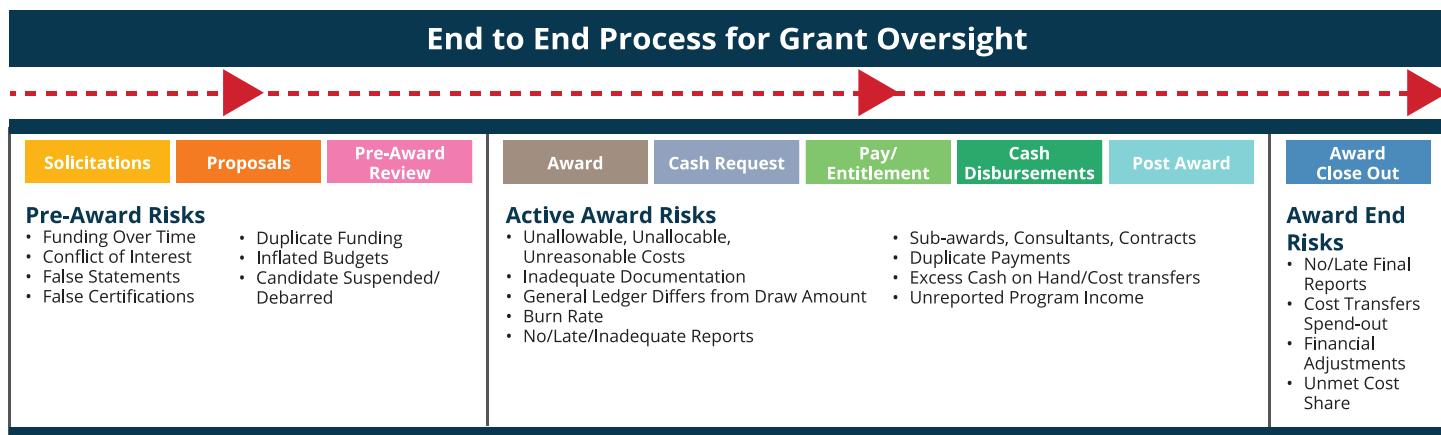
An additional challenge for the Department in contracting arises from proposed changes to the Federal Acquisition Regulations (FAR), which establish uniform policies for executive agency acquisitions. The [Revolutionary FAR Overhaul initiative](#), launched in May 2025 in response to [Executive Order \(EO\) 14275, Restoring Common Sense to Federal Procurement](#), is intended to streamline and reduce barriers in the federal contracting process. As of September 2025, 33 parts of the FAR have been updated. The Department must be diligent and increase oversight of and train its contracting staff to ensure it complies with the new regulations and rapidly changing contracting guidance.



The Department's grants play an important role in funding law enforcement and public safety activities, assisting victims of crime, and providing training and technical assistance. The OIG's audits continue to identify challenges related to financial management, subrecipient monitoring, and performance reporting. In addition, our investigations highlight the continuing need to be vigilant for indications of fraud by recipients of the Department's grant funds. Each of these areas of concern is directly related to preventing wasteful use of taxpayer dollars.

According to the Department's FY 2026 budget request, the Department intends to focus its grant funding on priority programs directly linked to combatting violent crime, protecting American children, supporting American victims of trafficking and sexual assault, and better coordinating law enforcement efforts at all levels of government. [EO 14322, Improving Oversight of Federal Grantmaking](#), similarly states that government grants should improve American lives or advance American interests, and emphasizes the need to strengthen oversight and coordinate agency grantmaking to ensure efficacy and avoid duplication of efforts.

However, the Department has also proposed a reduction in the funding of state and local grant programs, which could adversely affect important programs, such as, for example, Emergency Federal Law Enforcement Assistance grants provided to state and local law enforcement to help mitigate costs during extraordinary emergencies. The Department's budget proposal also plans to consolidate the Office of Community Oriented Policing Services and the Office on Violence Against Women into the Office of Justice Programs and cut 79 positions. While these proposed actions may result in cost efficiencies and streamline grants processes and programs, the Department must be attentive to potential pitfalls—such as the decrease in grant management personnel—that could result in less oversight and increase the risk of fraud and misuse of federal funds. The OIG's audits of grant fund recipients have repeatedly demonstrated the need for the Department to carefully administer and monitor grantees.



**Source:**  
CIGIE Report on Grant Oversight

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

# **Top Management and Performance Challenges Facing the Department of Justice 2025**

## **CHALLENGE | Managing Human Capital Issues**

Department personnel carry out the mission to uphold the rule of law, keep our country safe, and protect our civil rights. Department employees work in a variety of components, including law enforcement agencies, litigating divisions and United States Attorneys' Offices, grantmaking offices, and management divisions. Although its headquarters are in Washington, D.C., nearly 80 percent of the Department's employees are located elsewhere throughout the country and internationally. The Department has a long tradition of hiring the best and the brightest, whether as prosecutors, investigators, or the myriad other disciplines represented in the workforce. These dedicated employees are the Department's greatest asset.

Facing a range of management challenges driven by fiscal constraints, changing demographics, a wave of federal retirements, and the evolving role of the public sector, human capital management remains a challenge for the Department. Areas of key concern include maintaining the capability to continue important work in the face of significant reductions in staffing levels, recruiting and retaining highly qualified and high performing personnel to effectively perform the Department's broad and varied mission, and preserving the knowledge base to enable effective continuity of operations.

On May 29, 2025, as directed by [EO 14170, Reforming the Federal Hiring Process and Restoring Merit to Government Service](#), the Office of Personnel Management (OPM) published a [memo](#) outlining the process, available technology, and policy tools to improve federal recruitment and hiring. The memo reemphasizes that hiring, promotion, and advancement decisions are based solely on merit, qualifications, and job-related criteria. The compelling nature of the Department's mission has long been a key element in its ability to recruit and retain highly capable personnel. However, the market for such employees traditionally has been extremely competitive. The Department should carefully track



hiring and retention metrics to assess regularly its ability to attract and retain talented professionals to carry out the DOJ's essential mission and functions.

