



Audit of the U.S. Department of Justice Annual  
Financial Statements  
Fiscal Year 2021



22-020

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**DECEMBER 2021**

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# COMMENTARY AND SUMMARY

## Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2021

### Objectives

Pursuant to Section 304(a) of the Chief Financial Officers Act of 1990, as expanded by Section 405(b) of the Government Management Reform Act of 1994, the Department of Justice (Department) Office of the Inspector General (OIG) is required to perform or contract an independent auditor to perform an audit of the Department's annual financial statements.

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

### Results in Brief

KPMG LLP (KPMG) found that the Department's financial statements are fairly presented as of and for the year ended September 30, 2021. An unmodified opinion was issued. KPMG identified a material weakness in the Independent Auditors' Report. The Independent Auditors' Report did not report any instances of non-compliance.

The OIG reviewed KPMG's report and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with Government Auditing Standards, was not intended to enable us to express, and we do not express, an opinion on the Department's financial statements, conclusions about the effectiveness of internal control, conclusions on whether the Department's financial management systems substantially complied with FFMIA, or conclusions on compliance and other matters. KPMG is responsible for the attached Independent Auditors' Report dated November 15, 2021, and the conclusions expressed in the report. Our review disclosed no instances where KPMG did not comply, in all material respects, with auditing standards generally accepted in the United States of America.

### Recommendations

KPMG provided the Department three recommendations to improve its risk assessment process, monitoring, and financial statement preparation and review.

### Audit Results

Under the direction of the OIG, KPMG performed the Department's audit in accordance with auditing standards generally accepted in the United States of America. The fiscal year (FY) 2021 audit resulted in an unmodified opinion on the financial statements. An unmodified opinion means that the financial statements present fairly, in all material respects, the financial position and the results of the entity's operations in accordance with U.S. generally accepted accounting principles. For FY 2020, the Department also received an unmodified opinion on its financial statements (OIG Audit Division Report No. 21-017).

KPMG identified a material weakness in the FY 2021 Independent Auditors' Report, noting that improvements are needed in management's risk assessment process, monitoring, and financial statement preparation and review. No instances of non-compliance or other matters were identified during the audit that are required to be reported under Government Auditing Standards. KPMG's tests disclosed no instances in which the Department's financial management systems did not substantially comply with FFMIA.

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

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# U.S. DEPARTMENT OF JUSTICE

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)



# Management's Discussion and Analysis (Unaudited)

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Established July 1, 1870 (28 U.S.C. § 501 and 503), the 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, Associate Attorney General, 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

*To enforce the law and defend the interests of the United States according to the law; to ensure public safety against threats foreign and domestic; to provide federal leadership in preventing and controlling crime; to seek just punishment for those guilty of unlawful behavior; and to ensure fair and impartial administration of justice for all Americans.*

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

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**Equal Justice Under Law.** Upholding the laws of the United States is the solemn responsibility entrusted to us by the American people. The Department enforces these laws fairly and uniformly to ensure that all Americans receive equal protection and justice under law.

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**Honesty and Integrity.** The Department adheres to the highest standards of ethical behavior, cognizant that, as custodians of public safety, its motives and actions must be above reproach.

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**Commitment to Excellence.** The Department seeks to provide the highest levels of service to the American people. We are effective and responsible stewards of taxpayers' dollars.

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**Respect for the Dignity and Worth of Each Human Being.** Those who work for the Department treat each other and those they serve with fairness, dignity, and compassion. We value differences in people and ideas. We are committed to the well-being of employees and to providing opportunities for individual growth and development.

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## Major Programs and Objectives

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. In the Department, strategic planning is the first step in an iterative planning and implementation cycle.

DOJ is in the process of developing its FY 2022 – 2026 Strategic Plan which defines mission, goals, objectives, and the means by which the Department will measure progress in addressing national problems over a five-year period. As such, for the FY 2021 Annual Financial Report the Department will not report on performance goals related to the FY 2018 - 2022 Strategic Plan. DOJ will produce a separate Annual Performance Report/Plan (APR/APP) in conjunction with the FY 2023 President's Budget request to be submitted in February 2022. The APR/APP will provide detailed information and descriptions of results by each key performance measure (long-term outcome goals included in the Department's FY 2022 - 2026 Strategic Plan).

In the place of strategic goals and objectives, DOJ and its components aligned their budgets to major programs and/or the Attorney General's priorities and strategies. A description of those major programs are as follows:

- Law Enforcement
  - Protects and defends the United States against foreign and domestic threats by investigating, enforcing, and upholding the laws of the United States. Included is the recovery of assets, for which proceeds may be used for compensation of victims of crimes. In addition, this program provides leadership and criminal justice services to federal, state, municipal, and international agencies, and partners.
- Litigation and Compensation
  - Assists the Attorney General in carrying out certain statutory responsibilities. The litigating function defends or asserts the laws, programs, and policies of the United States and provides coordination between the Office of U.S. Attorneys and other organizational units of the DOJ. Ensures that proceeds, monetary penalties, and fines are deposited into compensation funds which are distributed to victims. Ensures greater coordination and unity of purpose between prosecutors and law enforcement agencies, and intelligence attorneys and the Intelligence Community. Any component funded by General Legal Activities appropriation and not specifically covered by the description above is included in this program.
- 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 inmates' successful reintegration into society. Components of this program also promote public safety and strive for justice and fairness in the exercise of their authority to release and supervise offenders under their jurisdiction.
- 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. Such functions include but are not limited to, implementing national

and multi-state programs, and providing training and technical assistance to state, local, tribal governments, and community groups.

- Executive Oversight and Enterprise Technology
  - Executive Oversight: Supervises and directs the administration and operation of the DOJ including all components. Provides advice to senior management officials on matters including, but not limited to, policy for budget and financial management policy, personnel management and training, procurement, equal employment opportunity, information processing, telecommunications, security, and all other matters pertaining to organization. Also includes vital functions such as adjudicating immigration cases, preserving the bankruptcy system, managing multi-agency task forces, and national criminal justice programs having broad administrative, regulatory, and litigation/enforcement authorities.
  - Enterprise Technology: Provides and improves service delivery to personnel to maintain Department wide continuity by investing efficiently and effectively in technology. Protects critical mission assets by strengthening security in particular areas including access managements and incident response and recovery. Builds innovative capabilities by improving our ability to share information and build enterprise data management capabilities.

## Organizational Structure

Led by the Attorney General, the Justice Department is comprised of more than forty separate component organizations. There are nearly 117,000 employees of the Department who ensure that the individual component missions, and the overarching Department mission, is carried out. These include major investigative components such as the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

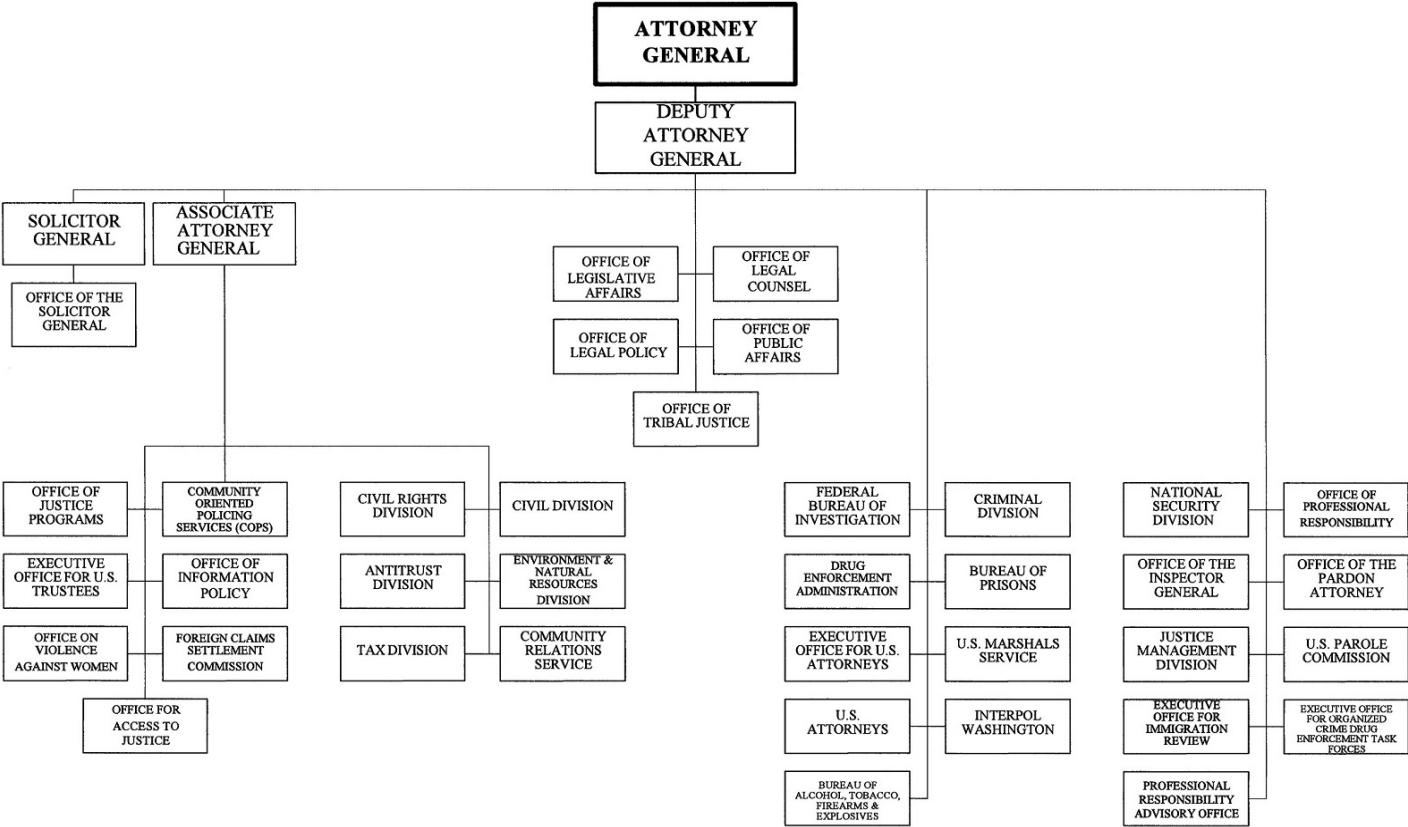
The Department's litigating divisions represent the rights and interests of the American people and enforce federal criminal and civil laws. The major litigating divisions are comprised of the Antitrust (ATR), Civil (CIV), Civil Rights (CRT), Criminal (CRM), Environment and Natural Resources (ENRD),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

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.



U.S. DEPARTMENT OF JUSTICE



Approved by:  Date: 10.28.21  
MERRICK B. GARLAND  
Attorney General

## Financial Structure

As of September 30, 2021, the Department's financial reporting structure was comprised of nine principal components:

### Components:

- 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)
- Office of Justice Programs (OJP)
- Offices, Boards and Divisions (OBDs)\*
- U.S. Marshals Service (USMS)

### \*OBDs

#### Offices

Office of the Attorney General  
Office of the Deputy Attorney General  
Office of the Associate Attorney General  
Community Relations Service  
Executive Office for Immigration Review  
Executive Office for U.S. Attorneys  
Executive Office for U.S. Trustees  
Executive Office for Organized Crime  
Drug Enforcement Task Forces  
INTERPOL Washington  
Office of Community Oriented Policing Services  
Office of Information Policy  
Office of Legal Counsel  
Office of Legal Policy  
Office of Legislative Affairs  
Office of Professional Responsibility  
Office of Public Affairs  
Office of the Inspector General  
Office of the Pardon Attorney  
Office of the Solicitor General  
Office of Tribal Justice  
Office on Violence Against Women  
Professional Responsibility Advisory Office  
U.S. Attorneys

