



Department of Justice

STATEMENT FOR THE RECORD OF

**ERIC H. HOLDER, JR.
ATTORNEY GENERAL**

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**Statement of
Eric H. Holder, Jr.
Attorney General
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Committee on the Judiciary
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“Oversight of the United States Department of Justice”
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Good morning, Chairman Leahy, Ranking Member Grassley, and members of the Committee, and thank you for this opportunity to discuss the critical work of the Department of Justice. The fundamental mission of the Department of Justice is to protect national security, counter the threat of terrorism, fight crime, and represent the United States in litigation defending civil rights, consumers, financial markets, intellectual property rights, the environment and other key national interests.

Over the past year, Department employees have worked tirelessly to protect the nation against threats both foreign and domestic. Three days ago, this country marked a historic victory over global terrorism – and achieved a critical measure of justice for the victims of September 11th – with the death of Osama bin Laden, the leader of al Qaeda and the world’s most wanted terrorist. We remain deeply committed to ensuring that terrorists are brought to justice so they can no longer endanger American lives.

Beyond national security, we have collaborated with local law enforcement to prevent and reduce violent crime and to advance critical investigations and prosecutions, including the senseless murders that took place in Tucson, Arizona, early this year. We are working diligently to ensure the safety of those who serve and protect our communities. And we continue to enforce the law vigorously and fairly to defend the interests of American citizens, and to ensure public confidence in government, our economy, and the rule of law.

Today, I would like to highlight the essential and wide-ranging activities of the Justice Department over the past year in several key areas.

PROTECTING OUR NATIONAL SECURITY

Protecting America’s national security remains the highest priority of the Department of Justice. The Department supports this Administration’s use of all lawful and appropriate means to protect the United States and the safety of the American people, including military, intelligence, law enforcement, diplomatic, and economic tools and authorities. We will defend

America from attack by international terrorist groups, as well as domestic, in a manner that is consistent with the Constitution, laws, and treaty obligations of the United States.

During the past year, the Department of Justice has repeatedly undertaken robust law enforcement efforts to protect American lives, incapacitate terrorists and their accomplices, and gather intelligence about terrorist groups worldwide. One vivid illustration of the Department's counterterrorism efforts is the case of Faisal Shahzad. On May 1, 2010, Shahzad drove a vehicle loaded with an improvised explosive and incendiary device to Manhattan, parked it in Times Square, and then attempted to detonate the explosives. Shahzad was arrested two days later after boarding a flight at JFK airport. Following his arrest, Shahzad, a naturalized U.S. citizen from Pakistan, cooperated with authorities and provided useful intelligence. Within a month, Shahzad pleaded guilty to terrorism charges, including the attempted use of a weapon of mass destruction and an attempted act of terrorism transcending national boundaries. On October 5, 2010, Shahzad was sentenced to life in prison.

Last year, the Department also won significant convictions in terrorism-related cases that were not as well-publicized, but also involved attacks that were thwarted before they could be executed. These included the convictions of: an individual who sought to blow up the Fountain Place skyscraper in Dallas using what he believed to be a truck bomb; three individuals who attempted to travel to Somalia to join al-Shabaab, a terrorist and insurgent group with links to al Qaeda; and four individuals who plotted to detonate explosives inside New York's JFK airport. The Department also charged dozens of others for Category 1 terrorism offenses – those involving alleged violations of our core international terrorism statutes, such as the use of weapons of mass destruction, conspiracy to murder persons overseas, or providing material support to terrorists.

We are all indebted to the quick thinking of citizens and local police officers like those who prevented last May's attempted attack on Times Square. The Department of Justice, together with the Departments of Defense and Homeland Security, supports the efforts of state, local, and tribal law enforcement agencies to contribute to the counterterrorism mission. They are essential partners on the FBI's Joint Terrorism Task Forces (JTTFs), the interagency entities responsible for domestic counterterrorism operations. Through the Office of Justice Programs, the Department provides grants that fund counterterrorism training and related resources to strengthen state and local law enforcement. And joint national-level programs, such as the Department's Nationwide Suspicious Activity Reporting Initiative, enhance the capabilities of federal, state, local, and tribal law enforcement agencies to share information, particularly with JTTFs, enabling greater ability to fuse information and prevent acts of terrorism.

Of course, the Department's work in the area of national security extends beyond working to disrupt terrorists' plots and dismantle their networks. We also continue to protect the nation from other serious threats, including espionage and export control violators. This year, for instance, ten individuals were indicted for being "deep-cover" agents in the United States on behalf of the Russian Federation. Following guilty pleas from all ten Russian agents, the United States won the release of four individuals incarcerated in Russia for alleged contact with Western intelligence agencies by transferring the ten agents to the custody of the Russian Federation.