For example, concerns about the Department's ability to recruit and retain highly qualified personnel are especially critical for the Department's information technology (IT) professionals. Among other reasons, IT personnel are important to maintaining the security of IT systems, which process sensitive law enforcement and national security information. These systems are constantly subject to attack by adversaries. According to the Department's [IT Strategic Plan for Fiscal Years 2025-2027](#), the Department has current staff openings, and IT staffing levels are below the desired threshold. The strategic plan states that various factors contribute to the Department's challenge in recruiting and retaining IT staff.

While there are limits to the Department's ability to compete with private sector salaries for IT and various other professional disciplines, the Department should periodically assess what competitive advantages it can leverage to recruit the talent it needs, including appropriate workplace flexibilities and mission-related professional development opportunities.

Workplace harassment, a significant issue the Department has faced over the past decade, persists as a challenge for the Department. The OIG continues to receive complaints from DOJ employees of sexual harassment in the workplace. Department leadership has continued to pledge its commitment to providing a workplace free from sexual harassment and misconduct. Most recently, on June 27, 2025, the Deputy Attorney General issued [DOJ Order 1207, Reporting and Responding to Sexual Misconduct](#). The order defines sexual misconduct, outlines ongoing measures to actively promote a respectful, safe workplace, and establishes a uniform framework for reporting and responding to complaints of sexual misconduct in the workplace.

# **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 mission of the Department of Justice (Department or DOJ) is to uphold the rule of law, keep our country safe, and protect civil rights. The Department is currently revising its Fiscal Year (FY) 2026–2030 Strategic Plan and associated strategic goals to carry out this mission, consistent with the priorities of the President and the Attorney General. The Strategic Plan will establish objectives and performance measures enabling the Department to assess its progress.

The Department is committed to addressing and collaborating on the top management challenges that the Office of the Inspector General (OIG) identified.

The OIG plays an important role in ensuring that the Department accomplishes its mission effectively and efficiently. The OIG holds Department personnel accountable for misconduct; protects whistleblowers from reprisal; and detects and deters government 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, OIG identified six challenges it believes represent the most pressing concerns for the Department:

- I. Ongoing Challenges Facing the Federal Bureau of Prisons
- II. Safeguarding National Security
- III. Maintaining Public Trust in the U.S. Department of Justice
- IV. Law Enforcement and Protection of Individual Rights
- V. Responsible Use of Taxpayer Funds
- VI. Managing Human Capital Issues

## **I. Ongoing Challenges Facing the Federal Bureau of Prisons**

The Department's OIG identified management issues affecting the federal corrections system such as staffing shortages, deteriorating infrastructure, and the introduction of contraband. The BOP is responding to these challenges and, as such, is pursuing the following actions and initiatives.

### **Staffing**

Addressing staffing challenges and securing resources to fulfill the BOP mission are top priorities for BOP leadership. To that end, the BOP has worked closely with DOJ leadership and the Office of Personnel Management (OPM) to offer more competitive salaries—e.g., a special salary rate (SSR)—for a wide number of the BOP's General Schedule employees in corrections facilities. Specifically, the BOP is collaborating with the DOJ's Justice Management Division (JMD), Human Capital Office, to accelerate the request for nationwide SSRs.

The One Big Beautiful Bill Act (Public Law 119-21) supplemental appropriation provides resources for the BOP to address critical staffing shortages and restore incentives aimed at recruiting and retaining institution staff in the near term. However, addressing critical staffing shortages over the long-term will require additional appropriations from Congress in the outyears.

Additionally, the BOP relaxed age requirements for new correctional officers by extending the waiver of the Maximum Entry Age for Non-Preference Eligibles applying to the Correctional Officer (Senior Officer Specialist) position until December 31, 2026, or until 4,501 appointments are made, whichever comes first.

On July 28, 2025, the BOP received approval from OPM to continue appointments under Direct Hire Authority for an additional 2,000 correctional officer positions based on the BOP's critical hiring need.

For health services positions, the BOP continues to offer various types of incentive packages, coupled with special statutory pay authority for BOP-eligible clinicians, including physicians, dentists, and psychiatrists. The BOP will use a series of measurable data points, such as turnover data and retention rates, to evaluate the effectiveness of the incentive programs on medical hiring and retention.

### Calculating Staffing Levels

The BOP has addressed the priority recommendation regarding “a reliable method to calculate appropriate staffing levels” by developing and implementing the BOP’s Automated Staffing Tool (AST). The AST is applicable to all employee disciplines, and it calculates staffing levels for every kind of staff member at each institution based on its unique mission and BOP staffing guidelines.

The AST has been live since October 1, 2024, and is updated quarterly to address programmatic and discipline-specific position changes identified and approved by BOP leadership. While this tool will not solve the staffing crisis and the inability to fill existing positions, the BOP is already using its data to improve staffing across its facilities and to inform recruitment and retention efforts. This data has also helped the BOP justify budget requests and communicate funding needs to Executive and Legislative Branch stakeholders.

### Infrastructure

The BOP continues to take significant steps to address its deteriorating infrastructure. In July 2025, the BOP completed a project through an expert consultant, to develop a long-term strategy and plan to align infrastructure decisions with the BOP’s mission, including methodologies for allocating resources for capital projects and updates using short, medium, and long-range planning goals.

### Contraband

BOP is vigilant in investigating and interdicting attempts to smuggle contraband into its institutions and is continually testing and evaluating innovative drug and other contraband-detection technologies. Expanding on the current efforts to combat contraband smuggling, the BOP is in

discussions with another federal agency to secure their assistance in the forensic exploitation of drones captured on BOP property.

### Healthcare

The BOP continues to improve inmate healthcare provisioning. The BOP is reenvisioning how it provides medical and mental health treatment while managing overall costs.