#### Boards

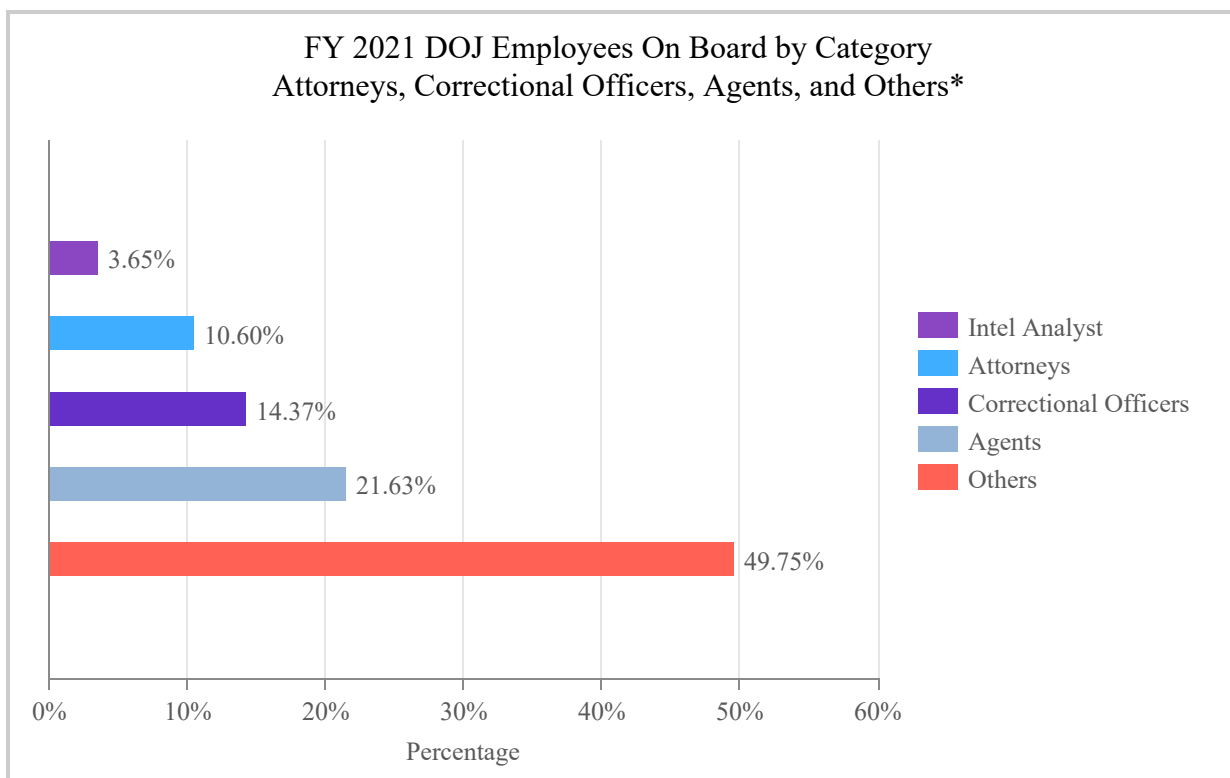
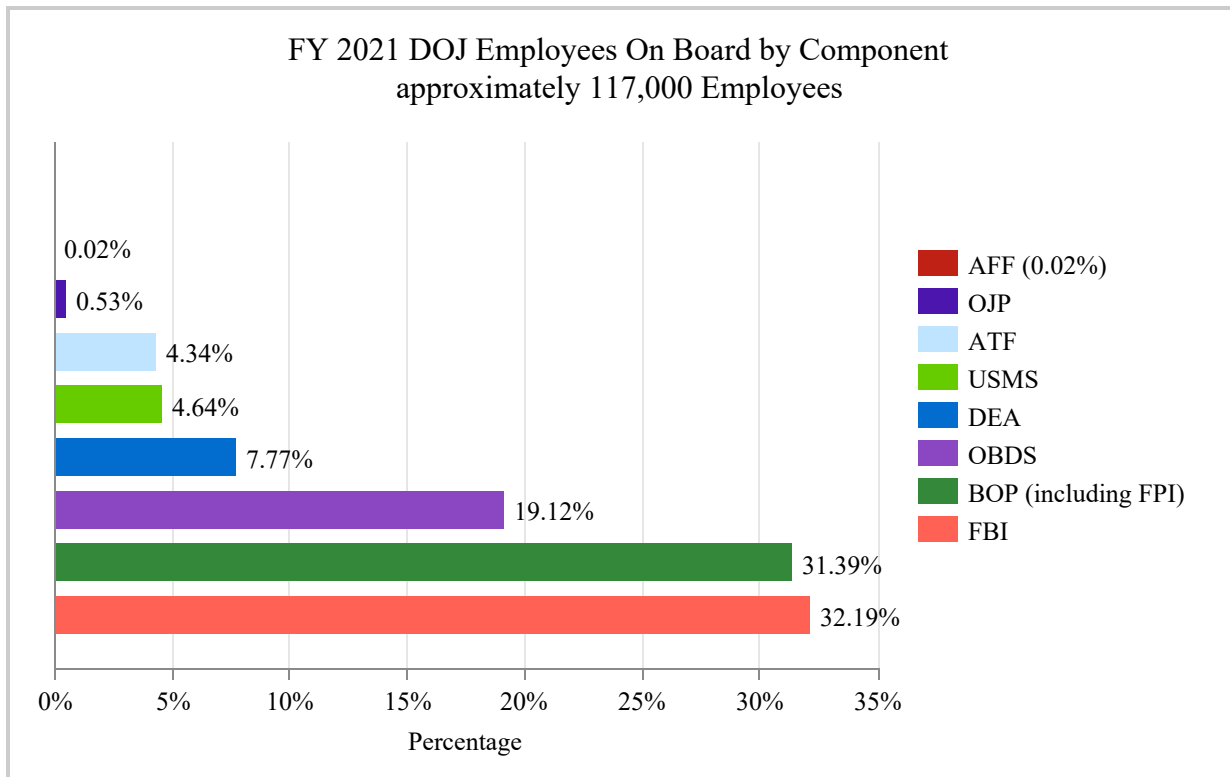
Foreign Claims Settlement Commission  
U.S. Parole Commission

#### Divisions

Antitrust Division  
Civil Division  
Civil Rights Division  
Criminal Division  
Environment and Natural Resources Division  
Justice Management Division  
National Security Division  
Tax Division

## FY 2021 Resource Information

The following pages provide summary-level resource information regarding the Department's operations for FY 2021. The charts on this page reflect employees on board as of September 30, 2021.



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

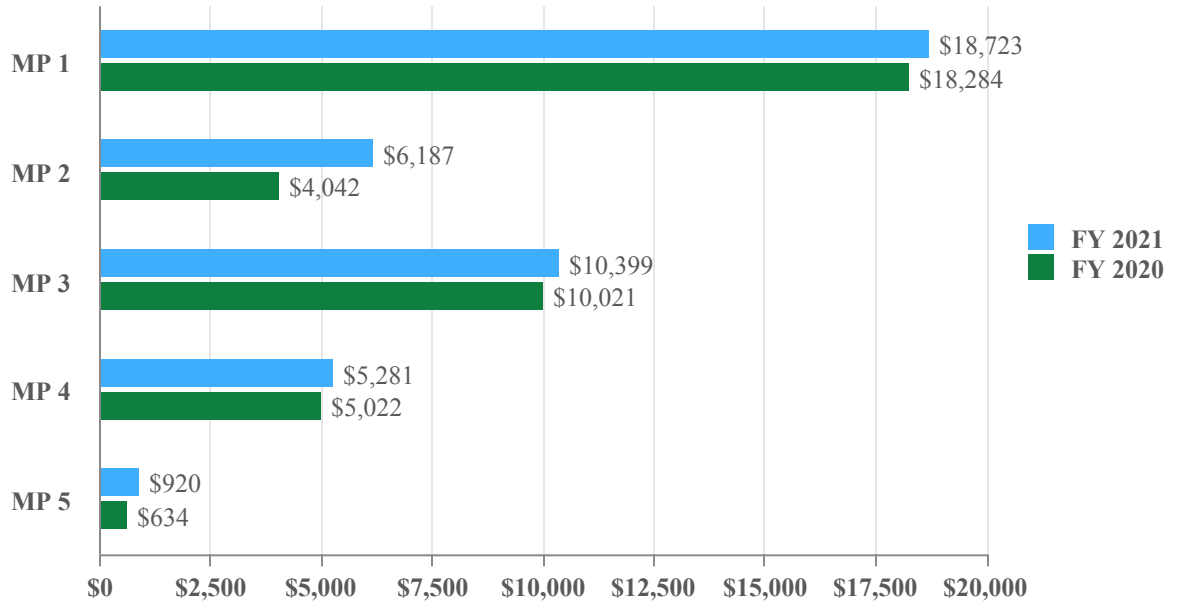
**Table 1. Sources of DOJ Resources**  
(Dollars in Thousands)

Source	FY 2021	FY 2020	% Change
<b>Earned Revenue:</b>	<b>\$ 2,954,110</b>	<b>\$ 3,138,967</b>	<b>(5.89)%</b>
<b>Financing Sources:</b>			
Appropriations Received	36,047,475	33,762,221	6.77 %
Appropriations Transferred-In/Out	966,479	948,064	1.94 %
Nonexchange Revenues	782,022	583,068	34.12 %
Donations and Forfeitures of Cash and Cash Equivalents	1,070,709	1,179,995	(9.26)%
Other Adjustments	(248,221)	(216,607)	14.60 %
Donations and Forfeitures of Property	393,144	565,757	(30.51)%
Transfers-In/Out Without Reimbursement	(257,965)	(79,546)	224.30 %
Imputed Financing	980,785	819,489	19.68 %
Other Financing Sources	(11,467)	(14,725)	(22.13)%
<b>Total DOJ Resources</b>	<b><u>\$ 42,677,071</u></b>	<b><u>\$ 40,686,683</u></b>	<b>4.89 %</b>

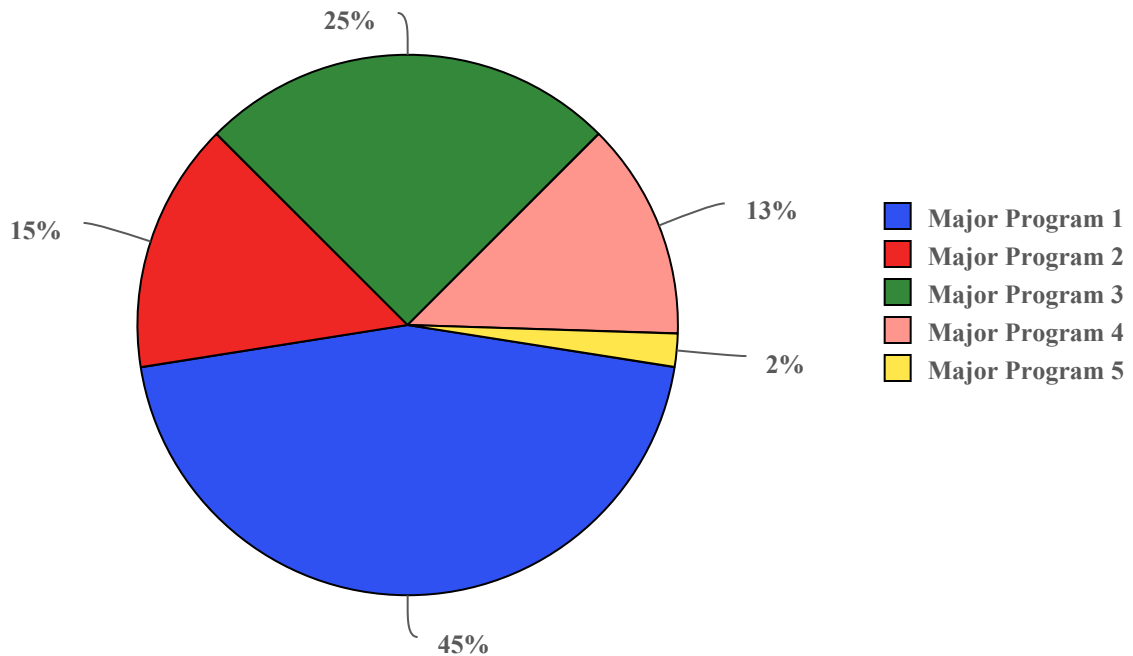
**Table 2. How DOJ Resources Are Spent**  
(Dollars in Thousands)

Major Programs	FY 2021	FY 2020	% Change
1 Law Enforcement			
Gross Cost	\$ 19,445,202	\$18,955,045	
Less: Earned Revenue	722,383	671,433	
<i>Net Cost</i>	<u>18,722,819</u>	<u>18,283,612</u>	2.40 %
2 Litigation and Compensation			
Gross Cost	6,586,885	4,413,757	
Less: Earned Revenue	399,460	371,678	
<i>Net Cost</i>	<u>6,187,425</u>	<u>4,042,079</u>	53.08 %
3 Prisons and Detention			
Gross Cost	11,047,772	10,654,241	
Less: Earned Revenue	648,489	633,600	
<i>Net Cost</i>	<u>10,399,283</u>	<u>10,020,641</u>	3.78 %
4 Grants			
Gross Cost	5,300,885	5,059,193	
Less: Earned Revenue	20,279	37,036	
<i>Net Cost</i>	<u>5,280,606</u>	<u>5,022,157</u>	5.15 %
5 Executive Oversight and Enterprise Technology			
Gross Cost	2,083,453	2,058,862	
Less: Earned Revenue	1,163,499	1,425,220	
<i>Net Cost</i>	<u>919,954</u>	<u>633,642</u>	45.19 %
<b>Total Gross Cost</b>	<b>44,464,197</b>	<b>41,141,098</b>	
<b>Less: Total Earned Revenue</b>	<b><u>2,954,110</u></b>	<b><u>3,138,967</u></b>	
<b>Total Net Cost of Operations</b>	<b><u>\$ 41,510,087</u></b>	<b><u>38,002,131</u></b>	<b>9.23 %</b>

**Comparison of Net Costs by Major Program (MP) - FY 2021 and 2020  
(Dollars in Millions)**



**FY 2021 Percentages of Net Costs by Major Program**



Major Program 1: Law Enforcement  
 Major Program 2: Litigation and Compensation  
 Major Program 3: Prisons and Detention  
 Major Program 4: Grants  
 Major Program 5: Executive Oversight and Enterprise Technology

## **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.

## Analysis of Financial Statements

The Department's financial statements, which are provided in Section II of this document, received an unmodified audit opinion for the fiscal years ended September 30, 2021 and 2020. These statements were prepared from the accounting records of the Department in accordance with the accounting principles generally accepted in the United States and OMB Circular A-136, *Financial Reporting Requirements*. These principles are the standards promulgated by the Federal Accounting Standards Advisory Board (FASAB).

The following information highlights the Department's financial position and results of operations in FY 2021. The complete set of financial statements, related notes, and the opinion of the Department's auditors are provided in Section II of this document.

**Assets:** The Department's Consolidated Balance Sheet as of September 30, 2021, displays \$49.4 billion total assets, a decrease of \$2.1 billion compared to the previous year's total assets of \$51.5 billion. The decrease was primarily due to the settlement of large cases and subsequent payment to victims of crime, resulting in lost opportunity to invest available cash. As of September 30, 2021, the Department's Fund Balance with Treasury was \$33.9 billion representing 68.7 percent of total assets.

**Liabilities:** Total liabilities were \$16.9 billion as of September 30, 2021, a decrease of \$0.3 billion from the previous year's total liabilities of \$17.2 billion.

**Net Cost of Operations:** The Consolidated Statement of Net Cost presents the Department's gross and net cost by major program. The net cost of the Department's operations totaled \$41.5 billion for the fiscal year ended September 30, 2021, an increase of \$3.5 billion compared to the previous year's net cost of \$38.0 billion. The largest single contributor is related September 11<sup>th</sup> Victim Compensation Fund within the Litigation and Compensation program. As of September 30, 2021, the September 11<sup>th</sup> Victim Compensation Fund reported cumulative claims of \$9.0 billion compared to previous year's cumulative claims of \$7.2 billion, representing an increase of \$1.8 billion.