Many of the significant prosecutions noted above – and the countless intelligence actions that do not result in prosecution but do disrupt terrorist and criminal activity – depend on the government aggressively employing the full arsenal of available authorities, including the Foreign Intelligence Surveillance Act. At the same time, the Department of Justice, through its national security review process, is working to ensure that FBI national security investigations are conducted in accordance with the Constitution, federal statutes, Attorney General Guidelines, and internal FBI policy directives. No fewer than twenty of these time-intensive reviews were completed in FY 2010.

Finally, in addition to the Department's sustained commitment to counterterrorism, counterespionage, and intelligence gathering efforts, we stand ready to protect the American people from unanticipated national security threats. For example, the Department has brought to justice several pirates who attacked Americans and others on the high seas. In March, fifteen defendants from Somalia and Yemen were charged with criminal acts arising out of their piracy of the ship *Quest*, which resulted in the tragic deaths of four Americans. In the same month, five men from Somalia were sentenced to life in prison for acts of piracy, which included the use of a rocket-propelled grenade against the *USS Nicholas*. And, in February, another defendant was sentenced to 33 years in prison for the attempted hijacking of a U.S.-flagged ship, the *Maersk Alabama*, in the Indian Ocean.

These cases demonstrate the Department's unwavering resolve to protect American lives and property from all manner of national security threats, as well as the flexibility and strength of the tool we use to accomplish our mission – the American criminal justice system.

CRIME AND FRAUD

From the start of this Administration, the Department set forth an ambitious crime-fighting agenda prioritizing efforts to reduce violent and organized crime, combat financial crime and fraud, ensure the integrity of government, fight computer crime in all its forms, and play a leadership role – at home and on the world stage – in protecting public safety and ensuring the rule of law. Over the last two years, the men and women of federal law enforcement, including the United States Attorney community and the Department's Criminal Division, together with our state and local partners, have taken important steps toward these goals, making our country stronger as well as safer, and building greater trust in the integrity of our financial markets and in the effectiveness of our government.

Over the last year the Department has continued to aggressively combat violence along our country's Southwest border. We have dedicated significant manpower resources towards working with our Mexican government counterparts to assist their crime-fighting capacity, and prosecute the cartel members whose drug trade is the root cause of violence in that region. In one of our most significant enforcement actions along the border, we charged 35 members of the Barrio Azteca international gang with a number of federal offenses. Of the 35 defendants, ten were specifically charged with the murders of a U.S. Consulate employee and two family members of Consulate employees.

The Department also created a new Money Laundering and Bank Integrity Unit, designed in part to target professional money launderers who work for criminal organizations such as Mexican drug cartels, thus disrupting the flow of money that is fundamental to their existence. Through Project Deliverance, a Drug Enforcement Administration-led, multi-agency law enforcement initiative, the Department has also successfully targeted transportation organizations working for cartels along the Southwest border, which resulted in 2,266 arrests and the seizure of more than \$154 million and over 74 tons of drugs.

Domestic organized crime also remains a priority. If left unchecked, mafia operations threaten both the safety of our citizens and the strength of our economy, and the Department, working with state and local law enforcement partners, is committed to eradicating these criminal enterprises and bringing their members to justice. In January, I was proud to announce the largest single-day enforcement action ever against La Cosa Nostra, in which 127 members and associates of seven La Cosa Nostra crime families were charged with federal offenses.

In addition to fighting violent crime, the Department is investigating and prosecuting fraud cases all across the country. Working with our partners in federal law enforcement, including the Inspector General community, and state and local authorities, we are holding those who defraud the American people accountable, seeking sentences that punish and deter illegal activity, and working aggressively to recoup the money those defendants have stolen and return the proceeds to the victims. This work is critical to protecting American consumers and businesses and restoring confidence in our markets.

The Financial Fraud Enforcement Task Force, created by President Obama in November 2009, is the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. This year, Task Force members brought criminal and civil actions involving a broad array of fraud, from mortgage to procurement to investment fraud involving high-level executives, employees and corporations. Those efforts included multiple convictions against defendants associated with the Galleon Group, in one of the largest hedge-fund insider-trading cases ever brought by the Department of Justice. We also completed a nationwide mortgage fraud enforcement sweep, Operation Stolen Dreams, involving more than 1,500 defendants and over \$3.5 billion in losses. Last month, Department prosecutors convicted Lee Farkas, chairman of the largest privately held mortgage lender in the United States, on charges stemming from an almost \$2 billion fraud in the sub-prime mortgage market and an attempt to steal over half a billion dollars in TARP funds. Six other individuals, including several senior executives of the company and bank involved in the fraud have pled guilty as well.

In addition to focusing on prosecutions the Task Force also includes a Victims' Rights Committee, which addresses the devastating impact financial fraud has on its victims. And within the last few weeks, I announced the formation of an Oil and Gas Price Fraud Working Group within the Task Force, which brings together a broad array of regulatory and law enforcement agencies to ensure a comprehensive effort in examining any potential fraud or illegal manipulation in the energy markets to safeguard American consumers from fraud and other abuses during this time of strained budgets and rising costs at the pump.