To manage costs for medication and supplies, the BOP developed a predictive medication cost dashboard, implemented formulary changes for long acting injectables and insulin, and, in June 2025, began developing a standardized medical supply formulary designed to maximize cost savings through strategic purchasing. To monitor outside hospitalizations, the BOP began implementing an additional layer of Utilization Review (UR), which evaluates and approves healthcare services against clinical need, cost, and established care guidelines. The expanded UR process ensures hospital stays are closely monitored for medical necessity, with the goal of minimizing costs while maintaining the quality of care.

Additionally, the BOP continues to advance its telehealth initiative. Subcontracts are being developed between the Comprehensive Medical Services (CMS) contractors and subcontractors to provide Telespecialty (access to specialist providers such as cardiologists, dermatologists, etc.) and Teletriage (access to emergency medicine physicians).

The BOP routinely analyzes findings from site visits, suicide reconstructions, and reviews of data in the electronic medical record to identify emergency health trends that require additional field guidance, policy updates, and training needs. As one example, a trend analysis on the common findings during suicide reconstruction from 2020 through 2025 has been used to train clinicians and BOP front line staff. Additionally, the BOP used this data to inform updates to its Mental Health Care Level Guidance documentation, which led to tracking the frequency of Suicide Risk Assessments, resulting in increased treatment to address suicide risk.

### Sexual Abuse of Inmates

The BOP is committed to preventing staff sexual abuse of inmates and ensuring accountability. The BOP has taken the following actions to address employee misconduct and prioritize responsiveness.

Beginning in August 2023, the BOP's Office of General Counsel (OGC) expanded its Office of Internal Affairs (OIA) by adding 32 Special Investigative Agents, 12 Special Agents, 8 Supervisory Special Agents, and 1 Senior Investigative Support Specialist. In addition, in January 2024, the BOP's OGC completed a reorganization of its Employment Law Branch. The Branch added 14 new positions, including 9 Attorneys, to handle disciplinary recommendations once OIA completes its investigations.

Furthermore, the BOP moved oversight of the Special Investigative Agents from reporting locally to Wardens, to instead reporting centrally to BOP Headquarters. This restructuring produces substantial results by creating greater transparency and enabling Headquarters leadership to focus efforts toward addressing employee misconduct investigations, including those involving sexual abuse of inmates by

BOP staff, and ensuring staff are held accountable for their actions. Despite OIA receiving record high numbers of misconduct referrals in both 2024 and 2025, the backlog of misconduct cases has been reduced by 65 percent and counting. With enhanced reporting, a focus on investigative training, and support specific to sexual misconduct allegations, OIA is better equipped to appropriately handle allegations as they arise and, when sustained, moved them into the disciplinary process.

#### Security Camera System

The BOP is addressing the priority recommendation regarding “critical security lapses with the BOP’s security camera system” by modernizing and standardizing camera systems Bureau-wide and updating its Facilities Manual to categorize camera system repairs and outages as mission-critical security work. In parallel, the BOP is transitioning legacy analog camera systems to digital platforms. The BOP is continually working to identify coverage gaps and installing new cameras with standardized recording hardware to ensure uniform and reliable recording capability across systems.

The BOP has obligated \$175 million towards video surveillance system upgrades, including installation of a single mode fiber optic backbone and more than 27,000 cameras across its facilities. As of September 2025, the BOP has installed fiber at 109 of its 121 facilities, and 90 percent of those facilities are currently upgrading from analog to digital cameras. The BOP anticipates that all fiber optic and digital camera upgrades will be completed by FY 2027.

## **II. Safeguarding National Security**

The OIG emphasized DOJ’s critical role in safeguarding U.S. interests and citizens when collecting intelligence, investigating, and prosecuting those undermining national security. The OIG’s report cites recent U.S. terror attacks and past struggles with the use of sensitive investigative authorities as examples for the Department’s need to vigilantly deter and counter terrorism and violent extremism while weighing the rights and privacy of Americans. The following outlines some of the actions the Department is pursuing to address these challenges.

#### Transnational Organized Crime

In support of the President’s commitment to Make America Safe Again, the Department is focused on implementing programs to advance the President’s vision for a safe and secure homeland. Efforts such as identifying, investigating, disrupting, and dismantling major drug trafficking organizations are a primary focus.

Importantly, the Attorney General issued a memorandum, in February 2025, implementing the President’s directive to pursue total elimination of cartels and Transnational Criminal Organizations (TCOs). The memo emphasizes coordination throughout the DOJ and with other law enforcement partners.

In concert with the direction set forth in the memorandum, the Department also realigned organizations to better meet priorities. For example, the Department utilized existing resources to establish Homeland Security Task Forces (HSTFs) in coordination with the Department of Homeland

Security. HSTFs aim to end the presence of criminal cartels, foreign gangs, TCOs, and human smuggling and trafficking organizations across the Nation. These task forces bolster interagency law enforcement efforts to combat violent crime and transnational criminal organizations. Similarly, realignment of INTERPOL Washington into the U.S. Marshals Service allows INTERPOL Washington to benefit from being part of a larger law enforcement organization and provide increased opportunity for INTERPOL to deploy the resources needed for its information technology (IT) needs. In addition, the Criminal Division merged two sections, the Money Laundering and Asset Recovery Section and the Narcotic and Dangerous Drug Section, to form the Money Laundering, Narcotics and Forfeiture Section (MNF). The creation of the MNF is critical to the Department's effort to address cartels and TCOs and the worldwide structures that support them. The MNF will target typical criminal offenses as well as other potential threats, including criminal and civil forfeiture actions, financial institution officers/employees who engage in money laundering, international money laundering schemes and complex international forfeitures, and the top command and control elements of cartels and international drug trafficking organizations.

### Cybersecurity

The Department understands that managing cyber-related threats and emerging technologies is a growing challenge as cybercrime—from both nation-states and cybercriminals—continues to evolve. To fulfill its mission, the Department is prioritizing building and maintaining robust cybersecurity defenses, progressing in mitigating cyber supply chain risks, modernizing, and refreshing its technology ecosystem, and harnessing emerging technologies.