**Budgetary Resources:** The Department's FY 2021 Combined Statement of Budgetary Resources shows \$55.3 billion in total budgetary resources, a decrease of \$0.8 billion from the previous year's total budgetary resources of \$56.1 billion.

**Net Agency Outlays:** The Department's FY 2021 Combined Statement of Budgetary Resources shows \$40.1 billion in net agency outlays, a decrease of \$0.3 billion from the previous year's total net agency outlays of \$40.4 billion.

## Summary of Performance Information

The Government Performance and Results Act Modernization Act of 2010 (GPRAMA) requires an agency's strategic plan to be updated every four years and cover a period of not less than four years forward from the fiscal year in which it is submitted. The Justice Department is in the process of developing a new strategic plan for Fiscal Years 2022 to 2026. Therefore, the Department is not reporting on performance associated with specific goals and objectives. Instead, this report includes a sampling of FY 2021 highlights from the many accomplishments of the DOJ community.

On August 3, 2021, the DEA launched a nationwide law enforcement effort to address an alarming increase in the availability and lethality of fentanyl-laced fake pills. Between August 3 and September 30, 2021, working in concert with federal, state, and local law enforcement partners, DEA seized 1.8 million fentanyl-laced fake pills and arrested over 800 drug traffickers across the United States. The DEA also made significant strides to disrupt the distribution of illegal methamphetamine in FY 2021, seizing approximately 70,000 pounds of methamphetamine, which represents a 146 percent increase from FY 2020.

The USMS apprehended or cleared 33,552 federal fugitives in FY 2021. As part of the Department's violent crime reduction strategy, the Marshals conducted 153 operations in the summer months alone. Through these operations 1,815 fugitives were arrested and 2,047 warrants were cleared, including 862 for homicide, 452 for assault with a firearm, 218 for robbery with a firearm, and 515 for sex assaults. During the course of these operations, USMS seized 1,078 firearms and 328.02 kg of narcotics. To protect children from victimization, the USMS also contributed to the recovery of 950 missing and endangered children during FY 2021, a 145 percent increase compared to FY 2020.

In March 2021, one of the largest international takedowns in FBI Criminal Investigative Division's history occurred. The case resulted in approximately 1,100 global arrests, 1,000 search warrants, and the seizure of 10 tons of cocaine, 15 tons of marijuana, 233 kilograms of heroin, 240 guns, 107 vehicles, and the equivalent of \$57 million USD. The case resulted in a complete disruption and dismantlement of multiple transnational drug networks, an encrypted criminal communications platform, and represented an unprecedented coordination among law enforcement partners in over 16 countries. In addition, the FBI dismantled a total of 198 gang or criminal enterprises and conducted a total of 443 counterintelligence program disruptions and dismantlements.

The Justice Department's cybercrime response has also developed. The FBI's Internet Crime Complaint Center recovered 73 percent of private sector losses available for recovery. The Department also seized 63.7 bitcoins currently valued at over \$2.3 million. These funds allegedly represent a significant portion of the proceeds of a May 8, 2021 ransom payment to a group which had targeted critical infrastructure.

On the litigation side, the Department's Civil Rights Division favorably resolved 98 percent of its civil cases and 96 percent of its criminal cases. Notable outcomes include a Title IX settlement where the Department achieved a \$1.6 million settlement for the victims under Title IX of the Education Amendments of 1972 to ensure that students can attend school and participate in college athletics free from sexual harassment, including assault.

Prosecuting hate crimes continues to be of a high priority for the Department. The Attorney General appointed a hate crimes coordinator in the Office of the Associate Attorney General and directed an expedited review of hate incidents to determine whether they violate federal criminal laws in accordance with the COVID-19 Hate Crimes Act.

Furthermore, the Department continues to prioritize the prosecution of corporate securities and commodities fraud and price manipulation at banks and other international companies. Among other significant cases, in March 2021, the Department announced the plea of a senior oil trader in connection with a multiyear conspiracy to manipulate benchmark prices for fuel oil. In July 2021, prosecutors convicted the former Chief



Financial Officer of a publicly traded transportation company of securities fraud after trial in connection with an accounting fraud scheme. In August 2021, prosecutors convicted two former director-level precious metals traders on fraud charges after a jury trial.

Despite the imposed hardships of the global coronavirus (COVID-19) pandemic, in FY 2021 the BOP continued its programming under the First Step Act (FSA) and now offers more than 80 FSA programs. To support this, the BOP added a complement of new professional staff to add capacity to its existing evidence-based programs; more than 71,000 inmates were enrolled in such programs at the end of the fiscal year. Additionally, the BOP issued more than 235,000 COVID-19 vaccinations to staff and inmates. The BOP worked closely with the Centers for Disease Control and Prevention (CDC) to receive direct shipments of the vaccine, receive training from the CDC on vaccinations, and to update the BOP COVID-19 Pandemic Plan.

The OVW issued \$471 million in Violence Against Women Act (VAWA) grant awards. These grants finance victim services and justice solutions in response to sexual assault, domestic/dating violence, and stalking. In addition, OVW's FY 2021 awards include training and technical assistance projects designed to help grantees align their work with best practices, and research and evaluation projects to study the effectiveness of VAWA funded programming.

During the fiscal year, OVW virtually convened the Department's annual government-to government Tribal Consultation on Violence Against American Indian and Alaska Native Women. OVW also expanded its Firearms Technical Assistance Project (FTAP) to help communities across the country reduce domestic violence related homicides and injuries committed with firearms. In addition, OVW made 41 awards under a special initiative designed to help tribes mitigate the impact of the COVID-19 pandemic on their ability to address violence against women.

In FY 2021, the EOIR developed and expanded WebEx remote video conferencing capabilities to restore adjudicatory capacity to the courts even while pandemic conditions continue to limit agency in-person operations nationwide. As of September 30, 2021, approximately 5,800 master calendar hearings and 2,900 merits hearings were scheduled, with approximately 2,400 cases or 80 percent successfully completed. The program's success has since justified the procurement of additional laptops to support further program expansion as the agency seeks to continue restoring adjudicatory capacity in FY 2022.

The EOIR and Office of Information Technology, continued the deployment of the EOIR Courts and Appeals System (ECAS). ECAS is the integrated suite of applications that converts EOIR processes from manual and paper-based processes to a digital ecosystem. In the past year, ECAS was deployed to 52 hearing locations and 295 courtrooms transitioned including Miami, San Francisco, and Los Angeles. In FY 2021, EOIR conducted outreach to 4,800 Department of Homeland Security (DHS) and Private Bar Attorneys, generated 180,000 electronic records of proceedings (eROPs), and accepted electronic filing of approximately 160,000 documents. The total number of files e-filed or scanned surpassed 1,000,000 (of which there were 18,000 representation forms filed electronically).

From December 2020 through January 2021, the Department invited employees who have requested or participated in the reasonable accommodation process within the past three years to complete a survey regarding their experience. The Department's Human Resources, in coordination with other DOJ Components, reviewed survey results to determine if changes are needed to improve or strengthen the reasonable accommodation process. Participation in this survey was voluntary and all responses were aggregated and kept confidential. DOJ will continue to issue this survey every three years.

## **Analysis of Systems, Controls, and Legal Compliance**

### **Financial Management Systems and the Department's Strategy for Improving those Systems**

The Department's financial management systems strategy for FY 2021 was to replace the one remaining major non-integrated legacy accounting system in use in the Department with the single, integrated financial management system the Department has been deploying – the Unified Financial Management System (UFMS). UFMS delivers standard, core accounting and acquisition processes, as well as the data needed for effective financial and budget management. In FY 2021, the Department continued its implementation planning efforts to prepare for the UFMS migration of the BOP set for early FY 2022. In October 2021, the BOP migrated to UFMS. The UFMS implementation goals have leveraged lessons learned from previous migrations and were based on and aligned with operational risks and requirements unique to each component.

The Department's UFMS implementation 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.

### **Analysis of Legal Compliance**

Department of Justice management is committed to ensuring compliance with applicable laws and regulations, including data standards and appropriations, acquisitions, and employment laws and regulations. Compliance is addressed through policies and procedures, along with oversight and governance by senior leadership. In FY 2021, DOJ component internal review activities and GAO and OIG reviews and audits identified isolated instances of noncompliance, none of which was significant enough to require reporting as a material weakness in the Department's FMFIA Assurance Statement provided on the following page.



# Office of the Attorney General

Washington, D.C. 20530

## Management Assurances

### Federal Managers' Financial Integrity Act of 1982

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

### FMFIA Assurance Statement

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 Justice Department conducted its assessment of risk and internal control. Based upon the results of the assessment and Assurance Statements provided by DOJ components, the Department can provide reasonable assurance that internal control over operations, reporting, and compliance was operating effectively as of September 30, 2021, except for the material weakness identified at the consolidated level in internal control over financial reporting. Details of the material weakness and the Department's corrective action plan are provided in Section III of this report.

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 we continue the important work of the Department, we are dedicated to using our funds responsibly and transparently. We will continue to work in FY 2022 to strengthen our controls in areas identified through the Department's internal review activities and by the OIG and GAO.

A handwritten signature in blue ink, reading "Merrick Garland", is located below the text.

Merrick B. Garland  
Attorney General  
November 15, 2021

## Federal Financial Management Improvement Act of 1996

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

### FFMIA Compliance Determination

During FY 2021, the Department assessed its financial management systems for compliance with the FFMIA and determined that, when taken as a whole, they substantially comply with the FFMIA. This determination is based on the results of reviews conducted pursuant to the Federal Information Security Management Act and testing performed for OMB Circular A-123, Appendix A. Consideration was also given to issues identified during the Department's financial statement audit. A summary of the Department's compliance with the specific requirements of the FFMIA is provided at the end of the table on the following page.

### 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 3. Summary of Financial Statement Audit**

Financial Statement Audit Opinion and Material Weaknesses					
<b>Audit Opinion</b>	Unmodified				
<b>Restatement</b>	No				
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
Improvements needed in management's risk assessment process, monitoring, and financial statement preparation and review	0	1	0	0	1
<b>Total Material Weaknesses</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>

**Table 4. 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 needed in management's risk assessment process, monitoring, and financial statement preparation and review	0	1	0	0	0	1
<b>Total Material Weaknesses</b>	<b>0</b>	<b>1</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 Comply					
<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		

## **Summary of Material Weakness and Corrective Actions**

A summary of the material weakness in financial reporting (FMFIA § 2) follows, along with details regarding corrective actions. The associated Corrective Action Plan is provided in Section III of this document.

### **Improvement are Needed in Management’s Risk Assessment Process, Monitoring, and Financial Statement Preparation and Review**

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. As reported in Table 3 above, the Department earned an unmodified, i.e., “clean” audit opinion on its FY 2021 consolidated financial statements. This continued what the Department considers a proud tradition for an eighteenth straight year.

The auditors noted in their report on internal control over financial reporting that, during FY 2021, the Department and its components adopted a financial management strategy to undertake technology improvements and address changes in the financial reporting environment that included:

1. Migrating the legacy grants management system,
2. Engaging cloud-based service providers for financial and operational application hosting,
3. Continuing to implement UFMS throughout the Department,
4. Adapting to changes in the financial management workforce due to attrition, and
5. Adopting a new commercial-based significant accounting standard for revenue recognition.

The auditors’ report identified a material weakness at the consolidated level as a result of weaknesses identified in DOJ component financial reporting. Weaknesses included a material weakness for the Bureau of Prisons and Offices, Boards, and Divisions related to financial statement preparation and Federal Prison Industries related to revenue recognition, and a significant deficiency for the Asset Forfeiture Management Staff related to reporting seized assets and Office of Justice Programs related to monitoring cloud service organizations used to support the new grants management financial process. 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 address this material weakness, the Department will strengthen financial statement risk assessment, preparation, and review controls; expand monitoring of cloud service organizations; provide additional guidance and training to Department components; and increase internal control reviews and monitoring to prevent, detect, and correct errors in financial reporting.

## Forward-Looking Information

The Justice Department faces an array of challenges and risks as we work to meet our wide-ranging responsibilities, including those at the heart of our mission: upholding the rule of law, keeping our country safe, and protecting civil rights. In the second year of the pandemic, we are adapting to new work conditions and a changing set of threats.

Listed below are priority areas for the Department's focus and efforts:

- **Enhancing National Security and Keeping Our Country Safe**

- Countering Foreign and Domestic Terrorism: The Department will continue to detect, investigate, and deter domestic and international terror plots through directed intelligence collection and analysis, and will share intelligence with national security partners to maximize our identification and disruption of terrorist threats.
- Countering Cyber Threats: The Justice Department will develop and use cutting-edge tools to identify, disrupt, and prosecute those who commit digital threats, whether they are lone actors, parts of transnational organized crime groups, or acting on behalf of nation-states. We will strengthen public-private partnerships and will work to dismantle hacking infrastructure and seize criminal proceeds.
- Combating Violent Crime and Gun Violence: The Department will identify and confront the most pressing violent crime problems, including by investing in community-based programs to discourage and prevent violence before it occurs.
- Dismantling Major Drug Trafficking Networks and Addressing Overdose Deaths: The Department is committed to keeping our country safe from violent drug trafficking gangs and cartels. The Drug Enforcement Administration 2020 National Drug Threat Assessment assesses that Mexican transnational criminal organizations are the greatest threat and that fentanyl is the substance most linked to drug overdose deaths. The opioid epidemic affects a broad cross-section of the United States population without regard for age, gender, race, ethnicity, or economic status. Approximately 70,630 Americans died from drug overdoses in 2019, of which 70.6 percent were opioid-related.<sup>1</sup> The Department will continue to use all resources at our disposal to save lives.
- Protecting Democratic Institutions: Keeping our country safe includes protecting its democratic institutions. The Department is currently engaged in a complex and resource-intensive investigations – one of the largest and most expansive in our history: the investigation of the January 6 attack on the Capitol. In addition, among other things, the Department will address threats against election workers, foreign attempts to intervene in U.S. elections, and efforts to disenfranchise voters.