The Medicare Fraud Strike Force, part of the Health Care Fraud Prevention and Enforcement Action Team (HEAT), launched May of 2007, has brought cases against 1,000 defendants for fraudulent Medicare claims totaling more than \$1.3 billion. This includes the largest federal health care fraud enforcement action ever, charging 114 doctors, nurses, health care executives, and others with fraudulently billing \$240 million to the Medicare program. Due to successes like these, the Department has expanded the Strike Force from two cities in 2009 to nine today. In total, our criminal and civil health care fraud enforcement efforts produced record recoveries exceeding \$4 billion during FY 2010.

In July 2010, I launched the Department's Kleptocracy Asset Recovery Initiative, aimed at combating large-scale foreign official corruption and using civil and criminal forfeiture tools to recover misused public funds. We cannot allow the United States to become a safe haven for stolen wealth. Although we are still implementing the initiative, the Department already is developing cases in which we have information that the proceeds of corruption or kleptocracy have entered U.S. financial institutions. We are working with other federal agencies, as well as foreign counterparts and non-governmental institutions, to enhance our ability to investigate, trace, and recover corruption proceeds. The need for this initiative is underscored daily by events around the world: multiple nations, including Egypt and Tunisia reportedly have launched their own corruption investigations in the wake of regime changes.

Finally, the Department has brought successful civil enforcement actions to protect taxpayer dollars and the integrity of government programs from fraud. In FY 2010, we secured \$3 billion under the False Claims Act – the second largest annual recovery under this law. Over \$6.8 billion was recovered under the False Claims Act in the two-year period beginning in January 2009, which constitutes a record for any such period. And, in the first few months of FY 2011, the Department has reached a number of significant False Claims Act settlements with pharmaceutical manufacturers. In agreements totaling \$700 million with Dey, Inc., Abbott Laboratories, Roxane Laboratories, Inc. and B. Braun Medical, Inc., we resolved allegations that the defendants engaged in a scheme to report false and inflated prices for numerous pharmaceutical products. In October, we reached a \$750 million global criminal and civil agreement with GlaxoSmithKline to resolve allegations that it manufactured and distributed adulterated drugs made at its now-closed plant in Cidra, Puerto Rico.

The Department is also dedicated to vigorous enforcement of intellectual property laws. Criminals who steal American ideas and products – everything from counterfeit pharmaceuticals and electronics to pirated movies, music and software – and sell them over the internet and elsewhere are undermining the U.S. economy and threatening public health, safety, and national security. Together with our law enforcement partners at Immigration and Customs Enforcement and Customs and Border Protection in the Department of Homeland Security, the Department of Justice has obtained 30 felony convictions and seized over \$143 million in counterfeit computer network hardware manufactured in China as a part of Operation Network Raider. This important joint enforcement effort is designed to protect our nation's IT infrastructure from failures associated with counterfeit network hardware and to secure our supply chain. It has also helped secure our troops. As a part of this operation, law enforcement officials intercepted counterfeit network hardware that would have been used by U.S. Marines to transmit troop movements, relay intelligence and maintain security for a military base west of Fallujah, Iraq. The defendant

responsible for attempting to sell these counterfeits to the Department of Defense was sentenced to 51 months in prison.

PROTECTING LAW ENFORCEMENT OFFICERS

Each year, far too many dedicated law enforcement officers are senselessly killed in the line of duty while bravely confronting violent criminals and gangs. Most recently, the Department felt this pain on a very personal level with the deaths of Deputy U.S. Marshals Derek Hotsinpiller and John Perry, who were killed by gunfire while working to capture dangerous fugitives and protect our communities. After a two-year decline in law enforcement fatalities, officer deaths in the line of duty spiked last year, making 2010 one of the deadliest years on record for law enforcement. Unfortunately, this year we are on track to exceed last year's devastating record. This is unacceptable. Our law enforcement officers regularly put themselves in harm's way to ensure the safety and security of the American people in communities across this country, and we must take every step possible to protect them.

To address this issue, I recently convened a meeting of Justice Department leaders and state and local authorities to discuss ways that we can effectively work together to combat violence against law enforcement officers. I also launched a Law Enforcement Officer Safety Initiative, and directed each U.S. Attorney to bring together the federal, state, local, and tribal law enforcement agencies and prosecutors in his or her district for meetings focused on officer safety. I instructed our U.S. Attorneys to work with these groups to identify the "worst of the worst" – offenders with criminal histories who cycle in and out of local jails and state prisons – and discuss whether any of these repeat offenders should be prosecuted under federal law for offenses that make them eligible for stiffer sentences. I also ordered them to ensure that our state, local, and tribal partners are fully informed about the resources that the Department makes available to help protect officers.

In addition, the Department is aggressively pursuing those who put profits ahead of the safety for our law enforcement personnel. We continue to investigate those involved in the sale of defective bulletproof vests to law enforcement agencies. To date, these efforts have recovered more than \$60 million and have sent a strong message that we will not tolerate actions that put our first responders at risk.