In this complex landscape, the Department has maintained its strong security posture in FY 2025. The Department currently has the highest total score among Chief Financial Officer Act agencies based on the Office of Management and Budget's (OMB) and the Cybersecurity and Infrastructure Security Agency's (CISA) cybersecurity metrics.<sup>1</sup>

The Department has made significant progress in mitigating supply chain risks by increasing its supply chain threat assessments for Department software and hardware in FY 2025. Additionally, the Department continues to update existing guidance and processes to secure procurement, deployment, and implementation of IT software, hardware, and services. The Department must maintain a steady pace of technology refresh and modernization to stay ahead of the dynamic threat landscape.

### **III. Maintaining Public Trust in the U.S. Department of Justice**

The OIG has identified the need for the Department to be attentive to the public's confidence and trust by faithfully applying the law to the facts. The OIG highlighted the need for supporting investigations of personnel engaging in wrongdoing, as well as protecting whistleblowers from reprisal when providing information of criminal wrongdoing and administrative misconduct, in support of OIG investigations.

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<sup>1</sup> Known otherwise as the Federal Information Security Modernization Act scores.

### Employee Misconduct

The Department continues to support and encourage independent and robust oversight of its attorneys to foster accountability and public trust. That oversight, however, is best accomplished through the work of the Office of Professional Responsibility (OPR), which has a long-standing history of conducting unbiased investigations of professional misconduct allegations against Department attorneys.

Both the Department and Congress have recognized over many decades that applying the complex legal and ethical standards applicable to Department attorneys conducting investigations, litigating cases, and providing legal advice should be the responsibility of OPR. OPR's primary mission is to review attorney professional misconduct allegations, and OPR's 50-year institutional expertise in such matters is unmatched. Because OPR is independent of the prosecutors and criminal investigative methods and techniques that it reviews, the public is assured that OPR's investigations are not influenced by relationships with prosecutorial offices or its own criminal investigative interests. A single office focused on attorney professional misconduct complaints avoids wasteful duplication of resources, inefficient delays, and inconsistent results.

The OIG does not assert that extending its jurisdiction will lead to more accurate determinations or an improved disciplinary system. The OIG's suggestion that its authority should be the same as other OIGs and that its oversight of attorney professional misconduct should be the same as its oversight of other Department employees does not warrant changing the Department's attorney disciplinary system. The Department's process for reviewing attorney professional misconduct allegations differs from that of other Departments because the DOJ attorney workforce is unlike other federal agencies, in both number of attorneys and work performed. Furthermore, most OIGs do not investigate attorney professional misconduct, due to limitations imposed through regulation, formal agreements, or agency practice.

## **IV. Law Enforcement and Protection of Individual Rights**

The Department supports its law enforcement personnel, as well as its federal, State, local and Tribal agency partners, while also holding officers accountable when there is a breach of the public's trust.

### Addressing Opioids

The HALT Fentanyl Act represents a significant advancement in DEA's ability to combat synthetic drugs by permanently scheduling fentanyl related substances as a class, thus closing loopholes that traffickers have historically exploited. This new authority allows DEA to more effectively leverage existing programs and to develop new enforcement strategies to combat opioid proliferation, while maintaining appropriate legal and scientific oversight. Additionally, DEA continues to work on tightening regulations regarding the distribution and sale of tableting and encapsulating machines, both domestically and internationally, to help curtail the illicit pressing of poisonous counterfeit pills.

### Combating Violent Crime and Child Abuse and Exploitation

The FBI is working to improve communication and collaboration between its employees and state and local agencies to combat crimes against children. Specifically, the FBI is updating internal guidance to describe when FBI employees are required to contact and coordinate with state and local law enforcement and social service agencies after receiving allegations of crimes against children that potentially fall under state jurisdiction. The FBI anticipates implementation of these policy changes occurring during the second quarter of FY 2026.

### Balancing Law Enforcement Authorities and Individual Rights

At the President's direction, the Department took a leading role surging law enforcement resources to address crime across the country. This new directive includes hiring more than 1,200 agents to target violent crime, gun crime, and threats to national security, in addition to hiring 175 attorneys to prosecute violent crimes and advocate in court on the Administration's behalf. Current surges will be maintained in cities with high violent crime rates that are still recovering from the prior Administration's efforts to defund and disarm the police.

## **V. Responsible Use of Taxpayer Funds**

The OIG highlighted the Department's management of grant and contracting activities that have costs that total billions of taxpayer dollars. The OIG is concerned about the lack of well-designed acquisition plans and government cost estimates, monitoring of contractor performance, and ensuring personnel have and exercise the necessary skills and judgment through the procurement lifecycle. The Department is addressing this challenge by increasing accountability in contract management, as well as with grant management. The sections below provide additional information on these two areas.

### Accountability in Contract Management

The JMD's Office of Acquisition Management's (OAM) supports the Department's acquisition executives. OAM is responsible for the Department's implementation of the Revolutionary Federal Acquisition Regulation (FAR) Overhaul (RFO) initiative, which supports the Department's acquisition workforce transition to the new RFO framework and principles. The initiative not only deregulates federal acquisitions; it also increases innovation, best practices, and technology, by realigning departmentwide policy, providing access to necessary training, and monitoring compliance.

All Department contracting officers and contracting officer representatives are required to have Federal Acquisition Certification (FAC) Contracting Officer (CO) or Contracting Officer Representative (COR) status, which requires mandatory training and continuing education units to maintain a valid FAC certification. Contracting personnel/acquisition staff also register for General Services Administration (GSA) training opportunities to fulfill the continuing education requirements for FAC-CO and FAC-COR. OAM plans to deploy Departmental training for any deviations in early FY 2026 to maintain RFO goals.

OAM will utilize existing Departmental guidance as a strong foundation to support the new direction of the RFO by revising the Justice Acquisition Regulation (JAR), developing the Justice Acquisition Manual, and issuing and maintaining Acquisition Policy Notices or Acquisition Guides to inform and address the acquisition planning process and acquisition lifecycle. While the JAR revisions are subject to the standard regulatory rulemaking process, OAM plans to complete their work by the end of the third quarter in FY 2026. Subsequent revisions of DOJ guidance depend on other factors, such as revisions to the FAR itself; however, OAM will use internal guidance mechanisms to ensure Department-wide compliance with executive policy.