- **Protecting Civil Rights**

- Reinvigorating the Department's Civil Rights Enforcement: The Justice Department is committed to upholding the civil and constitutional rights of all Americans, including by bringing cases to safeguard voting rights, prosecute hate crimes, and end unlawful discrimination.
- Building Community Trust by Ensuring Support & Accountability for Law Enforcement: Lack of public trust decreases effectiveness across the justice system. Efforts to respond to this will include policy reviews and changes to policing. As part of this, the Department is expanding its body worn camera program to our federal agents, to promote transparency and confidence, not only with the communities we serve and protect.
- Ensuring Equal Access to Justice: To address the challenges millions of Americans across the country are facing as a result of the pandemic, the Department is taking steps to reinvigorate and expand our access-to-justice work, including by restoring a standalone Office for Access

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<sup>1</sup> These are the numbers reflected on the CDC website, as October 2021, <https://www.cdc.gov/drugoverdose/index.html>

to Justice within the Department dedicated to addressing the most urgent legal needs of communities across America.

- Advancing Environmental Justice and Tackling the Climate Crisis: The Department is committed to advancing environmental justice and tackling the climate crisis with all the tools available to us – from enforcement to grantmaking and beyond. Moreover, because climate change can imperil DOJ's facilities that support mission-critical operations, the Department will determine where it can systematically incorporate resilient design and operational strategies into existing and future real property. Moreover, climate change has ramifications for the Department's weather events that can lead to climate refugees. Warmer temperatures correlate with increased violent crime.

Other areas of Departmental focus include:

- Ensuring Economic Opportunity and Fairness: The Justice Department is committed to ensuring economic opportunity and fairness by reinvigorating antitrust enforcement, combating fraud, and protecting consumers. We are aggressively enforcing the antitrust laws by challenging anticompetitive mergers and exclusionary practices, and by prosecuting price-fixing and allocation schemes that harm both consumers and workers. And we have stood up a COVID-19 Fraud Enforcement Task Force to bring to justice those who have tried to defraud the government of money intended for the most vulnerable among us.
- Promoting a Fair, Equitable, and Efficient Immigration Court System: The Department is committed to promoting a fair, equitable, and efficient immigration court system, including by reducing the immigration backlog and increasing access to legal representation.
- Modernizing Department Management Practices and Promoting Good Government: The Department is committing to achieving management excellence through innovation, including by aligning the Department's administrative structure and resources to meet organizational demands; implementing Department-wide data and technology modernization; processing reengineering and trend analysis; and training. The Department is also committed to recruiting, retaining, and fostering a talented workforce that is representative of the public we serve. To these ends, the Department will improve recruitment and hiring procedures, focus on retention, and evaluate and continually improve our diversity, equity, inclusion, and accessibility efforts. In addition, in the light of recent trends of officer suicide, we must prioritize mental health across the Department's law enforcement components.



# U.S. DEPARTMENT OF JUSTICE

## INDEPENDENT AUDITORS' REPORT





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

## **Independent Auditors' Report**

Inspector General  
U.S. Department of Justice

United States Attorney General  
U.S. Department of Justice

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of the U.S. Department of Justice (Department), which comprise the consolidated balance sheets as of September 30, 2021 and 2020, and the related consolidated statements of net cost, changes in net position, and combined statements of budgetary resources, and custodial activity for the years then ended, and the related notes to the consolidated financial statements.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in accordance with Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 21-04 require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Department of Justice as of September 30, 2021 and 2020, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Other Matters*

#### *Interactive Data*

Management has elected to reference to information on websites or other forms of interactive data outside the Annual Financial Statements to provide additional information for the users of its consolidated financial statements. Such information is not a required part of the basic 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.

#### *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, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The information in the Other Information and Appendix is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

#### *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, 2021, 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 have not been identified. However, as described in the Exhibit, we did identify 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 Department'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.

#### *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, 2021, 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. 21-04.

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

#### *Department's Response to the Finding*

The Department's response to the finding identified in our audit is described in the Exhibit. The Department's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

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

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.  
November 15, 2021

### Material Weakness

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

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#### Improvements are Needed in Management's Risk Assessment Process, Monitoring, and Financial Statement Preparation and Review

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The Department of Justice (Department) and its components continue to enhance and modernize operational and financial reporting processes. The Department has made substantial progress in centralizing accounting operations and its use of technology platforms to support those initiatives including its core accounting system, Unified Financial Management System (UFMS).

During fiscal year (FY) 2021, the Department and its components adopted a financial management strategy to undertake technology improvements and address changes in the financial reporting environment, which included: 1) migrating the legacy grants management system; 2) engaging cloud-based service providers for financial and operational application hosting; 3) continuing to implement UFMS throughout the Department; 4) adapting to changes in the financial management workforce due to attrition; and 5) adopting a new commercial-based accounting standard for revenue recognition.

As a result of certain changes, we noted multiple weaknesses in internal control involving the operating effectiveness over financial reporting review controls, management's response to financial statement-level risks, monitoring of third party service organization controls used within its newly adopted technology platforms, addressing the financial management workforce challenges, adopting a significant accounting standard, and a component's interim financial statement preparation and review process.

The Department and its components' personnel responsible for performing risk assessment procedures, monitoring, and executing the operating effectiveness of internal controls faced multiple priorities during FY 2021, which included planning for the current and future accounting systems migrations and managing attrition within the financial management workforce.

During our FY 2021 audit, we noted the following deficiencies:

- I. The financial statement preparation and review control activities were not operating effectively throughout the year to allow for the timely preparation of accurate and reliable financial statements in accordance with generally accepted accounting principles and OMB Circular No. A-136, *Financial Reporting Requirements*. Specifically, errors in the presentation of the certified financial statements and disclosures were not detected on a timely basis, including:
  - Offices, Boards, and Divisions understated the Status of Budgetary Resources included in Note 20 *Information Related to the Statement of Budgetary Resources* for fiscal year 2020 by approximately \$6.8 billion.
  - The Department understated the Statement of Net Cost Gross Cost Intra-governmental major program 5, *Executive Oversight and Enterprise Technology* by approximately \$631 million.
  - The Bureau of Prisons misclassified \$800 million between the apportionment categories on the Statement of Budgetary Resources.

- The Bureau of Prisons misclassified \$130 million (related to accrued payroll) between the Federal Employee Benefits Payable and Other Liabilities captions on the Balance Sheet.
- II. Office of Justice Programs is the primary grant administering component of the Department, underwent two significant information system conversions: migrating its financial management system to UFMS and its grants case management systems to the JustGrants environment. During the implementation of the JustGrants system, the scope of management's risk assessment process did not adequately identify and respond to internal control risks and deficiencies relevant to the underlying grants data used to prepare the financial statements. Additionally, management did not properly design and implement effective monitoring controls over the applicable third-party information system service organization's supporting internal controls over financial reporting.
- As a result of these weaknesses, there was a heightened risk that the relevant data elements impacting the financial statements may not be reliable.
- III. The Federal Prison Industries, Inc's (FPI) risk assessment process did not adequately identify, assess, and respond to financial reporting risks related to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). FPI lacked policies and procedures to assess changes in accounting standards and adherence to required accounting principles and their application to the financial statement presentation. This weakness contributed to a revenue overstatement of \$142 million and misstated other amounts contained in the Department's certified financial statements. These errors were not detected by FPI management's review control in a timely manner to allow for proper presentation of the year-end financial statements.

Components' management subsequently addressed the errors noted above in the year-end financial statements.

Our observations indicate that the Department needs to substantially improve financial statement preparation and review control activities, financial statement risk assessment controls that are responsive to changes occurring within the financial reporting environment, expand its monitoring activities relevant to third party service provider controls, dedicate adequate training resources to address changes in significant accounting principles, and ensure appropriate financial management resources assigned are commensurate with the risks identified to validate transactions processed in the financial system are ultimately presented in the financial statements free of error.

#### **Criteria:**

The U.S. Government Accountability Office's Standards for Internal Control in the Federal Government:

Principle 7 – Identify, Analyze, and Respond to Risks:

"7.03 To identify risks, management considers the types of risks that impact the entity. This includes both inherent and residual risk. Inherent risk is the risk to an entity in the absence of management's response to the risk. Residual risk is the risk that remains after management's response to inherent risk. Management's lack of response to either risk could cause deficiencies in the internal control system.

...7.09 Based on the selected risk response, management designs the specific actions to respond to the analyzed risks. The nature and extent of risk response actions depend on the defined risk tolerance..."

Principle 9 – Identify, Analyze, and Respond to Change:

“9.01 management should identify, analyze, and respond to significant changes that could impact the internal control system.”

...9.03 Conditions affecting the entity and its environment continually change.... Changes in internal conditions include changes to the entity’s programs or activities, oversight structure, organizational structure, personnel, and technology...Identified significant changes are communicated across the entity through established reporting lines to appropriate personnel.”

Principle 10 – Design of Appropriate Types of Control Activities:

“10.03 transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.

Controls over information processing[:] A variety of control activities are used in information processing. Examples include edit checks of data entered; accounting for transactions in numerical sequences; comparing file totals with control accounts; and controlling access to data, files, and programs”

Principle 11 – Designed Activities for the Information System:

“11.09 Management designs control activities over the information technology infrastructure to support the completeness, accuracy, and validity of information processing by information technology.”

Principle 12 – Implement Control Activities:

“12.05: Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity’s objectives or addressing related risks. If there is significant change in an entity’s process, management reviews this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately. Changes may occur in personnel, operational processes, or information technology.”

Principle 16 – Perform Monitoring Activities:

"16.01 Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

16.08 Management retains responsibility for monitoring the effectiveness of internal control over the assigned processes performed by service organizations..."

**Recommendations:**

We recommend the Department:

1. Design and implement a control for JMD and the components to monitor and evaluate significant changes to operations or financial reporting processes within the Department that will identify, analyze, and respond to financial reporting risks, such as the adoption of new accounting standards, implementations and conversions of financially relevant systems, and utilization of new services organizations supporting the Department. *(New)*

**Management Response:**

Management concurs with the finding. The Department will assess and implement controls to address reporting risks associated with changes to accounting standards, implementation of new systems, and utilization of new service organizations.

2. Design and implement effective internal control processes for JMD and the components to review and monitor service organization control risks to ensure that ineffective controls performed by service organizations are evaluated and appropriate compensating controls are designed and implemented. *(New)*

**Management Response:**

Management concurs with the finding. The Department's OMB A-123 Senior Assessment Team will review and enhance our OMB A-123 assessment procedures. The enhancements will focus on ensuring the effectiveness of management's risk assessment process to identify and respond to internal control risks and deficiencies relevant to service organizations.

3. Design, implement, and execute policies and procedures for JMD and the components to identify and investigate significant variances across all certified financial statements and footnotes. *(New)*

**Management Response:**

Management concurs with the finding. We will enhance our internal control reviews over month and quarter end component financial reporting and operations to identify and investigate significant variances.



# U.S. DEPARTMENT OF JUSTICE

## PRINCIPAL FINANCIAL STATEMENTS AND RELATED NOTES

SEE INDEPENDENT AUDITORS' REPORT



**U.S. Department of Justice**  
**Consolidated Balance Sheets**  
**As of September 30, 2021 and 2020**

<b>Dollars in Thousands</b>	<b>2021</b>	<b>2020</b>
<b>ASSETS (Note 2)</b>		
Intragovernmental		
Fund Balance with Treasury (Note 3)	\$ 33,922,718	\$ 34,076,057
Investments (Note 5)	3,598,898	5,013,918
Accounts Receivable (Note 6)	647,014	766,591
Advances and Prepayments	171,787	173,389
Other Assets (Note 10)	101	76
Total Intragovernmental	<u>\$ 38,340,518</u>	<u>\$ 40,030,031</u>
With the Public		
Cash and Other Monetary Assets (Note 4)	\$ 1,377,333	\$ 1,341,558
Accounts Receivable, Net (Note 6)	130,633	181,553
Inventory and Related Property, Net:		
Forfeited Property, Net (Note 8)	82,601	106,008
Other Inventory and Related Property, Net (Note 7)	118,144	251,940
General Property, Plant and Equipment, Net (Note 9)	8,769,704	8,855,461
Advances and Prepayments	570,870	696,605
Other Assets (Note 10)	591	3,089
Total With The Public	<u>\$ 11,049,876</u>	<u>\$ 11,436,214</u>
<b>Total Assets</b>	<u><b>\$ 49,390,394</b></u>	<u><b>\$ 51,466,245</b></u>
<b>LIABILITIES (Note 11)</b>		
Intragovernmental		
Accounts Payable	\$ 292,234	\$ 412,863
Advances from Others and Deferred Revenue	198,078	266,028
Other Liabilities:		
Custodial Liabilities (Note 21)	838,250	1,066,754
Other (Note 15)	566,311	536,995
Total Intragovernmental	<u>\$ 1,894,873</u>	<u>\$ 2,282,640</u>
With the Public		
Accounts Payable	\$ 2,644,385	\$ 3,627,484
Federal Employee Benefits Payable	2,833,459	2,801,180
Environmental and Disposal Liabilities (Note 12)	79,614	76,951
Advances from Others and Deferred Revenue	828,507	749,923
Other Liabilities:		
Accrued Grant Liabilities	796,630	625,785
Seized Cash and Monetary Instruments (Note 14)	2,849,978	2,429,647
Radiation Exposure Compensation Act Liabilities (Note 27)	61,918	102,395
September 11 <sup>th</sup> Victim Compensation Fund Liabilities (Note 27)	3,294,883	3,023,169
United States Victims of State Sponsored Terrorism Act Liabilities (Note 27)	177,404	146,201
Other (Note 15)	1,404,619	1,299,685
Total With The Public	<u>\$ 14,971,397</u>	<u>\$ 14,882,420</u>
<b>Total Liabilities</b>	<u><b>\$ 16,866,270</b></u>	<u><b>\$ 17,165,060</b></u>
Commitments and Contingencies (Note 16)		
<b>NET POSITION</b>		
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	\$ 2,877	\$ 2,877
Unexpended Appropriations - Funds from other than Dedicated Collections	17,889,713	16,619,046
<b>Total Unexpended Appropriations</b>	<u><b>\$ 17,892,590</b></u>	<u><b>\$ 16,621,923</b></u>
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	10,516,607	12,897,907
Cumulative Results of Operations - Funds from other than Dedicated Collections	4,114,927	4,781,355
<b>Total Cumulative Results of Operations</b>	<u><b>\$ 14,631,534</b></u>	<u><b>\$ 17,679,262</b></u>
<b>Total Net Position</b>	<u><b>\$ 32,524,124</b></u>	<u><b>\$ 34,301,185</b></u>
<b>Total Liabilities and Net Position</b>	<u><b>\$ 49,390,394</b></u>	<u><b>\$ 51,466,245</b></u>