At the same time, we must work to prevent gun crimes before they occur. I am committed to strengthening systems that prevent individuals who are legally prohibited from possessing firearms from obtaining weapons. This is a critical public safety goal we can achieve without infringing on the rights of lawful gun owners.

The Department remains committed to safeguarding our communities, and the officers who are sworn to serve and protect them. I am convinced that we can reduce violent crime and reverse the recent upward trend in officer fatalities. Some of the initiatives that we support include our Preventing Violence Against Law Enforcement and Ensuring Officer Resilience and Survivability (VALOR) initiative, new support officer safety training programs, research initiatives, and information-sharing platforms; our Bulletproof Vest Partnership, to research causes and prevention of officer injuries; and the development of the RISSafe Officer Safety

Event Deconfliction System, which aims to prevent potential conflicts between agencies in law enforcement operations. As we look to the future, the Justice Department will continue to make strategic investments and work with our law enforcement partners at every level to keep officers safe.

ADVANCING CIVIL RIGHTS

The fair, vigorous, and independent enforcement of our nation's civil rights laws continues to be a top priority for the Administration and the Department of Justice. The strong record of achievement by our Civil Rights Division over the past year reflects this commitment.

The Department recently completed a comprehensive ten-month investigation into the New Orleans Police Department, which revealed deeply troubling patterns and practices of unconstitutional conduct, including widespread excessive use of force and pervasive discrimination. As a result, the Department is helping to develop a thorough blueprint for sustainable reform of the NOPD. We are pleased to have strong support and cooperation from the city's mayor, police chief and community leaders, and we expect the NOPD case to serve as a model for pattern and practice investigations going forward.

We also have been working tirelessly this year to implement the Matthew Shepard and James Byrd, Jr., Hate Crimes Prevention Act of 2009, opening more than 80 investigations and bringing the first prosecutions under this historic law. We have conducted trainings sessions across the country with hundreds of federal, state, local, and tribal law enforcement officers, providing our enforcement partners instruction on the law's added coverage of violent acts perpetrated because of the actual or perceived sexual orientation, gender, gender identity, or disability of a person. We also continue to prosecute hate crimes under other authorities, including a successful prosecution for a shocking act of racial violence in Shenandoah, Pennsylvania, in which the three defendants brutally and fatally assaulted an undocumented Latino immigrant because of his race; the former Shenandoah Police Chief and a Police Lieutenant also were convicted of falsifying evidence in connection with the crime.

In addition, the Department continues to vigorously defend the essential rights of all Americans to practice their religion. Muslim Americans have the right to worship in mosques, just as Christian Americans have the right to worship in churches, or Jewish Americans in synagogues. Regrettably, however, we continue to see incidents of hate-fueled violence targeting Muslim and Arab Americans. Recently, in the 50th federal prosecution of post-9/11 backlash crimes against Arab and Muslim Americans, the Department secured a guilty plea from a man who set fire to playground equipment at a mosque in Arlington, Texas. The Department will continue to steadfastly enforce freedom of religion rights under the Religious Land Use and Institutionalized Persons Act for all, including Muslim Americans. And we will continue our ongoing efforts to protect religious freedom and combat religious discrimination – in all forms – in schools, in workplaces, and in prisons.

Prosecuting hate crimes and enforcing civil rights laws constitutes only one part of the Department's mission with respect to engaging Arab and Muslim communities. For years, the Civil Rights Division has been meeting with Arab American and Muslim American leaders and

organizations across the country. U.S. Attorneys also routinely conduct outreach with these communities and many others. It is vital that we continue to engage these communities, with the goal of protecting our common security while preserving our common values. Treating our fellow citizens of the Muslim faith as a monolithic enemy is un-American and counterproductive to the anti-terror efforts that protect us all.

The Department also is working hard to protect the rights of our men and women in uniform. Ensuring that our military servicemembers and their families can exercise their right to vote is a responsibility that the Justice Department takes very seriously, and during the last election cycle, we undertook successful enforcement actions in fourteen jurisdictions under laws protecting military and overseas voting, securing court orders or settlements in all. The Department is also working with other federal agencies to protect rights guaranteed by the servicemembers Civil Relief Act (SCRA), including the protection from foreclosure and other adverse financial actions by creditors and servicers. Finally, in the first two years of this Administration, the Department has redoubled efforts to ensure that servicemembers returning from active duty are not penalized by their civilian employers. We have filed more complaints under the Uniformed Services Employment and Reemployment Rights Act than in the previous three years combined.

Protecting the right to vote for all Americans will continue to be a top priority for the Department. In anticipation of the thousands of redistricting plans that will be submitted for review under Section 5 of the Voting Rights Act in the current redistricting cycle, we recently published a final rule embodying major revisions to procedures for administering Section 5 – the first substantial revisions since 1987. The first Department suit under Section 7 of the National Voter Registration Act in seven years led to an agreement with Rhode Island officials to make voter registration opportunities available throughout the state at offices providing public assistance and disability services, as the law provides. We also continue vigorous enforcement of the Voting Rights Act’s language minority provisions, and recently reached a settlement with Cuyahoga County, Ohio, to ensure language assistance for thousands of county residents of Puerto Rican descent who are of voting age and limited English proficiency.