Another tool that OAM uses are Compliance Advisory Memorandums (CAMs) that are issued as needed to inform the acquisition community of current contract compliance related matters based on oversight reviews, Government Accountability Office (GAO) reports, and OIG audit findings. CAMs provide mitigating solutions for the improvement of existing and future procurement activities throughout the procurement lifecycle. In FY 2026, OAM plans to further implement oversight reviews of select contracting activities to comply with new regulations and the changing contracting guidance.

### Accountability in Grant Management

The Department's grantmaking components—the Office of Justice Programs (OJP), the Office on Violence Against Women (OVW), and the Office of Community Oriented Policing Services (COPS)—view their fiduciary responsibility to effectively administer grants as a top priority. All three grantmaking components work to continuously improve and strengthen their policies and procedures, risk management strategies, oversight, and monitoring efforts.

OJP distributes most of the grant funding for the Department and puts processes in place to strengthen grant management. The Department also plans to consolidate COPS, OJP, and OVW into one grant component in FY 2026 with consistent grant management processes.

Examples of steps grantmaking components have taken to strengthen grants management include:

- Completed in-depth programmatic monitoring of 996 grants totaling \$3 billion – this is approximately twice the amount required by law.
- Carried out financial monitoring for 656 grants totaling \$2.48 billion of OJP and COPS Office's active grant funding.
- Conduct pre- and post-award risk assessments designed to identify and mitigate risk of mismanagement, waste, fraud, or abuse by funding recipients.
- Oversee 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.
- Utilize data analytics at the grant, grantee, and program level allowing for more effective oversight as well to inform training and technical assistance efforts for internal staff and/or funding recipients.

- Offer training opportunities to ensure that award recipients understand the administrative, financial, and programmatic requirements of their awards, including grant misuse and fraud awareness.
- Provide 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.

## **VI. Managing Human Capital Issues**

The OIG's areas of key concern for managing human capital include maintaining the capability to continue important work in the face of reductions in staffing levels, recruiting, and retaining qualified and high performing personnel to perform the Department's mission, and preserving the knowledge base to ensure continuity of operations.

Consolidating all agencies' core human capital management functions onto a single streamlined system is a key priority for the Administration. The Department has worked closely with the OMB and OPM to ensure a successful transition onto a single system. This initiative will create efficiencies in federal human capital management and facilitate more effective management of the Department's workforce as a unified entity.

The Department has also implemented changes to comply with the January 20, 2025, Executive Order 14170, "Reforming the Federal Hiring Process and Restoring Merit to Government Service" ("Restoring Merit") to support more efficient recruiting and hiring processes that are based on merit, practical skill, and dedication to our Constitution. These changes will ensure that the Federal workforce is prepared to help achieve American greatness and attract the talent necessary to serve our citizens. The Department also developed responses to additional Executive Orders, including but not limited to the following: authoring and codifying of required DOJ human resources delegations; strengthening the Department's oversight and compliance responsibilities (to include leading a DOJ-wide human resources functional program audit) and updating multiple human resources policies; developing the Department-wide staffing plan; and addressing new Administration priorities, to include new and revised Performance Management Systems.

During FY 2025, recruitment and outreach were limited due to the Department's budget and the government-wide hiring freeze. However, early career appointments have always been a priority for the Department, and the Department utilizes the Pathways Program to target early career talent for eventual civil service careers. The Department also uses OPM's Talent Portal that allows Department HR Specialists and hiring managers to search for active resumes on USAJobs and filter candidates who are eligible for non-competitive hiring, such as veterans. In FY 2025, for example, over 50 percent of the Criminal Division's non-attorney hiring was made through early career programs such as Pathways, other early career internship programs, or non-competitive authorities.

**Staffing Information Technology Professionals**

The Department agrees with OIG’s assessment that qualified IT and cybersecurity workforces, both leadership and staff, are essential to the security of the Department’s mission-enabling technology. There is a critical need to recruit and retain IT and cybersecurity professionals who are responsible for overseeing and operating the information systems that underpin the Department’s mission. As a critical tool in recruiting and retaining IT staff, the Department has maintained its merit and performance-aligned IT and Cybersecurity Retention Incentive program based on specialized knowledge, skills, and abilities compliant with 5 CFR § 575 Subpart C.

In addition, the Department’s reorganization plan integrates component IT functions and staff under the Department’s Office of the Chief Information Officer (OCIO), located within the JMD. The plan aligns with the President’s Management Agenda to improve efficiencies by eliminating duplicative and decentralized roles. Transitioning these IT and cybersecurity professionals into a unified enterprise structure will streamline service delivery, accelerate implementation of critical cybersecurity capabilities, strengthen cyber defense coordination, and reduce redundancies in systems administration, security operation, network management, and engineering support. This consolidation will also enable OCIO to leverage shared skill sets across similar positions, facilitating more balanced workload distribution and improved alignment of technical expertise with enterprise priorities.

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The Department appreciates the OIG’s work in helping to improve our transparency, productivity, and effectiveness. Components across the Department continue to address OIG’s findings and conclusions, and implement recommended actions, including those highlighted in this report. The Department looks forward to cooperating with the Inspector General on these matters and on future audits, investigations, and reviews.

## **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 2025 data can be found on [DOJ Payment Integrity](#).<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 2025.