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

**U. S. Department of Justice**  
**Consolidated Statements of Net Cost**  
**For the Fiscal Years Ended September 30, 2021 and 2020**

**Dollars in Thousands**

		<b>Gross Costs</b>			<b>Less: Earned Revenues</b>			<b>Net Cost of Operations (Note 18)</b>
<b>FY</b>		<b>Intra-governmental</b>	<b>With the Public</b>	<b>Total</b>	<b>Intra-governmental</b>	<b>With the Public</b>	<b>Total</b>	
<b>MP 1</b>	<b>2021</b>	\$ 5,440,447	\$14,004,755	\$19,445,202	\$ 48,987	\$ 673,396	\$ 722,383	\$ 18,722,819
	<b>2020</b>	5,199,768	13,755,277	18,955,045	63,342	608,091	671,433	18,283,612
<b>MP 2</b>	<b>2021</b>	1,580,595	5,006,290	6,586,885	159,910	239,550	399,460	6,187,425
	<b>2020</b>	1,359,322	3,054,435	4,413,757	267,640	104,038	371,678	4,042,079
<b>MP 3</b>	<b>2021</b>	2,020,959	9,026,813	11,047,772	273,720	374,769	648,489	10,399,283
	<b>2020</b>	1,953,523	8,700,718	10,654,241	243,194	390,406	633,600	10,020,641
<b>MP 4</b>	<b>2021</b>	248,603	5,052,282	5,300,885	20,276	3	20,279	5,280,606
	<b>2020</b>	191,037	4,868,156	5,059,193	37,036	—	37,036	5,022,157
<b>MP 5</b>	<b>2021</b>	396,174	1,687,279	2,083,453	636,888	526,611	1,163,499	919,954
	<b>2020</b>	399,428	1,659,434	2,058,862	636,464	788,756	1,425,220	633,642
<b>Total</b>	<b>2021</b>	<u>\$ 9,686,778</u>	<u>\$34,777,419</u>	<u>\$44,464,197</u>	<u>\$ 1,139,781</u>	<u>\$1,814,329</u>	<u>\$2,954,110</u>	<u>\$ 41,510,087</u>
	<b>2020</b>	<u>\$ 9,103,078</u>	<u>\$32,038,020</u>	<u>\$41,141,098</u>	<u>\$ 1,247,676</u>	<u>\$1,891,291</u>	<u>\$3,138,967</u>	<u>\$ 38,002,131</u>

Major Program (MP) 1 Law Enforcement  
Major Program (MP) 2 Litigation and Compensation  
Major Program (MP) 3 Prisons and Detention  
Major Program (MP) 4 Grants  
Major Program (MP) 5 Executive Oversight and Enterprise Technology

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

U.S. Department of Justice  
Consolidated Statements of Changes in Net Position  
For the Fiscal Year Ended September 30, 2021

Dollars in Thousands

	2021			
	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Eliminations	Total
<b>Unexpended Appropriations</b>				
<b>Beginning Balances</b>	\$ 2,877	\$ 16,619,046	\$ —	\$ 16,621,923
Appropriations Received	—	36,047,475	—	36,047,475
Appropriations Transferred-In/Out	—	966,479	—	966,479
Other Adjustments	—	(248,215)	—	(248,215)
Appropriations Used	—	(35,495,072)	—	(35,495,072)
<b>Net Change in Unexpended Appropriations</b>	<u>\$ —</u>	<u>\$ 1,270,667</u>	<u>\$ —</u>	<u>\$ 1,270,667</u>
<b>Total Unexpended Appropriations: Ending</b>	<u>\$ 2,877</u>	<u>\$ 17,889,713</u>	<u>\$ —</u>	<u>\$ 17,892,590</u>
<b>Cumulative Results of Operations</b>				
<b>Beginning Balances</b>	\$ 12,897,907	\$ 4,781,355	\$ —	\$ 17,679,262
Adjustments				
Changes in Accounting Principles	—	10,065	—	10,065
<b>Beginning Balances, as Adjusted</b>	<u>\$ 12,897,907</u>	<u>\$ 4,791,420</u>	<u>\$ —</u>	<u>\$ 17,689,327</u>
Other Adjustments	—	(6)	—	(6)
Appropriations Used	—	35,495,072	—	35,495,072
Nonexchange Revenues	781,903	119	—	782,022
Donations and Forfeitures of Cash and Cash Equivalents	1,070,711	(2)	—	1,070,709
Transfers-In/Out Without Reimbursement	(448,279)	190,314	—	(257,965)
Donations and Forfeitures of Property	393,144	—	—	393,144
Imputed Financing (Note 19)	37,375	959,964	(16,554)	980,785
Other	4	(11,471)	—	(11,467)
<b>Net Cost of Operations</b>	<u>(4,216,158)</u>	<u>(37,310,483)</u>	<u>16,554</u>	<u>(41,510,087)</u>
<b>Net Change in Cumulative Results of Operations</b>	<u>(2,381,300)</u>	<u>(676,493)</u>	<u>—</u>	<u>(3,057,793)</u>
<b>Cumulative Results of Operations: Ending</b>	<u>\$ 10,516,607</u>	<u>\$ 4,114,927</u>	<u>\$ —</u>	<u>\$ 14,631,534</u>
<b>Net Position</b>	<u>\$ 10,519,484</u>	<u>\$ 22,004,640</u>	<u>\$ —</u>	<u>\$ 32,524,124</u>

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

U.S. Department of Justice  
Consolidated Statements of Changes in Net Position  
For the Fiscal Year Ended September 30, 2020

**Dollars in Thousands**

	2020			
	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Eliminations	Total
<b>Unexpended Appropriations</b>				
<b>Beginning Balances</b>	\$ 53,764	\$ 16,043,659	\$ —	\$ 16,097,423
Appropriations Received	65,182	33,697,039	—	33,762,221
Appropriations Transferred-In/Out	—	948,064	—	948,064
Other Adjustments	—	(216,466)	—	(216,466)
Appropriations Used	(116,069)	(33,853,250)	—	(33,969,319)
<b>Net Change in Unexpended Appropriations</b>	<b>\$ (50,887)</b>	<b>\$ 575,387</b>	<b>\$ —</b>	<b>\$ 524,500</b>
<b>Total Unexpended Appropriations: Ending</b>	<b>\$ 2,877</b>	<b>\$ 16,619,046</b>	<b>\$ —</b>	<b>\$ 16,621,923</b>
<b>Cumulative Results of Operations</b>				
<b>Beginning Balances</b>	<b>\$ 15,399,181</b>	<b>\$ 3,258,996</b>	<b>\$ —</b>	<b>\$ 18,658,177</b>
Other Adjustments	—	(141)	—	(141)
Appropriations Used	116,069	33,853,250	—	33,969,319
Nonexchange Revenues	582,896	172	—	583,068
Donations and Forfeitures of Cash and Cash Equivalents	1,179,990	5	—	1,179,995
Transfers-In/Out Without Reimbursement	(459,886)	380,340	—	(79,546)
Donations and Forfeitures of Property	565,757	—	—	565,757
Imputed Financing (Note 19)	30,957	805,623	(17,091)	819,489
Other	(5,742)	(8,983)	—	(14,725)
<b>Net Cost of Operations</b>	<b>(4,511,315)</b>	<b>(33,507,907)</b>	<b>17,091</b>	<b>(38,002,131)</b>
<b>Net Change in Cumulative Results of Operations</b>	<b>(2,501,274)</b>	<b>1,522,359</b>	<b>—</b>	<b>(978,915)</b>
<b>Cumulative Results of Operations: Ending</b>	<b>\$ 12,897,907</b>	<b>\$ 4,781,355</b>	<b>\$ —</b>	<b>\$ 17,679,262</b>
<b>Net Position</b>	<b>\$ 12,900,784</b>	<b>\$ 21,400,401</b>	<b>\$ —</b>	<b>\$ 34,301,185</b>

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

**U.S. Department of Justice**  
**Combined Statements of Budgetary Resources**  
**For the Fiscal Years Ended September 30, 2021 and 2020**

<b>Dollars in Thousands</b>	<b>2021</b>	<b>2020</b>
<b>Budgetary Resources</b>		
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	\$ 9,212,753	\$ 11,854,331
Appropriations (discretionary and mandatory)	40,757,966	39,225,188
Spending Authority from Offsetting Collections (discretionary and mandatory)	5,360,298	4,999,674
<b>Total Budgetary Resources</b>	<b><u>\$ 55,331,017</u></b>	<b><u>\$ 56,079,193</u></b>
<b>Status of Budgetary Resources</b>		
New Obligations and Upward Adjustments (Total)	\$ 44,891,099	\$ 47,982,287
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	8,618,468	6,690,848
Exempt from Apportionment, Unexpired Accounts	353,662	142,956
Unapportioned, Unexpired Accounts	481,672	322,650
Unexpired Unobligated Balance, End of Year	9,453,802	7,156,454
Expired Unobligated Balance, End of Year	986,116	940,452
Unobligated Balance - End of Year (Total)	10,439,918	8,096,906
<b>Total Budgetary Resources</b>	<b><u>\$ 55,331,017</u></b>	<b><u>\$ 56,079,193</u></b>
<b>Outlays, Net</b>		
Outlays, Net (Total) (discretionary and mandatory)	\$ 41,187,770	\$ 41,363,698
Less: Distributed Offsetting Receipts	1,038,771	918,286
Agency Outlays, Net (discretionary and mandatory)	<b><u>\$ 40,148,999</u></b>	<b><u>\$ 40,445,412</u></b>

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

**U.S. Department of Justice**  
**Combined Statements of Custodial Activity**  
**For the Fiscal Years Ended September 30, 2021 and 2020**

<b>Dollars in Thousands</b>	<b>2021</b>	<b>2020</b>
<b>Total Custodial Revenue</b>		
Sources of Cash Collections		
Federal Debts, Fines, Penalties and Restitution	\$ 7,829,493	\$ 13,942,345
Fees and Licenses	108,878	80,222
Miscellaneous	660	786
Total Cash Collections	\$ 7,939,031	\$ 14,023,353
Accrual Adjustments	1,753	(2,049)
<b>Total Custodial Revenue (Note 21)</b>	<b>\$ 7,940,784</b>	<b>\$ 14,021,304</b>
<b>Disposition of Collections</b>		
Transferred to Federal Agencies		
U.S. Government Accountability Office	—	(230)
The Judiciary	(89,232)	(69,039)
Trade and Development Agency	—	(174)
U.S. Department of Agriculture	(87,945)	(44,252)
U.S. Department of Commerce	(9,230)	(4,751)
U.S. Department of the Interior	(568,102)	(526,575)
U.S. Department of Justice	(203,482)	(125,471)
U.S. Department of Labor	(655)	(4,972)
U.S. Postal Service	(32,115)	(86,678)
U.S. Department of State	(138)	(823)
U.S. Department of the Treasury	(649,229)	(681,623)
Office of Personnel Management	(15,542)	(20,546)
Federal Communications Commission	(3,908)	(4,498)
Social Security Administration	(484)	(1,337)
Federal Trade Commission	(150,506)	(4,851,149)
U.S. Department of Veterans Affairs	(169,423)	(29,334)
Equal Employment Opportunity Commission	(4,839)	—
General Services Administration	(14,892)	(9,885)
National Science Foundation	(334)	(2,320)
Securities and Exchange Commission	—	(2)
Federal Deposit Insurance Corporation	(4)	(6)
National Endowment For the Humanities	(1)	(14)
Railroad Retirement Board	(206)	(268)
Tennessee Valley Authority	—	(13)
Environmental Protection Agency	(1,073,923)	(190,875)
U.S. Department of Transportation	(6,310)	(2,671)
U.S. Department of Homeland Security	(151,990)	(285,340)
Agency for International Development	(6,951)	(131)
Small Business Administration	(11,361)	(8,639)
U.S. Department of Health and Human Services	(1,234,546)	(2,120,038)
United States Intl Development Finance Corporation	(130)	—
National Aeronautics and Space Administration	(1,732)	(404)
Export-Import Bank of the United States	(1,142)	(1,102)
U.S. Department of Housing and Urban Development	(117,398)	(30,355)
U.S. Department of Energy	(202,757)	(45,967)
U.S. Department of Education	(10,729)	(12,331)
Commodities Futures Trading Commission	(288)	(101)
Corporation of National & Community Services	(42)	(959)
Federal Reserve Board	(4)	(3)
Treasury General Fund	(2,737,626)	(4,622,344)
U.S. Department of Defense	(136,523)	(166,633)
Transferred to the Public	(256,130)	(510,751)
(Increase)/Decrease in Amounts Yet to be Transferred	231,622	867,020
Increase/(Decrease) in Refunds Payable and Other Liabilities	(3,809)	(3,766)
Retained by the Reporting Entity	(218,748)	(421,954)
<b>Total Disposition Of Collections</b>	<b>(7,940,784)</b>	<b>(14,021,304)</b>
<b>Net Custodial Activity</b>	<b>\$ —</b>	<b>\$ —</b>

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

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**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)



**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 1. Summary of Significant Accounting Policies (continued)****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 Federal Accounting Standards Advisory Board (FASAB) and presentation guidelines in the OMB Circular A-136, *Financial Reporting Requirements*. 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 Circular A-136, have been disaggregated on the Consolidated Balance Sheets. These include Custodial Liabilities; Accrued Grant Liabilities; Seized Cash and Monetary Instruments; Contingent Liabilities; Radiation Exposure Compensation Act (RECA) Liabilities; September 11<sup>th</sup> Victim Compensation Fund Liabilities; and United States Victims of State Sponsored Terrorism Act Liabilities (USVSST Fund). Additionally, Inventory and Related Property, Net have been disaggregated on the Consolidated Balance Sheets to identify Forfeited Property, Net and Other Inventory and Related Property, Net.