Beyond the Voting Rights Act, the Department has worked over the past year to ensure that all persons, including those with limited English proficiency, have meaningful access to federal programs, services, and benefits. We have recommitted the Department to providing the language capability necessary to serve all persons as we conduct our law enforcement, preparedness, and access-to-justice duties, and I have asked each federal agency to do the same, ensuring that they have the language capability to communicate effectively with all members of the public when carrying out critical functions.

Finally, the Civil Rights Division is vigorously enforcing the Americans with Disabilities Act (ADA), and last summer issued landmark new ADA regulations to enhance access for persons with disabilities to public places as well as state and local entities like swimming pools and playgrounds, entertainment venues, ATMs and hotels. We also launched an aggressive effort to enforce the 1999 Supreme Court decision in *Olmstead v. L. C.*, which recognized that the unjustified segregation of people with disabilities in institutions is illegal under the ADA. In October, the Department reached a landmark settlement with the state of Georgia that will enable

thousands of persons with disabilities to receive care and treatment in community-based settings, and will serve as a model for *Olmstead* enforcement going forward.

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

Law enforcement and other public safety agencies across the country are facing staffing reductions and other budgetary challenges precipitated by the recent economic crisis. Through the efforts of our Office of Justice Programs (OJP), Office of Community Oriented Policing Services (COPS), and Office on Violence Against Women (OVW), we are helping jurisdictions meet their responsibilities for protecting their citizens. The Department is committed to working with federal, state, local and tribal partners to ensure that all communities – particularly those that have been chronically neglected – are given the resources and support they need to ensure public safety.

Last year, OJP awarded \$2.6 billion to states, localities, and tribes to support a wide range of criminal and juvenile justice activities. Through OJP's flagship Edward Byrne Memorial Justice Assistance Grants program, the Department continued to support basic law enforcement operations, prosecution and court programs, community corrections activities, and technology enhancements. We held a Summit on Preventing Youth Violence that brought together mayors and federal government leaders to examine city plans to address youth and gang violence, which stands among the most challenging of public safety problems. Through the Coordinating Council on Juvenile Justice and Delinquency Prevention, which I chair, high-level federal officials are developing and implementing policies that address the significant needs of at-risk youth and juveniles who encounter the criminal justice system. I also launched the Defending Childhood Initiative, which will develop and support comprehensive community-based strategic planning and implementation of projects to prevent and reduce the impact of children's exposure to violence in their homes, schools, and communities.

Early in my tenure as Attorney General, I emphasized the importance of working smarter to keep our communities safe. In November of last year, I appointed an 18-member Science Advisory Board to guide OJP in developing evidence-based policies and programs, and in January, the Board held its inaugural meeting. We have undertaken an OJP-wide Evidence Integration Initiative to assess our understanding of what works in reducing and preventing crime, and to distribute this information to the field in a comprehensible, practical format. And OJP has expanded the Smart Policing Initiative, which brings together local law enforcement agencies and criminal justice researchers to devise innovative solutions to targeted crime problems and measure the results.

I also am leading an Administration-wide effort to reduce recidivism by examining and improving the policies related to the reentry of formerly incarcerated people into our communities. In January, I chaired the first meeting of the Interagency Reentry Council, composed of seven Cabinet secretaries and other top Administration officials and staffed by personnel from 17 federal agencies. Last year, we awarded almost \$100 million under the Second Chance Act to support substance abuse treatment, employment assistance, housing, mentoring, and other reentry services. We now support some 250 reentry programs and also have

launched rigorous evaluations of these programs, measuring the degree to which they reduce recidivism.

Strong oversight is critical to ensuring accountability and effective use of taxpayer dollars. The Department is committed to transparent administration of grant funds, and I am pleased that the Department's Office of the Inspector General found that all of our grant components have made great progress in improving grant management.

The COPS Office has played a key role in supporting my priorities as Attorney General by advancing the practice of community policing in America's law enforcement agencies. Engaging with state, local, and tribal law enforcement, the COPS Office helps to ensure that the voices of local officers and agencies are heard at the federal level on issues like officer safety, defending childhood, improved tribal law enforcement, and state, local, and tribal law enforcements' need for use of the broadband spectrum. The COPS Office supports these priorities through innovative grant programs like the Child Sexual Predator Program, through forums that convene law enforcement practitioners and academics to discuss issues of national importance, and through publications and other communications tools.