### **Bureau of Alcohol, Tobacco, Firearms, and Explosives**

<b>Bureau of Alcohol, Tobacco, Firearms and Explosives</b>						
<b>Statutory Authority (U.S.C. Citation)</b>	<b>Penalty (Name or Description)</b>	<b>Year Enacted</b>	<b>Latest year of adjustment (via statute or regulation)</b>	<b>Current Penalty Level (\$ Amount or Range)</b>	<b>Sub-Agency / Bureau / Unit</b>	<b>Location for Penalty Update Details</b>
18 U.S.C 922(t)(5)	<i>Brady Law - Nat'l Instant Criminal Check System; PL 103-159, sec. 102(b)</i>	1993	2025	\$10,831	Alcohol Tobacco, Firearms, and Explosives (ATF)	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
18 U.S.C. 924(p)	<i>Child Safety Lock Act, PL 109-92, sec. 5(c)(2)(B) Secure gun storage or safety device, violation</i>	2005	2025	\$3,961	Alcohol, Tobacco, Firearms, and Explosives (ATF)	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>

### **Civil Division**

<b>Civil Division</b>						
<b>Statutory Authority (U.S.C. Citation)</b>	<b>Penalty (Name or Description)</b>	<b>Year Enacted</b>	<b>Latest year of adjustment (via statute or regulation)</b>	<b>Current Penalty Level (\$ Amount or Range)</b>	<b>Sub-Agency / Bureau / Unit</b>	<b>Location for Penalty Update Details</b>
12 U.S.C. 1833a(b)(1)	<i>Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Violation</i>	1989	2025	\$2,513,215	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
12 U.S.C. 1833a(b)(2)	<i>FIRREA Violation (continuing)</i>	1989	2025	\$2,513,215	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
12 U.S.C. 1833a(b)(2)	<i>FIRREA Violation (continuing)</i>	1989	2025	\$12,566,086	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
22 U.S.C. 2399b(a)(3)(A)	<i>Foreign Assistance Act Fraudulent Claim for Assistance</i>	1968	2025	\$7,299	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
31 U.S.C. 3729(a)	<i>False Claims Act Violations</i>	1986	2025	Min: \$14,308 Max: \$28,619	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
31 U.S.C. 3802(a)(1)	<i>Program Fraud Civil Remedies Act Violations Involving False Claim (per claim)</i>	1986	2025	\$14,308	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
31 U.S.C. 3802(a)(2)	<i>Program Fraud Civil Remedies Act Violation Involving False Statement (per statement)</i>	1986	2025	\$14,308	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
40 U.S.C. 123(a)(1)(A)	<i>Federal Property and Administrative Services Act Violation Involving Surplus Government Property</i>	1949	2025	\$7,299	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
41 U.S.C. 8706(a)(1)(B)	<i>Anti-Kickback Act Violation Involving Kickbacks (per occurrence)</i>	1986	2025	\$28,619	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
18 U.S.C. 2723(b)	<i>Driver's Privacy Protection Act of 1994; Prohibition on release and use of certain personal information from state motor</i>	1994	2025	\$10,556	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
18 U.S.C. 216(b)	<i>Ethics Reform Act of 1989 Penalties for Conflict of Interest Crimes</i>	1989	2025	\$125,662	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
41 U.S.C. 2105(b)(1)	<i>Office of Federal Procurement Policy Act Violation by an organization</i>	1988	2025	\$131,308	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>

**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)	<i>Office of Federal Procurement Policy Act</i> <i>Violation by an organization</i>	1988	2025	\$1,313,069	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
42 U.S.C. 5157(d)	<i>Disaster Relief Act</i> <i>Violation</i>	1974	2025	\$16,590	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
18 U.S.C. 248(c)(2)(B)(i)	<i>Freedom of Access to Clinic Entrances Act of 1994</i> <i>Nonviolent physical obstruction, first order</i>	1994	2025	\$21,049	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
18 U.S.C. 248(c)(2)(B)(ii)	<i>Freedom of Access to Clinic Entrances Act of 1994</i> <i>Nonviolent physical obstruction, subsequent order</i>	1994	2025	\$31,670	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
18 U.S.C. 248(c)(2)(B)(i)	<i>Freedom of Access to Clinic Entrances Act of 1994</i> <i>Other violation, first order</i>	1994	2025	\$31,670	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
18 U.S.C. 248(c)(2)(B)(ii)	<i>Freedom of Access to Clinic Entrances Act of 1994</i> <i>Other violation, subsequent order</i>	1994	2025	\$52,786	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
42 U.S.C. 3614(d)(1)(C)(i)	<i>Fair Housing Act of 1968, as amended in 1988; PL 100-430</i>	1988	2025	\$131,308	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
42 U.S.C. 3614(d)(1)(C)(ii)	<i>Fair Housing Act of 1968, as amended in 1988; PL 100-430</i>	1988	2025	\$262,614	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
42 U.S.C. 12188(b)(C)(i)	<i>Americans With Disabilities Act; PL 101-336</i> <i>Public accommodations for</i>	1990	2025	\$118,225	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
42 U.S.C. 12188(b)(C)(ii)	<i>Americans With Disabilities Act; PL 101-336</i> <i>Public accommodations for</i>	1990	2025	\$236,451	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
50 U.S.C. App. 597(b)(3)	<i>Service members Civil Relief Act</i> <i>First violation</i>	2010	2025	\$79,380	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
50 U.S.C. App. 597(b)(3)	<i>Service members Civil Relief Act</i> <i>Subsequent violation</i>	2010	2025	\$158,761	Civil Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>

**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)(1)	<i>Civil Asset Forfeiture Reform Act of 2000; PL 106-105 Frivolous Assertion of Claim</i>	2000	2025	Min: \$453 Max: \$9,072	Criminal Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
18 U.S.C. 1956(b)	<i>Money Laundering Control Act of 1986; PL 99-570, Title I, Subtitle H</i>	1986	2025	\$28,619	Criminal Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>