**C. Basis of Consolidation**

The consolidated/combined financial statements of the Department include the accounts of the AFF/ SADF, ATF, BOP, DEA, FBI, FPI, OBDs, OJP and USMS. All significant proprietary intra-departmental transactions and balances have been eliminated in consolidation. The Statements of Budgetary Resources and Statements of Custodial Activity are combined statements for FYs 2021 and 2020, and as such, intra-departmental transactions have not been eliminated.

**D. Basis of Accounting**

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

Custodial activity reported on the Combined Statements of Custodial Activity is prepared on the cash basis. Civil and Criminal Debt Collections are recorded when the Department receives payment from debtors. An accrual adjustment is recorded on the Statements of Custodial Activity to adjust 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

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 22. 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.

**E. Non-Entity Assets**

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

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

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

**G. Investments**

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

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

The AFF, the U.S. Trustee System Fund, the USVSST Fund (USVSST) 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 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 USVSST Fund shall be invested in the same manner as a trust fund and authorizes the Treasury to manage the investment of the USVSST Fund. The DOJ notifies the Treasury promptly of amounts deposited to the USVSST Fund in order to ensure that Treasury may invest such receipts in the account. Treasury, in its administrative discretion, determines how the USVSST Fund will be invested, to ensure that the securities purchased for the USVSST Fund will have maturities suitable to the needs of the USVSST Fund. Interest revenue on investments will be reported on an accrual basis.

**H. Accounts Receivable**

Net accounts receivable includes reimbursement and refund receivables due from federal agencies and the public, 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, Volume I, Part 2, Chapter 4700. In this regard, all intragovernmental accounts receivable are considered fully collectible. The allowance for doubtful accounts for public receivables is estimated based on past collection experience and analysis of outstanding receivable balances at year-end.

**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.

**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 (continued)**

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

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

**J. General Property, Plant and Equipment**

Capitalization of general property, plant and equipment (GPP&E) occurs when the initial cost of acquiring or improving the 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	\$250
Personal Property	\$50
Aircraft	\$100
Internal Use Software	\$5,000

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 GPP&E and Internal Use Software. If this option is exercised, the thresholds must not conflict with the standard capitalization thresholds, but may be more restrictive, at the discretion of the entity. Federal Prisons Industries, Inc., a revolving fund, exercised this option and established a threshold to capitalize personal property acquisition costs exceeding \$10. The Federal Bureau of Prisons was granted a waiver capitalizing real property acquisition costs equal to or exceeding \$100.

Depreciation or amortization of GPP&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. Advances and Prepayments**

Advances and prepayments, classified as assets on the Consolidated Balance Sheets, consist primarily of funds disbursed to grantees in excess of total expenditures made by those grantees to third parties, funds advanced to state and local participants in the DEA Domestic Cannabis Eradication and Suppression Program, and 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 1. Summary of Significant Accounting Policies (continued)****L. Forfeited and Seized Property**

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

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

<b>Asset Type</b>	<b>Valuation Documentation</b>
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 (e.g., for crypto currency, CoinMarketCap.com), financial market, account statement, other source 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, real property, and tangible personal property of others in the actual or constructive possession of the custodial agency.

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

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

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

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

**N. 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.

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.

**O. 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 16. 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.

**P. 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

**P. Annual, Sick, and Other Leave (continued)**

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.

**Q. 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.

**R. Retirement Plan**

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

- 1) Employees hired before January 1, 1984, are covered by the Civil Service Retirement System (CSRS). The Department contributes 7% of the gross pay for regular employees and 7.5% for law enforcement officers.
- 2) Employees hired January 1, 1984 or later, are covered by the Federal Employees Retirement System (FERS).
  - a. Employees hired January 1, 1984 through December 31, 2012, are covered by the FERS. The Department contributes 17.3% of the gross pay for regular employees and 35.8% 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 15.5% of the gross pay for regular employees and 34.0% 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 15.5% of the gross pay for regular employees and 34.0% 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

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). Statement of Federal Financial Accounting Standards (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 19, "Imputed Financing", for additional details.

**S. 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 attributable 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, and miscellaneous cost for approved compensation cases for the Department employees. The Department liability is further allocated to component reporting entities on the basis of actual payments made to the FECA Special Benefits Fund (SBF) for the three prior years as compared to the total Department payments made over the same period.

The FECA actuarial liability is recorded for reporting purposes only. This liability constitutes an extended future estimate of cost, which will not be obligated against budgetary resources until the fiscal year in which the cost is actually billed to the Department. The cost associated with this liability cannot be met by the Department without further appropriation action.

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

**T. Intragovernmental Activity**

Intragovernmental costs and exchange revenue represent transactions made between two reporting entities within the federal government. Costs and earned revenues with the public 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 "with the public" 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 public and intragovernmental revenue with the costs incurred to produce public and intragovernmental revenue.



**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

The Department's deferred revenue includes licenses with 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.

**V. Funds from Dedicated Collections**

SFFAS No. 43, *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 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;

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 1. Summary of Significant Accounting Policies (continued)****V. Funds from Dedicated Collections (continued)**

- 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 Sponsored Terrorism Fund, Crime Victims Fund, Domestic Trafficking Victims Fund, Diversion Control Fee Account, and Federal Prison Commissary Fund.

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

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

The Department also allocated 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 1. Summary of Significant Accounting Policies (continued)****W. Allocation Transfer of Appropriation (continued)**

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

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

**X. 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.

**Y. 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.

**Z. Reclassifications**

The FY 2020 financial statements were reclassified to conform to the FY 2021 Departmental financial statement presentation requirements. These reclassifications have no material effect on total assets, liabilities, net position, change in net position, budgetary resources, or custodial activity as previously reported.

Specifically, the format of the Balance Sheet has changed to reflect more detail for certain line items, as required for all significant reporting entities by OMB Circular A-136, *Financial Reporting Requirements*. This change does not affect totals for assets, liabilities, or net position and is intended to allow readers of this report to see how the amounts shown on the Balance Sheet are reflected on the Government-wide Balance Sheet, thereby supporting the preparation and audit of the Financial Report of the United States Government. The presentation of the fiscal year 2020 Balance Sheet was modified to be consistent with the fiscal year 2021 presentation.

In addition, the Department has realigned its Statement of Net Cost and Note 18, Suborganization Program Costs, to align to major programs in the Department's annual budget and/or its individual organizational mission. As such, activity and balances reported on the FY 2020 Statement of Net Cost have been reclassified to conform to the current year presentation. These reclassifications have no effect on the Net Cost of Operations, as previously reported.

**AA. Subsequent Events**

Subsequent events and transactions occurring after September 30, 2021 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.

Notes to the Principal Financial Statements  
(Dollars in Thousands, Except as Noted)

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

**BB. 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.

**CC. Public-Private Partnerships**

SFFAS No. 49, *Public-Private Partnerships: Disclosure Requirements* establishes principles to ensure that disclosures about public-private partnerships (P3) are presented in the reporting entity's general purpose Federal financial reports (GPFFR). The principles guide financial reporting by establishing a P3 definition and identifying risk-based characteristics that need to exist before considering the P3 arrangement or transaction for disclosure. SFFAS No. 49 exempts certain arrangements or transactions from the P3 disclosure requirements. Such exempt arrangements or transactions are subject to existing disclosure requirements in other FASAB standards applicable to such arrangements or transactions. For FY 2021 and 2020, the Department identified P3 relationships that met the SFFAS No. 49 disclosure requirements. Additional details regarding the P3 arrangements are provided in Note 23, Public-Private Partnerships.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 2. Non-Entity Assets**

As of September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Intragovernmental		
Fund Balance with Treasury	\$ 1,033,285	\$ 1,212,780
Investments, Net	1,580,000	1,180,000
Other Assets	1,540	1,445
Total Intragovernmental	<u>\$ 2,614,825</u>	<u>\$ 2,394,225</u>
With the Public		
Cash and Other Monetary Assets	\$ 1,310,267	\$ 1,282,099
Accounts Receivable, Net	9,833	7,959
Total With the Public	<u>1,320,100</u>	<u>1,290,058</u>
Total Non-Entity Assets	<u>3,934,925</u>	<u>3,684,283</u>
Total Entity Assets	<u>45,455,469</u>	<u>47,781,962</u>
Total Assets	<u><u>\$ 49,390,394</u></u>	<u><u>\$ 51,466,245</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Status of Fund Balances With Treasury		
Unobligated Balance - Available	\$ 8,972,130	\$ 6,833,804
Unobligated Balance - Unavailable	1,467,788	1,263,102
Obligated Balance not yet Disbursed	20,905,364	23,781,292
Non-Budgetary Fund Balance with Treasury	4,509,428	5,889,946
Budgetary Resources from Invested Balances	(1,936,039)	(3,696,276)
Total Status of Fund Balances	<u><u>\$ 33,918,671</u></u>	<u><u>\$ 34,071,868</u></u>

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

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.

Unobligated Balance – Available includes amounts restricted for use in future fiscal years (apportioned as Category C), and available for obligation in subsequent periods. For fiscal years ended September 30, 2021 and 2020, the amounts restricted for future use are \$262,459 and \$304,437 respectively.

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

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

As of September 30, 2021 and 2020, the respective immaterial variances of \$4,047 and \$4,189 between Fund Balance with U.S. Treasury line item on the Balance Sheet and Total Status of Fund Balances on the note represent sequestered BOP balances.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

As of September 30, 2021 and 2020

	2021	2020
Cash		
Undeposited Collections	\$ 11	\$ 52
Imprest Funds	67,066	59,461
Seized Cash Deposited	1,192,416	1,152,074
Other	30,821	30,206
Total Cash	<u>1,290,314</u>	<u>1,241,793</u>
Other Monetary Assets		
Seized Monetary Instruments	87,019	99,765
Total Other Monetary Assets	<u>87,019</u>	<u>99,765</u>
Total Cash and Other Monetary Assets	<u><u>\$ 1,377,333</u></u>	<u><u>\$ 1,341,558</u></u>

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

**Note 5. Investments, Net**

	Cost/ Acquisition Value	Amortization Method	Amortized (Premium) Discount	Interest Receivable	Investments, Net	Market Value/Fair Value
As of September 30, 2021						
Intragovernmental Securities and Investments:						
Non-Marketable: Market Based	\$ 3,596,467	Straight-Line	\$ 2,238	\$ 193	\$ 3,598,898	\$ 3,601,241
As of September 30, 2020						
Intragovernmental Securities and Investments:						
Non-Marketable: Market Based	\$ 4,978,866	Straight-Line	\$ 34,627	\$ 425	\$ 5,013,918	\$ 5,020,849

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 6. Accounts Receivable, Net**

As of September 30, 2021 and 2020

	2021	2020
Intragovernmental		
Accounts Receivable	\$ 647,014	\$ 766,591
Total Intragovernmental	<u>\$ 647,014</u>	<u>\$ 766,591</u>
With the Public		
Accounts Receivable	\$ 145,327	\$ 200,187
Allowance for Uncollectible Accounts	(14,694)	(18,634)
Total With the Public	<u>130,633</u>	<u>181,553</u>
Total Accounts Receivable, Net	<u><u>\$ 777,647</u></u>	<u><u>\$ 948,144</u></u>

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

The accounts receivable with the public primarily consists of 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. Inventory and Related Property, Net**

As of September 30, 2021 and 2020

	2021	2020
Inventory		
Raw Materials	\$ 53,239	\$ 135,292
Work in Process	11,705	26,083
Finished Goods	19,677	26,887
Inventory Purchased for Resale	19,911	21,226
Excess, Obsolete, and Unserviceable	1,956	24,356
Inventory Allowance	(5,840)	(4,486)
Operating Materials and Supplies		
Held for Current Use	17,496	22,582
Total Inventory and Related Property, Net	<u><u>\$ 118,144</u></u>	<u><u>\$ 251,940</u></u>



**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**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 and asset group 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.

**Method of Disposition of Forfeited Property:**

For fiscal years ended September 30, 2021 and 2020, \$176,085 and \$202,380 of forfeited property were sold, \$211 and \$162 were destroyed or donated, \$41,814 and \$4,548 were returned to owners, and \$213,983 and \$366,843 were disposed of by other means, respectively. 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.