Finally, our Office on Violence Against Women has led the Department's efforts to raise awareness about and combat domestic violence, sexual assault, dating violence, and stalking. Because the vast majority of violent crimes against women are investigated and prosecuted at the state and local levels, we are committed to providing states and communities with resources to meet the needs of crime victims and hold perpetrators accountable. In the past year, we have implemented four new grant programs to support communities in this work, including three that seek to break the cycle of violence by providing services to young victims and broadening prevention efforts. The Department also has emphasized improving the national response to sexual assault, an issue that historically has not received the attention or funding that effectively addressing this problem requires; and in partnership with the White House Council on Women and Girls, we have convened the first-ever Roundtable on Sexual Violence in America. We are also committed to addressing the devastating rates of violence against women in tribal communities, which face unique law enforcement challenges. The Department has funded a number of innovative technical assistance projects in Indian Country, including a forthcoming award for a National Tribal Clearinghouse on Sexual Assault, an adaptation of the *National Protocol for Sexual Assault Medical Forensic Examinations* to address the needs of tribal communities, and we have launched a project to promote the use of community-based health care providers to collect and preserve sexual assault forensic evidence.

TRIBAL JUSTICE

These programs addressing violence against American Indian and Alaska Native women are part of the Department's larger strategy to advance public safety strategies in tribal communities. Over the last year, we have reaffirmed the Department's commitment to building and sustaining healthy and safe native communities, to renewing our nation's enduring promise to American Indians and Alaska Natives, to respecting the sovereignty and self-determination of tribal governments, and to ensuring that the progress we have achieved in recent years is not derailed. At my direction, every U.S. Attorney's Office with Indian Country jurisdiction is

engaging with the Tribes within its district with the goal of developing plans to improve public safety and to prevent and reduce violence against women and girls. Each of these districts also has a dedicated tribal liaison. In addition, the Department has added new Assistant U.S. Attorney positions in nearly two dozen judicial districts that cover Indian Country. Through the Coordinated Tribal Assistance Solicitation, the Department has begun to streamline the way it administers tribal grants, awarding nearly \$130 million in grants in FY 2010 to support the public-safety initiatives of federally recognized tribes. These investments will help to enhance law enforcement activities, bolster justice systems, prevent youth substance abuse, and serve victims of domestic violence and sexual assault.

Since the Tribal Law and Order Act was signed into law in 2010, we have been able to realize some of the Department's long-standing tribal justice goals and focus on new objectives. We have permanently established the Office of Tribal Justice as an independent component of the Department, dedicated to collaborating with our partners in tribal governments and to advancing our work in Indian Country. Under the Act, the Department launched a pilot program with the Bureau of Prisons to accept certain tribal offenders for placement in federal institutions, alleviating problems created by violent offenders and under-resourced correctional facilities in Indian Country. And the Department has begun work on numerous interagency initiatives to address significant challenges to public safety and justice in Indian Country.

We also have made meaningful advances in nation-to-nation collaboration. The Civil Rights Division recently re-established the Indian Working Group, which is conducting outreach in Native American communities with the goal of establishing new channels of communication and cooperation. The Department participated in nine consultations with tribes this year, and also convened the first meeting of the Justice Department's Tribal Nations Leadership Council, composed of tribal leaders selected by the tribes themselves and charged with advising me on issues critical to tribal communities. This collaboration between representatives of tribal governments and Justice Department leadership is the first of its kind.

ENSURING COMPETITION

Through the Antitrust Division, the Department of Justice protects economic freedom and opportunity by promoting free and fair competition in the marketplace. We stand firmly in the corner of American consumers, helping to ensure that they have access to innovative, high-quality products at competitive prices. Over the last two years the Department has focused on important sectors of the economy, including health care, agriculture, defense, energy, finance, telecommunications, transportation, and technology. Because addressing antitrust issues increasingly demands a global approach, the Department has stepped up our efforts on the international front, advocating for global as well as domestic competition and engaging foreign competition authorities on both policy and particular enforcement matters.

In August, the Antitrust Division, in conjunction with the Federal Trade Commission, issued the first major revision of the Horizontal Merger Guidelines in 18 years. This articulation of the agencies' approach to merger review provides for predictability and certainty, and thus, allows for more efficient business behavior. Overall, the Antitrust Division acted against 10 merger transactions in FY 2010, reaching negotiated settlements to protect competition in each

case. Already in FY 2011, we have reached negotiated settlements in four transactions, including the combination of Comcast, General Electric and NBC Universal, and Google's acquisition of ITA Software. In addition, in its lawsuit against Dean Foods, the nation's largest dairy processor, the Division successfully secured a settlement in March requiring Dean to divest a significant milk processing plant and other assets.

We have continued to protect consumers through non-merger civil actions as well. This year, for the first time since 1999, the Department brought an action challenging a monopolist with engaging in traditional anticompetitive unilateral conduct. We ultimately reached a settlement that prohibits United Regional Health Care System in Texas from entering into contracts that improperly inhibit commercial health insurers from contracting with its competitors. Another of our civil non-merger actions resulted in the first district court decision to recognize disgorgement as a civil remedy under the Sherman Act. We also reached a settlement with Adobe Systems, Apple, Google, Intel, Intuit, Pixar, and Lucasfilm that prevents them from entering into anticompetitive employee solicitation agreements.