**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 Possession of small amounts of controlled substances	1988	2025	\$26,262	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 961(l)	Controlled Substance Import Export Act Drug abuse, import or export	1970	2025	\$91,245	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 842(c)(1)(4)	Controlled Substances Act, PL 90-513 Violations of 842(a) - other than (5), (10), (16), and (17) - Prohibited acts re: controlled substances (per violation)	1970	2025	\$82,950	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 842(c)(1)(B)(i)	Controlled Substances Act, PL 90-513 Violations of 842(a)(5), (10), and (17) - Prohibited acts re: controlled substances	1998	2025	\$19,246	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 842(c)(1)(B)(ii)	Support for Patients and Communities Act, PL 115-211 Violations of 842(b)(ii) - Failures re: opioids to report suspicious orders; maintain effective controls; review most recent information provided by Atty Gen.	2018	2025	\$124,825	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 842(c)(1)(C)	Controlled Substances Act, PL 90-513 Violation of 825(e) by importer, exporter, manufacturer, or distributor - False labeling of anabolic steroids; PL 113-260	2014	2025	\$664,740	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 842(c)(1)(D)	Controlled Substances Act, PL 90-513 Violation of 825(e) at the retail level - False labeling of anabolic steroids; PL 113-260	2014	2025	\$1,330	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 842(c)(2)(C)	Controlled Substances Act, PL 90-513 Violation of 842(a)(11) by a business - Distribution of laboratory supply with reckless disregard; PL 104-237	1996	2025	\$498,517	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 842(c)(2)(D)	Support for Patients and Communities Act, PL 115-211 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	2025	\$624,123	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
21 U.S.C. 856(d)	Illicit Drug Anti-Proliferation Act of 2003 Maintaining drug-involved premises; PL 108-21	2003	2025	\$459,687	Drug Enforcement Administration	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>

**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)	<i>Immigration Reform and Control Act of 1986 Unlawful employment of aliens, first order</i>	1986	2025	Min: \$716 Max: \$5,724	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324a(e)(4)(A)(ii)	<i>Immigration Reform and Control Act of 1986 Unlawful employment of aliens, second order</i>	1986	2025	Min: \$5,724 Max: \$14,308	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324a(e)(4)(A)(iii)	<i>Immigration Reform and Control Act of 1986 Unlawful employment of aliens, subsequent order</i>	1986	2025	Min: \$8,586 Max: \$28,619	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324a(e)(5)	<i>Immigration Reform and Control Act of 1986 Paperwork violation</i>	1986	2025	Min: \$288 Max: \$2,861	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324a (note)	<i>Immigration Reform and Control Act of 1986; PL 104-208, sec. 403(a)(4)(C)(ii) Failure to notify DHS of employee's employment eligibility</i>	1996	2025	Min: \$998 Max: \$1,992	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324a(g)(2)	<i>Immigration Reform and Control Act of 1986; PL 99-603 Violation/prohibition of indemnity bonds</i>	1986	2025	\$2,861	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324b(g)(2)(B)(iv)(I)	<i>Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, first order</i>	1990	2025	Min: \$590 Max: \$4,730	Civil Rights Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324b(g)(2)(B)(iv)(II)	<i>Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, second order</i>	1990	2025	Min: \$4,730 Max: \$11,823	Civil Rights Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324b(g)(2)(B)(iv)(III)	<i>Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices</i>	1990	2025	Min: \$7,093 Max: \$23,647	Civil Rights Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324b(g)(2)(B)(iv)(IV)	<i>Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, document abuse</i>	1990	2025	Min: \$236 Max: \$2,364	Civil Rights Division	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324c(d)(3)(A)	<i>Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Document fraud, first order -- for violations described in USC 1324c(a)(1)-(4)</i>	1990	2025	Min: \$590 Max: \$4,730	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324c(d)(3)(B)	<i>Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Document fraud, subsequent order -- for violations described in USC 1324c(a)(1)-(4)</i>	1990	2025	Min: \$4,730 Max: \$11,823	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324c(d)(3)(A)	<i>Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5) Document fraud, first order -- for violations described in USC 1324c(a)(5)-(6)</i>	1996	2025	Min: \$500 Max: \$3,988	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>
8 U.S.C. 1324c(d)(3)(B)	<i>Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5) Document fraud, subsequent order -- for violations described in USC 1324c(a)(5)-(6)</i>	1996	2025	Min: \$3,988 Max: \$9,970	Executive Office for Immigration Review	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>

**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)	<i>National Vehicle Title Identification System; PL 103-272(1)(e)</i>	1994	2025	\$2,111	Federal Bureau of Investigation	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>

**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)	<i>Omnibus Crime State and Local CHRI Systems - Right to Privacy Violation and Safe Streets Act State and Local CHRI Systems - Right to Privacy Violation</i>	1979	2025	\$36,498	Office of Justice Programs	<i>Federal Register / Vol. 90, No. 126 / Thursday, January 16, 2025 / Rules and Regulations</i>

## **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, 2025; 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, 2025, 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, 2023).

**Age and Balances for Expired Awards not Closed  
For the Fiscal Year Ended September 30, 2025 (Dollars in Thousands)**

		Period of Performance has Expired as of September 30, 2025		
DOJ Component	Category	Closeout Lapse of 2-3 Years FYs 2022-2023	Closeout Lapse of 3-5 Years FYs 2021-2022	Closeout Lapse of More than 5 Years Before 2020
OJP	Number of Grants/Cooperative Agreements with Zero Dollar Balances	1	1	—
	Number of Grants/Cooperative Agreements with Undisbursed Balances	49	33	4
	<b>OJP Total Amount of Undisbursed Balances</b>	<b>\$4,406</b>	<b>\$2,117</b>	<b>\$845</b>
COPS	Number of Grants/Cooperative Agreements with Zero Dollar Balances	5	2	—
	Number of Grants/Cooperative Agreements with Undisbursed Balances	12	8	—
	<b>COPS Total Amount of Undisbursed Balances</b>	<b>\$3,052</b>	<b>\$962</b>	<b>\$—</b>
OVW	Number of Grants/Cooperative Agreements with Zero Dollar Balances	139	40	3
	Number of Grants/Cooperative Agreements with Undisbursed Balances	412	148	29
	<b>OVW Total Amount of Undisbursed Balances</b>	<b>\$48,021</b>	<b>\$14,644</b>	<b>\$3,461</b>
<b>DOJ Total Amount of Undisbursed Balances</b>		<b>\$55,479</b>	<b>\$17,723</b>	<b>\$4,306</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 continues to make significant progress in closing out expired accounts. Many agreements reported above by OVW are near final closeout. Since the recent government reopening, OVW has already closed more than 20 awards and reduced the undisbursed balances by \$2 million. Despite this progress, some challenges persist. While still present, technical system issues are occurring less frequently now. Also, there has been a decrease in the number of staff available to process close outs, primarily due to retirements and participation in the deferred resignation program. The number of agreements in the 3-5 year expired category increased because OVW has been issuing new agreements annually since fiscal year 2021 instead of extending current ones with supplemental funding due to challenges administering supplemental awards. This approach increases the number of agreements that expire each year. OVW expects that several programs will be able to issue supplemental awards in FY 2026 which will reduce the number of agreements expiring during the next fiscal year.

