

U.S. Attorney's Report to the District

Since January of this year, the federal government has been subject to deep automatic spending cuts and reductions in spending authority which became law in the Budget Control Act of 2011. These automatic cuts, known as "sequestration," have had a very negative impact on the U.S. Department of Justice, and unless Congress acts, the impact in Fiscal Year 2014, which begins on October 1, will be worse.

Under sequestration, the U.S. Department of Justice has had to cut more than \$1.6 billion from its budget this fiscal year. A national hiring freeze has been in place, and as a result, the Department has lost nearly 3,000 staff nationwide since January 2011. Operating costs and travel expenses have been slashed, conferences cancelled. Training courses at our National Advocacy Center, which are vital to provide attorneys with the tools they need to handle increasingly complex and challenging caseloads, have been cut by over a third.

Sequestration's impact gets worse over time. In Fiscal Year 2014, the mandatory cut to the Department's budget will rise by more than 40%, from \$1.6 billion to \$2.2 billion. Because we have already used reserves to absorb this year's deficit and have made huge cuts to our non-personnel budget, and because our biggest expense is our human capital, next year we will have no choice but to shrink the Department further, and to make up the remaining amount through furloughing attorneys and staff. Our colleagues in the Federal Defender's Office, also hit by the sequester, are laying off employees and already instituting furloughs. The courts and the federal investigative agencies will also be facing furloughs.

We will continue to prioritize and focus on our mission – protecting national security and handling the most serious, complex crimes such as cybercrimes, corporate fraud, mortgage fraud, organized crime and child exploitation offenses. But these drastic and arbitrary cuts will undermine our ability to accomplish that mission. Nationwide, the number of new federal prosecutions is starting to decline. The longer that sequestration is in place, the more crimes that will go unaddressed, the longer investigations and prosecutions will take, and the less we will be able to support our state and local law enforcement allies. As a public safety matter, sequestration is not good policy.

Even on a purely fiscal analysis, sequestration is penny wise and pound foolish. This office, like other U.S. Attorney Offices around the country, recovers far more money each year for the Treasury and for taxpayers than it costs to operate the office. Nationwide, the U.S. Attorneys' Offices collected over \$13 billion in criminal and civil actions in Fiscal Year 2012, more than six times the appropriated budget of all 94 offices combined for that year. By reducing resources dedicated to pursue these recoveries, sequestration does not save the government money, it costs the government money.

The U.S. Attorneys have been careful stewards of taxpayer funds. We recognize that fiscal restraint is a reality and that budget cuts are necessary. But the sequester is a blunt tool that may impose far more in costs on the American people than it will save for the U.S. Treasury.

If you would like to communicate with our office, contact the main number in Sacramento, or submit a suggestion by clicking on the button below. Thank you.

United States Attorney

Benjamin B. Wagner