For the Fiscal Year Ended September 30, 2021

Forfeited Property Category		Beginning Balance	Adjustments (1)	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	281	264	921	(1,230)	236	—	236
	Value	\$ 12,298	\$ 53,693	\$ 238,431	\$ (293,575)	\$ 10,847	\$ —	\$ 10,847
Real Property	Number	191	3	171	(209)	156	—	156
	Value	\$ 55,887	\$ (93)	\$ 87,041	\$ (94,550)	\$ 48,285	\$ (1,802)	\$ 46,483
Personal Property	Number	3,467	95	2,145	(1,981)	3,726	—	3,726
	Value	\$ 39,653	\$ 954	\$ 29,219	\$ (43,968)	\$ 25,858	\$ (587)	\$ 25,271
Non-Valued Firearms	Number	48,687	(347)	19,019	(16,556)	50,803	—	50,803
Total	Number	52,626	15	22,256	(19,976)	54,921	—	54,921
	Value	\$ 107,838	\$ 54,554	\$ 354,691	\$ (432,093)	\$ 84,990	\$ (2,389)	\$ 82,601

(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. Valuation changes occur primarily due to changes in appraisals.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

For the Fiscal Year Ended September 30, 2020

Forfeited Property Category		Beginning Balance	Adjustments (1)	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	270	220	753	(962)	281	—	281
	Value	\$ 32,134	\$ 15,167	\$ 366,223	\$ (401,226)	\$ 12,298	\$ (26)	\$ 12,272
Real Property	Number	207	(11)	310	(315)	191	—	191
	Value	\$ 68,252	\$ (9,230)	\$ 133,730	\$ (136,865)	\$ 55,887	\$ (1,144)	\$ 54,743
Personal Property	Number	3,204	112	2,649	(2,498)	3,467	—	3,467
	Value	\$ 39,040	\$ (15,057)	\$ 51,512	\$ (35,842)	\$ 39,653	\$ (660)	\$ 38,993
Non-Valued Firearms	Number	43,379	(198)	19,591	(14,085)	48,687	—	48,687
Total	Number	47,060	123	23,303	(17,860)	52,626	—	52,626
	Value	\$ 139,426	\$ (9,120)	\$ 551,465	\$ (573,933)	\$ 107,838	\$ (1,830)	\$ 106,008

(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. Valuation changes occur primarily due to changes in appraisals.

**Analysis of Change in Seized Property:**

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.

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, 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, firearms, and drugs. The AFF/SADF reports property seized for forfeiture and the FBI, DEA, and ATF report property seized for evidence.

Adjustments include property status and asset group 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.

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

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

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

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

Unanalyzed drug evidence is qualitatively different from analyzed and bulk drug evidence because unanalyzed drug evidence includes the weight of packaging and drug categories are based on the determination of Special Agents instead of laboratory chemists. For these reasons, unanalyzed drug evidence is not reported by the Department. Seized drug evidence must be analyzed and confirmed through laboratory testing to be placed in one of the five categories of drug above.

“Disposals” occur when seized property is forfeited, returned to parties with a bona fide interest, or destroyed in accordance with federal guidelines.

**Method of Disposition of Seized Property:**

For the fiscal years ended September 30, 2021 and 2020, \$936,825 and \$1,161,749 of seized property were forfeited, \$227,127 and \$143,231 were returned to parties with a bona fide interest, and \$12,950 and \$173,185 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

For the Fiscal Year Ended September 30, 2021

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
<b>Seized for Forfeiture</b>								
Seized Cash and Monetary Instruments	Number	15,984	895	13,189	(7,812)	22,256	—	22,256
	Value	\$ 2,355,697	\$ 61,080	\$ 1,400,619	\$ (1,026,121)	\$ 2,791,275	\$ (575,132)	\$ 2,216,143
Financial Instruments	Number	891	(99)	799	(526)	1,065	—	1,065
	Value	\$ 313,382	\$ (48,785)	\$ 263,521	\$ (62,255)	\$ 465,863	\$ (16,776)	\$ 449,087
Real Property	Number	52	(2)	34	(36)	48	—	48
	Value	\$ 87,622	\$ 3,993	\$ 34,121	\$ (34,593)	\$ 91,143	\$ (61,144)	\$ 29,999
Personal Property	Number	5,922	670	4,727	(2,709)	8,610	—	8,610
	Value	\$ 136,472	\$ (9,253)	\$ 81,450	\$ (39,641)	\$ 169,028	\$ (47,560)	\$ 121,468
Non-Valued Firearms	Number	34,054	3,556	21,511	(21,130)	37,991	—	37,991
Total	Number	56,903	5,020	40,260	(32,213)	69,970	—	69,970
	Value	\$ 2,893,173	\$ 7,035	\$ 1,779,711	\$ (1,162,610)	\$ 3,517,309	\$ (700,612)	\$ 2,816,697

For the Fiscal Year Ended September 30, 2020

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
<b>Seized for Forfeiture</b>								
Seized Cash and Monetary Instruments	Number	12,474	991	10,174	(7,655)	15,984	—	15,984
	Value	\$ 2,420,286	\$ 94,901	\$ 1,205,354	\$ (1,364,844)	\$ 2,355,697	\$ (444,656)	\$ 1,911,041
Financial Instruments	Number	583	97	694	(483)	891	—	891
	Value	\$ 270,883	\$ (38,839)	\$ 95,995	\$ (14,657)	\$ 313,382	\$ (20,064)	\$ 293,318
Real Property	Number	109	(1)	38	(94)	52	—	52
	Value	\$ 112,379	\$ (30,279)	\$ 38,555	\$ (33,033)	\$ 87,622	\$ (79,042)	\$ 8,580
Personal Property	Number	5,600	252	3,295	(3,225)	5,922	—	5,922
	Value	\$ 136,964	\$ (17,806)	\$ 72,861	\$ (55,547)	\$ 136,472	\$ (43,914)	\$ 92,558
Non-Valued Firearms	Number	31,648	5,405	19,592	(22,591)	34,054	—	34,054
Total	Number	50,414	6,744	33,793	(34,048)	56,903	—	56,903
	Value	\$ 2,940,512	\$ 7,977	\$ 1,412,765	\$ (1,468,081)	\$ 2,893,173	\$ (587,676)	\$ 2,305,497

(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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

For the Fiscal Year Ended September 30, 2021

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance
<b>Seized for Evidence</b>						
Seized Monetary Instruments	Value	\$ 67,142	\$ (12,473)	\$ 25,757	\$ (12,266)	\$ 68,160
Personal Property	Number	430	(18)	98	(75)	435
	Value	\$ 8,434	\$ (1,088)	\$ 4,692	\$ (2,026)	\$ 10,012
Non-Valued Firearms	Number	72,152	(2,366)	16,427	(10,582)	75,631
Drug Evidence						
Cocaine	KG	83,455	1,068	120,661	(85,966)	119,218
Heroin	KG	8,487	109	1,324	(1,091)	8,829
Marijuana	KG	7,480	96	793	(1,029)	7,340
Bulk Drug Evidence	KG	152,984	422	135,909	(160,381)	128,934
Methamphetamine	KG	46,152	991	28,008	(11,050)	64,101
Other	KG	13,326	60	3,414	(3,023)	13,777
Total Drug Evidence	KG	311,884	2,746	290,109	(262,540)	342,199

For the Fiscal Year Ended September 30, 2020

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance
<b>Seized for Evidence</b>						
Seized Monetary Instruments	Value	\$ 53,374	\$ (3,331)	\$ 26,168	\$ (9,069)	\$ 67,142
Personal Property	Number	370	35	101	(76)	430
	Value	\$ 6,548	\$ 360	\$ 2,541	\$ (1,015)	\$ 8,434
Non-Valued Firearms	Number	66,555	(1,415)	16,367	(9,355)	72,152
Drug Evidence						
Cocaine	KG	76,878	448	50,602	(44,473)	83,455
Heroin	KG	7,917	1	1,585	(1,016)	8,487
Marijuana	KG	7,702	89	669	(980)	7,480
Bulk Drug Evidence	KG	118,785	(606)	176,293	(141,488)	152,984
Methamphetamine	KG	34,745	398	18,009	(7,000)	46,152
Other	KG	13,640	59	1,897	(2,270)	13,326
Total Drug Evidence	KG	259,667	389	249,055	(197,227)	311,884

(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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

As of September 30, 2021

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	\$ 185,282	\$ —	\$ 185,282	N/A
Construction in Progress	749,481	—	749,481	N/A
Buildings, Improvements and Renovations	12,423,655	(7,595,459)	4,828,196	2-50 yrs
Other Structures and Facilities	1,416,843	(878,028)	538,815	10-50 yrs
Aircraft	685,898	(298,008)	387,890	5-30 yrs
Boats	16,056	(7,316)	8,740	5-25 yrs
Vehicles	439,204	(292,016)	147,188	2-25 yrs
Equipment	1,633,259	(1,089,112)	544,147	2-25 yrs
Assets Under Capital Lease	378	(376)	2	2-30 yrs
Leasehold Improvements	2,579,989	(1,742,994)	836,995	2-20 yrs
Internal Use Software	2,487,021	(2,199,738)	287,283	2-10 yrs
Internal Use Software in Development	253,232	—	253,232	N/A
Other General Property, Plant and Equipment	2,821	(368)	2,453	10-20 yrs
<b>Total</b>	<b>\$ 22,873,119</b>	<b>\$ (14,103,415)</b>	<b>\$ 8,769,704</b>	

As of September 30, 2020

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	\$ 185,658	\$ —	\$ 185,658	N/A
Construction in Progress	645,737	—	645,737	N/A
Buildings, Improvements and Renovations	12,267,819	(7,210,559)	5,057,260	2-50 yrs
Other Structures and Facilities	1,311,636	(831,913)	479,723	10-50 yrs
Aircraft	711,336	(283,892)	427,444	5-30 yrs
Boats	14,572	(7,521)	7,051	5-25 yrs
Vehicles	433,272	(285,635)	147,637	2-25 yrs
Equipment	1,658,108	(1,053,884)	604,224	2-25 yrs
Assets Under Capital Lease	397	(392)	5	2-30 yrs
Leasehold Improvements	2,335,745	(1,583,441)	752,304	2-20 yrs
Internal Use Software	2,466,231	(2,081,518)	384,713	2-10 yrs
Internal Use Software in Development	161,093	—	161,093	N/A
Other General Property, Plant and Equipment	3,153	(541)	2,612	10-20 yrs
<b>Total</b>	<b>\$ 22,194,757</b>	<b>\$ (13,339,296)</b>	<b>\$ 8,855,461</b>	

These notes are an integral part of the financial statements.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

As of September 30, 2021 and 2020

	2021	2020
Balance beginning of year	\$ 8,855,461	\$ 8,715,749
Capitalized acquisition	878,074	1,056,247
Dispositions	(32,558)	(7,819)
Transfers in/out without reimbursements	(144)	2,829
Revaluations	(6,399)	126
Depreciation expense	(924,730)	(911,671)
Balance at end of year	<u>\$ 8,769,704</u>	<u>\$ 8,855,461</u>

**Note 10. Other Assets**

As of September 30, 2021 and 2020

	2021	2020
Intragovernmental		
Other Intragovernmental Assets	\$ 101	\$ 76
Total Intragovernmental	<u>\$ 101</u>	<u>\$ 76</u>
With the Public		
Other Assets With the Public	\$ 591	\$ 3,089
Total Other Assets	<u>\$ 692</u>	<u>\$ 3,165</u>

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

As of September 30, 2021 and 2020

	2021	2020
Intragovernmental		
Accounts Payable	\$ 3,942	\$ 4,621
Other Liabilities		
Accrued FECA Liabilities	275,621	278,028
Other Unfunded Employment Related Liabilities	976	1,602
Total Intragovernmental	<u>\$ 280,539</u>	<u>\$ 284,251</u>
With the Public		
Federal Employee Benefits Payable	\$ 2,796,030	\$ 2,769,889
Environmental and Disposal Liabilities (Note 12)	79,614	76,951
Advances from Others and Deferred Revenue	736,897	633,448
Other Liabilities		
Contingent Liabilities (Note 16)	77,317	91,128
Radiation Exposure Compensation Act Liabilities (Note 27)	61,918	102,395
September 11 <sup>th</sup> Victim Compensation Fund Liabilities (Note 27)	3,294,883	2,696,319
Other	398,978	416,830
Total With the Public	<u>\$ 7,445,637</u>	<u>\$ 6,786,960</u>
Total Liabilities Not Covered by Budgetary Resources	<u>\$ 7,726,176</u>	<u>\$ 7,071,211</u>
Total Liabilities Covered by Budgetary Resources	5,200,144	6,412,320
Total Liabilities Not Requiring Budgetary Resources	3,939,950	3,681,529
Total Liabilities	<u>\$ 16,866,270</u>	<u>\$ 17,165,060</u>

Federal Employee Benefits Payable primarily includes Unfunded Leave Liability and Actuarial FECA Liability. As of September 30, 2021 and 2020, the Department total Unfunded Leave Liability was \$1,124,291 and \$1,120,602 and the Actuarial FECA Liability was \$1,678,736 and \$1,653,281 respectfully.

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.



**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 12. Environmental and Disposal Liabilities**

As of September 30, 2021 and 2020

	2021	2020
Firing Ranges		
Beginning Balance, Brought Forward	\$ 34,610	\$ 33,580
Inflation Adjustment	342	1,030
Total Firing Range Liability	<u>\$ 34,952</u>	<u>\$ 34,610</u>
Asbestos		
Beginning Balance, Brought Forward	\$ 42,341	\$ 42,301
Abatements	—	(729)
Inflation Adjustment	2,274	722
Future Funding Expenses	47	47
Total Asbestos Liability	<u>\$ 44,662</u>	<u>\$ 42,341</u>
Total Environmental and Disposal Liabilities	<u><u>\$ 79,614</u></u>	<u><u>\$ 76,951</u></u>

Per SFFAS No. 5, *Accounting for Liabilities of the Federal Government*; SFFAS No. 6, *Accounting for Property, Plant, and Equipment*; Technical Release No. 2 *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*; Technical Release No. 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*; and Technical Release 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 68 of the sites where its institutions are located. Use of these firing ranges generates waste consisting primarily of lead shot and spent rounds from rifles, shotguns, pistols, and automatic weapons. At operational firing ranges, lead-containing bullets are fired and eventually fall to the ground at or near the range. As of September 30, 2020, BOP Management determined their estimated clean-up liability to be \$32,307. In FY 2021, BOP Management adjusted the estimated clean-up liability by the current U.S. inflation rate as determined by Treasury and as such determined that an estimated firing range clean-up liability of \$32,649, based on an inflation rate of 1.1 percent, should be recorded. In FY 2021, the liability cost for firing ranges increased by \$342.