The Department also continues its rigorous criminal enforcement efforts, uncovering and prosecuting cartels and other collusive agreements. During FY 2010, we filed 60 criminal cases, charging 84 corporate and individual defendants in sectors of the economy including financial, air transportation, real estate, LCD panels, and refrigerant compressors. Seventy-eight percent of the individual defendants sentenced went to prison, serving an average sentence of 30 months, and the Department obtained fines in excess of \$550 million.

The Department also promotes the principles of market competition through broad advocacy and outreach efforts. We expanded those efforts last year, and led the way in innovative, cross-agency cooperation through joint agency workshops held around the nation, exploring effective tools for promoting competition and a level playing field. This collaborative effort is unprecedented, and we will continue to pursue and expand this fruitful cooperation.

In an increasingly interconnected world, global issues also are a top priority. The Antitrust Division has integrated the consideration of international issues into its day-to-day work through stronger cooperative relationships with competition agencies abroad. Notably in 2010, we worked extensively and productively with the European Commission on our respective Cisco/Tandberg merger investigations, which involved coordination with the merging firms, third parties, and the European Commission on joint fact-gathering activities.

PROTECTING THE ENVIRONMENT AND NATURAL RESOURCES

Through its Environment and Natural Resources Division, the Department vigorously enforces the country's environmental laws, protecting health, reducing pollution, and conserving important natural resources. Over the past year, the Department has played an integral role in the federal government's response to last year's oil spill in the Gulf of Mexico. We have assembled an inter-agency group to address legal issues arising from the spill and clean-up, assist in coordinating federal activities with the Gulf Coast states, and advise other federal agencies on response activities and new deepwater-drilling regulations. We also have defended lawsuits

against the Department of Interior and other federal agencies, alleging violations of federal statutes in connection with deepwater drilling in the Gulf.

While response efforts were under way, the Department initiated civil and criminal investigations of the oil spill. In December 2010, we filed a civil lawsuit against nine defendants, including BP and Transocean, seeking to hold eight of the defendants liable under the Oil Pollution Act of 1990 for government-incurred removal costs, economic damages, and damages to natural resources, and to impose civil penalties under the Clean Water Act for the unauthorized discharge of oil. Pre-trial proceedings in the case are expected to run at least through early 2012. Our investigations are ongoing, and additional claims may be brought in the future. We will go where the facts lead us, and will consider all relevant evidence as to the causes of the oil spill and the parties who may have been responsible.

Throughout this effort, the Department has taken unprecedented steps to assist the individuals and resources affected by the spill. At the Administration's insistence, shortly after the spill BP established a \$20 billion trust for certain Gulf relief efforts. The \$20 billion is neither a ceiling nor a floor on BP's liability, but ensures that funds will be available to pay individual and business claims, natural resource damage claims, and state and local response costs. The Department also worked alongside the Department of the Interior, NOAA, and our state partners to structure an unprecedented, \$1 billion voluntary contribution that BP recently made to fund early restoration efforts throughout the Gulf.

The Justice Department achieved impressive results over the past year through environmental enforcement actions, both civil and criminal. We brought significant civil cases, and achieved significant settlements, under both the Clean Air and Clean Water Acts. All told, in collaboration with other federal agencies, state, local, and tribal governments, and U.S. Attorneys' Offices, the Department, through its Environment and Natural Resources Division, secured nearly \$1.3 billion in civil penalties and other monetary relief, including over \$922 million in Superfund recoveries. We also obtained over \$7.5 billion in corrective measures through court orders and settlements – measures that will go a long way toward protecting our air, water, and other natural resources. On the criminal side, our cases continued to reflect our enforcement priorities, including reducing pollution from ocean-going vessels, coordinating environmental and worker safety investigations, and combating illegal logging and wildlife trafficking under the Lacey Act. The Environment and Natural Resources Division concluded a total of 50 criminal cases against nearly 80 defendants in FY 2010, obtaining more than 20 years in jail time and over \$100 million in fines and other monetary sanctions.

Environmental Justice is also a key priority of this Administration. We are committed to ensuring that overburdened, low-income, and minority communities have the opportunity to enjoy the health and economic benefits of a clean environment. We have worked hard to achieve meaningful outcomes that recognize and address adverse impacts on affected communities.

TAX LAW ENFORCEMENT

Enforcing our nation's tax laws is especially critical in this time of fiscal stress. Over the past year, our Tax Division has continued its vigorous efforts to collect unpaid taxes, stop the

promotion of costly tax scams, defend the treasury from unjustified lawsuits, and prosecute tax evaders and fraudulent return preparers who threaten to undermine public confidence in our tax system. In FY 2010, we collected over \$560 million through affirmative litigation, saved over \$700 million by defending refund suits, and continued our historically high criminal conviction rate. We are committed to maintaining a strong tax enforcement program in 2011.