The COPS Office has made significant progress of close outs in FY2025, closing 860 awards (which is an additional 310 awards compared to closures last fiscal year). Additionally, since last year's report, the COPS Office has resolved 15 lapsed close outs for a total of 27 remaining compared to the previous report of 42. COPS has identified approximately 63% of the lapsed close outs associated with OIG or monitoring restrictions preventing closure. The next largest category of the lapsed close outs is associated with non-compliance issues at 30%. These issues primarily involve missing or unsubmitted final reports, which our team is actively pursuing. Since implementation of the bi-monthly closeout reviews beginning in February 2024, COPS has taken a more proactive approach to resolve close outs timely. This has resulted in over 86 lapsed close outs accomplished since beginning this 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 2025. 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, 2025 (i.e., on or before September 30, 2023).

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

- 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."

For FY 2025, the below information is required to be reported in the Annual Agency Financial Report 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; 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:

- 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 Year Ended September 30, 2025 (Dollars in Thousands)**

DOJ Component	Category	FY 2025 (as of 9/30/2025)
OJP	Number of expired grant awards	88
	Undisbursed balances prior to closeout	\$ 7,368
	Unobligated balances prior to closeout (based on the federal financial report submitted by grantee)	\$ 5,049
COPS	Number of expired grant awards	322
	Undisbursed balances prior to closeout	\$ 35,154
	Unobligated balances prior to closeout (based on the federal financial report submitted by grantee)	\$ 23,310
OVW	Number of expired grant awards	771
	Undisbursed balances prior to closeout	\$ 66,126
	Unobligated balances prior to closeout (based on the federal financial report submitted by grantee)	\$ 57,431

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 tracks and prioritizes processing close outs that are the oldest and have the highest remaining balance. OVW engaged additional staff to assist with resolving reporting errors that delay processing of close outs and will continue with this process on a quarterly basis as reports are submitted.

For COPS, future action to resolve undisbursed balances include increased collaboration of with programmatic and financial teams for bi-monthly reviews of close outs 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.

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

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*RFF building: Detail of aluminum railing along the stairway to The Great Hall*

## APPENDICES

### In This Section:

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156	(C) Office of Inspector General Analysis and Summary of Actions Necessary to Close the Report

## APPENDIX A

### Acronyms

#### A

AFF	Assets Forfeiture Fund
AFF/SADF	Assets Forfeiture Fund and Seized Asset Deposit Fund
AFR	Agency Financial Report
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

CFO	Chief Financial Officer
CIV	Civil Division
COPS	Office of Community Oriented Policing Services
CRM	Criminal Division
CRS	Community Relations Service
CRT	Civil Rights Division
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

**E**

EEOICPA	Energy Employees Occupational Illness Compensation Program Act
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
ESCO	Energy Service Companies
ESPC	Energy Savings Performance Contracts

**F**

FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FBI	Federal Bureau of Investigation
FBWT	Fund Balance with U.S. Treasury
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
GAN	Grant Adjustment Notice
GAO	Government Accountability Office
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
LCNRV	Lower Cost or Net Realizable Value
LEP	Limited English Proficiency

**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
NFT	Non-Fungible
NIBIN	National Integrated Ballistic Information Network
NIJ	National Institute for Justice
NSD	National Security Division

**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 Trade Center

## APPENDIX B

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 (OJJDP)	<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>

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/usaو/">www.justice.gov/usaو/</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>

## APPENDIX C

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### 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's 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 and train, as well as cross-train existing resources on financial management standards, concepts, policies, and procedures.

Closed. Management concurred with this recommendation. Because this recommendation is identical to an open recommendation from a prior year, we are closing this recommendation and tracking the status of corrective action through recommendation No. 1 of the Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2024 (OIG Report No. 25-015).

2. Assess reconciliation, review, and other monitoring controls; implement more consistent processes across components and improve data for analysis and reporting, to enhance the design of period end financial reporting controls, including the identification and investigation of events and transactions impacting all financial statements.

Resolved. Management concurred with this recommendation. Management stated in its response that they will continue to enhance their internal control reviews over month and quarter end component financial reporting and operations to identify and investigate significant variances to prevent potential misstatements.

This recommendation can be closed when subsequent annual financial statements audit testing verifies that management has assessed reconciliation, review, and other monitoring controls to enhance the design of period end financial reporting controls.

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.

Closed. Management concurred with this recommendation. Because this recommendation is identical to an open recommendation from a prior year, we are closing this recommendation and tracking the status of corrective action through recommendation No. 3 of the Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2024 (OIG Report No. 25-015).

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.

Closed. Management concurred with this recommendation. Because this recommendation is identical to an open recommendation from a prior year, 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 2024 (OIG Report No. 25-015).

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.

Closed. Management concurred with this recommendation. Because this recommendation is identical to an open recommendation from a prior year, we are closing this recommendation and tracking the status of corrective action through recommendation No. 5 of the Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2024 (OIG Report No. 25-015).

**We Welcome Your Comments and Suggestions!**

Thank you for your interest in the Department of Justice FY 2025 Agency Financial Report. We welcome your comments and suggestions on how we can improve this report for FY 2026. Please email any comments to: [performance@usdoj.gov](mailto:performance@usdoj.gov)



U.S. Department of Justice