Our campaign against the use of secret offshore bank accounts to evade taxes continued to gain steam this past year. The resolution of the Department's cases against Swiss banking giant UBS in 2009 has so far resulted in criminal investigations of approximately 150 of the bank's U.S. clients and over 20 guilty pleas. Those who believe that our efforts will be limited to one bank or one foreign country are mistaken. Additional banks from around the world are currently under investigation, and we have already charged clients, bankers, lawyers, and financial advisers associated with other banks for engaging in or facilitating offshore tax evasion.

The Department also remains committed to preventing corporations and high-net-worth individuals from attempting to exploit abusive tax shelters to generate illicit tax savings. The Tax Division prevailed in numerous tax shelter cases in 2010, including the reversal on appeal of the only trial court decision that had upheld the notorious "Son-of-BOSS" scheme, which purported to eliminate capital gain income by creating artificial capital losses. Tax shelter cases often involve the recovery of millions of dollars in taxes and penalties, and the precedential and deterrent effects of our victories frequently preserve even more taxpayer money. Furthermore, as we have demonstrated repeatedly, unscrupulous attorneys, accountants, and investment bankers who design and market these deals, along with their firms, are targets for civil and possibly criminal sanctions.

The Department also continues to obtain civil injunctions to stop the imminent loss of tax dollars by halting the promotion of fast-spreading tax scams and the preparation of false tax returns. The injunction program has proven to be a useful complement to our criminal prosecutions of fraudulent return preparers and other offenders. Cooperation among our civil and criminal attorneys has aided our enforcement efforts against so-called "tax defiers" -- those who challenge the validity of our tax laws and neither file returns nor pay any taxes. We are currently working with representatives from the IRS, the FBI, the National Security Division, and other agencies to develop a comprehensive approach for investigating and prosecuting these individuals, many of whom also exhibit violent anti-government behavior.

PROMOTING TRANSPARENCY

Consistent with President Obama's commitment to promoting transparency in government, the Department of Justice continues to encourage full compliance with the Freedom of Information Act (FOIA). We asked agencies to apply a presumption of openness in responding to FOIA requests, and they have complied. Of the more than 400,000 requests processed in FY 2010, approximately 93% resulted in the release of some or all of the requested information. We also asked agencies to work to reduce their backlogs, and they have done that, as well. At the end of FY 2010 there was a 10% decrease in the number of backlogged requests, the second year in a row of backlog reduction.

At the Justice Department, we processed a record number of FOIA requests this past year, and increased the number of responses that resulted in full or partial releases. We also trained over two thousand agency FOIA professionals in implementation of the new transparency guidelines. Finally, the Department recently launched FOIA.Gov, a website that educates the public about how the FOIA process works and graphically displays all the agencies' FOIA statistics and releases, encouraging agencies to do well by making information about their performance accessible to all who are interested.

JUDICIAL NOMINATIONS

America is facing a crisis in its courts. As of the beginning of this week, more than ten percent of all federal judgeships sit vacant. Of those 95 vacancies, 37 are classified as “judicial emergencies” – vacancies that have persisted for over 18 months and require other judges in the district to carry burdensome caseloads to compensate. If we remain on the confirmation pace set during President Obama’s first two years – which appears to be the slowest in history – the result will be a federal judicial system stressed to the breaking point, with litigants waiting longer and longer for their day in court. Chief Justice John Roberts recently spoke out about this problem, writing in his 2010 Year-End Report on the Federal Judiciary that judicial vacancies create “acute difficulties for some judicial districts,” and urging the political branches to address the vacancy problem. I join Chief Justice Roberts in urging the Senate to confirm the distinguished men and women who have been nominated to the federal bench.

The President continues to do his part. He has submitted 126 federal judicial nominations to the Senate, and the Justice Department has played an important role in preparing those nominations. The President has nominated a group of talented, diverse, and highly qualified judicial nominees, including, I am proud to say, a greater number of openly gay judicial nominees than all former presidents combined. As of the beginning of this week, 46 of those nominations are pending in the Senate. Fifteen are on the Senate floor and ready for a vote; the majority were voted out of committee with unanimous bipartisan support, and many would fill vacancies that are judicial emergencies. They should be confirmed at once. And while I am pleased that the Senate has confirmed 17 of President Obama’s federal judicial nominees so far this year, I hope that the Senate will increase the pace of judicial confirmations and begin to address our growing vacancy crisis in a sustained and serious way.

CONCLUSION

Mr. Chairman, Ranking Member Grassley, and members of the Committee, thank you for this opportunity to detail the priorities and highlight some of the accomplishments of the Department of Justice. None of our goals could be met without the dedicated employees of the Department, who work tirelessly to meet the Department’s critical obligations during this time of unprecedented challenges, new threats, and ongoing war. We will remain vigilant in protecting the safety of the American people and strengthening our national security.

Thank you.