The FBI-owned ranges in Quantico, VA and El Toro, CA that contain possible contamination issues based on the Federal Financial Accounting and Auditing Technical Release No.2 and EPA-902-B-01-001. 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. Technical Release No. 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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

The estimated total firing range liability of \$2,303 is based on the estimated costs for contamination remediation. As of September 30, 2021 and 2020, the FBI reported the estimated firing range cleanup liability of \$2,303.

**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 (ACM) remaining in each of the institutions as of October 30, 2009. In FY 2021, BOP Management increased the clean-up liability in the amount of \$2,273 thousand by the current U.S. inflation rate of 5.7 percent as determined by Treasury. As of September 30, 2021 and 2020, BOP Management recorded a clean-up liability in the amount of \$42,140 and \$39,867, respectively.

The FBI has identified FBI-owned facilities in Quantico, VA that contain hazardous friable and non-friable asbestos. The facilities have a useful life of 70 years. The total estimated asbestos liability of \$3,327 is based on an environmental survey of the facilities that may be contaminated. The current estimated asbestos cleanup liability of \$2,522 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, 2021 and 2020, the FBI reported the estimated asbestos cleanup liability of \$2,522 and \$2,474, respectively.

**Note 13. Leases**

**Capital Leases**

The Department enters into leasing agreements through leasing authority delegated by the General Services Administration (GSA). DOJ acquires use of various general facilities (buildings and plant material centers), equipment, and land with renewal options that range from 0 to 10 years and which are located mainly in urban areas. The portfolio includes leases with escalation clauses based on the Consumer Price Index (CPI), and amortization periods with a range of 8 to 25 years.

**Operating Leases**

The Department acquires functional use of various buildings/facilities, equipment, and other assets via operating lease instruments. Unlike capital leases, operating leases do not transfer the benefits and risks of ownership; rather, payments for operating leases are expensed over the life of the lease. Major non-cancelable operating leases consists primarily of office space rented from GSA, most with renewal options that range from 1 to 25 years with escalation clauses based on the CPI, and lease periods with a range of 1 to 30 years. Other leases are primarily commercial leases with the general public and include automobile leases.

The FBI has submitted packages to the GSA for the Albuquerque, Anchorage, Birmingham, Cleveland, Jackson, Jacksonville, Louisville, Oklahoma City, and Omaha field offices and the future Nashville, which are scheduled to expire within the next five years. The FBI is relocating five field offices through FY 2026 with the potential for two additional relocations prior to FY 2026. The FBI is currently reviewing the expiration for the Buffalo, Charlotte, Indianapolis, and Knoxville field offices which expire within the next five years. When field offices relocate, often from space leased for 20 years or longer, the rental rates may increase.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 13. Leases (continued)**

The field offices that relocate will accommodate the FBI's growth in workforce, space needs, and increased security requirements.

The table below shows the Department's total future lease payments by fiscal year for all federal and non-federal operating leases that have initial or remaining non-cancellable terms in excess of one year as of September 30, 2021.

As of September 30, 2021

**Intragovernmental**

## Future Noncancelable Operating Lease Payments

Fiscal Year	Land and Buildings
2022	\$ 396,106
2023	414,801
2024	425,819
2025	417,339
2026	407,985
After 2026	3,679,066
Total Future Noncancelable Operating Lease Payments	<u>\$ 5,741,116</u>

**With The Public**

## Capital Leases

	2021	2020
Summary of Assets Under Capital Lease		
Machinery and Equipment	\$ 378	\$ 397
Accumulated Amortization	(376)	(392)
Total Assets Under Capital Lease	<u>\$ 2</u>	<u>\$ 5</u>

**With The Public**

## Future Capital Lease Payments Due

Fiscal Year	Machinery and Equipment
2022	\$ 3
2023	—
2024	—
2025	—
2026	—
After 2026	—
Total Future Capital Lease Payments	<u>\$ 3</u>
Less: Executory Costs	<u>(1)</u>
FY 2021 Net Capital Lease Liabilities	<u>\$ 2</u>
FY 2020 Net Capital Lease Liabilities	<u>\$ 5</u>

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 13. Leases (continued)**

	<u>2021</u>	<u>2020</u>
Net Capital Lease Liabilities		
Covered by Budgetary Resources	\$ —	\$ 5

**With The Public**

## Future Noncancelable Operating Lease Payments

<u>Fiscal Year</u>	<u>Land and Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
2022	\$ 5,844	\$ 4,329	\$ 10,173
2023	4,517	62	4,579
2024	3,850	45	3,895
2025	2,155	12	2,167
2026	1,715	—	1,715
After 2026	2,576	—	2,576
Total Future Noncancelable Operating Lease Payments	<u>\$ 20,657</u>	<u>\$ 4,448</u>	<u>\$ 25,105</u>

**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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Investments	\$ 1,580,000	\$ 1,180,000
Seized Cash Deposited	1,192,416	1,152,074
Seized Monetary Instruments	87,019	99,765
Cash in Transit to (AFF)/SADF	(9,457)	(2,192)
Total Seized Cash and Monetary Instruments	<u>\$ 2,849,978</u>	<u>\$ 2,429,647</u>

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 15. Other Liabilities**

As of September 30, 2021 and 2020

	Current	Non-Current	Total 2021	Current	Non-Current	Total 2020
<b>Intragovernmental</b>						
Benefit Program Contributions Payable	\$ 508,557	\$ —	\$ 508,557	\$ 489,671	\$ —	\$ 489,671
Employer Contributions and Payroll Taxes Payable	50,444	—	50,444	35,588	—	35,588
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	536	—	536	535	—	535
Liability for Clearing Accounts	(647)	—	(647)	55	—	55
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	7,406	—	7,406	11,146	—	11,146
Other Liabilities	15	—	15	—	—	—
Total Intragovernmental	<u>\$ 566,311</u>	<u>\$ —</u>	<u>\$ 566,311</u>	<u>\$ 536,995</u>	<u>\$ —</u>	<u>\$ 536,995</u>
<b>With the Public</b>						
Accrued Funded Payroll and Leave	\$ 689,739	\$ —	\$ 689,739	\$ 634,168	\$ —	\$ 634,168
Other Liabilities without Related Budgetary Obligations	26,204	397,037	423,241	20,151	420,375	440,526
Other Liabilities with Related Budgetary Obligations	7,641	—	7,641	6,967	—	6,967
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	173,679	—	173,679	90,857	—	90,857
Liability for Clearing Accounts	1,643	—	1,643	980	—	980
Custodial Liabilities	31,390	—	31,390	34,522	—	34,522
Contingent Liabilities	77,317	—	77,317	91,128	—	91,128
Other Liabilities	(31)	—	(31)	537	—	537
Total With the Public	<u>\$1,007,582</u>	<u>\$ 397,037</u>	<u>\$1,404,619</u>	<u>\$ 879,310</u>	<u>\$ 420,375</u>	<u>\$1,299,685</u>
Total Other Liabilities	<u>\$1,573,893</u>	<u>\$ 397,037</u>	<u>\$1,970,930</u>	<u>\$1,416,305</u>	<u>\$ 420,375</u>	<u>\$1,836,680</u>

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

The majority of Intragovernmental Other Liabilities are composed of employer contributions payables, payroll taxes payables, other liabilities without related budgetary obligations, tenant allowances for operating 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 15. Other Liabilities (continued)**

Most of the Other Liabilities With the Public are composed of Accrued Funded Payroll and Leave and future funded energy savings performance contracts and utilities. In addition, Other Liabilities With the Public 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 savings performance contracts.

**Note 16. Commitments and Contingencies**

As of September 30, 2021	Accrued Liabilities	Estimated Range of Loss	
		Lower	Upper
Legal Contingencies:			
Probable	\$ 77,317	\$ 77,317	\$ 108,247
Reasonably Possible		\$ 2,395,483	\$ 2,532,748
As of September 30, 2020	Accrued Liabilities	Estimated Range of Loss	
		Lower	Upper
Legal Contingencies:			
Probable	\$ 91,128	\$ 91,128	\$ 137,033
Reasonably Possible		\$ 843,946	\$ 1,155,769

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 17. 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 for the required criteria for funds from dedicated collections.

As of September 30, 2021

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	United States VSST	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Account	Total Funds from Dedicated Collections (Combined)	Total Funds from Dedicated Collections (Consolidated)
Balance Sheet										
ASSETS										
Intragovernmental										
Fund Balance with Treasury	\$ 928,529	\$ 198,145	\$ 111,860	\$ 50,256	\$9,386,578	\$ 3,770	\$ 168,094	\$ 137,199	\$ 10,984,431	\$ 10,984,431
Investments, Net	1,338,959	235,750	—	167,686	—	—	—	—	1,742,395	1,742,395
Accounts Receivable, Net	7,621	42	—	—	—	—	—	9,654	17,317	17,317
Advances and Prepayments	—	—	—	—	15,506	—	195	—	15,701	15,701
Total Intragovernmental Assets	\$ 2,275,109	\$ 433,937	\$ 111,860	\$ 217,942	\$9,402,084	\$ 3,770	\$ 168,289	\$ 146,853	\$ 12,759,844	\$ 12,759,844
With the Public										
Accounts Receivable, net	\$ 42	\$ 69,733	\$ 32	\$ —	\$ 785	\$ —	\$ 146	\$ 729	\$ 71,467	\$ 71,467
Inventory and Related Property, net	82,601	—	—	—	—	—	—	19,911	102,512	102,512
General Property, Plant, and Equip.	1,224	18,418	62	—	—	—	17,675	3,348	40,727	40,727
Advances and Prepayments	—	—	—	—	2,122	—	—	20	2,142	2,142
Other Assets	1	—	—	—	—	—	—	—	1	1
Total with the Public	\$ 83,868	\$ 88,151	\$ 94	\$ —	\$ 2,907	\$ —	\$ 17,821	\$ 24,008	\$ 216,849	\$ 216,849
Total Assets	\$ 2,358,977	\$ 522,088	\$ 111,954	\$ 217,942	\$9,404,991	\$ 3,770	\$ 186,110	\$ 170,861	\$ 12,976,693	\$ 12,976,693
LIABILITIES										
Intragovernmental										
Accounts Payable	\$ 101,850	\$ 10,647	\$ 6,998	\$ 129	\$ 42,432	\$ —	\$ 2,188	\$ 352	\$ 164,596	\$ 164,596
Other Liabilities	804	2,355	1,278	10	—	—	4,740	3,181	12,368	12,368
Total Intragovernmental Liabilities	\$ 102,654	\$ 13,002	\$ 8,276	\$ 139	\$ 42,432	\$ —	\$ 6,928	\$ 3,533	\$ 176,964	\$ 176,964
With the Public										
Accounts Payable	\$ 885,161	\$ 816	\$ 842	\$ 160	\$ 8,421	\$ —	\$ 13,785	\$ 7,124	\$ 916,309	\$ 916,309
Federal Employee Benefits Payable	4,522	12,374	—	44	—	—	9,515	7,118	33,573	33,573
Advances and deferred revenue	82,601	—	—	—	—	—	736,897	589	820,087	820,087
Other Liabilities	(6,896)	7,027	4,643	177,442	315,396	32	10,083	2,549	510,276	510,276
Total with the Public	\$ 965,388	\$ 20,217	\$ 5,485	\$ 177,646	\$ 323,817	\$ 32	\$ 770,280	\$ 17,380	\$ 2,280,245	\$ 2,280,245
Total Liabilities	\$ 1,068,042	\$ 33,219	\$ 13,761	\$ 177,785	\$ 366,249	\$ 32	\$ 777,208	\$ 20,913	\$ 2,457,209	\$ 2,457,209
Net Position										
Unexpended Appropriations	\$ —	\$ —	\$ 2,877	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,877	\$ 2,877
Cumulative Results of Operations	1,290,935	488,869	95,316	40,157	9,038,742	3,738	(591,098)	149,948	10,516,607	10,516,607
Total Net Position	\$ 1,290,935	\$ 488,869	\$ 98,193	\$ 40,157	\$9,038,742	\$ 3,738	\$ (591,098)	\$ 149,948	\$ 10,519,484	\$ 10,519,484
Total Liabilities and Net Position	\$ 2,358,977	\$ 522,088	\$ 111,954	\$ 217,942	\$9,404,991	\$ 3,770	\$ 186,110	\$ 170,861	\$ 12,976,693	\$ 12,976,693

These notes are an integral part of the financial statements.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 17. Funds from Dedicated Collections (continued)**

For the Fiscal Year Ended September 30, 2021

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	United States VSST	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Account	Total Funds from Dedicated Collections (Combined)	Total Funds from Dedicated Collections (Consolidated)
Statement of Net Cost										
Gross Program Costs	\$ 1,598,734	\$ 249,764	\$ 162,988	\$ 34,221	\$ 2,700,443	\$ 496	\$ 531,814	\$ 346,042	\$ 5,624,502	\$ 5,624,502
Less: Earned Revenues	5,289	307,933	236,648	—	—	—	446,635	411,839	1,408,344	1,408,344
Net Cost of Operations	<u>\$ 1,593,445</u>	<u>\$ (58,169)</u>	<u>\$ (73,660)</u>	<u>\$ 34,221</u>	<u>\$ 2,700,443</u>	<u>\$ 496</u>	<u>\$ 85,179</u>	<u>\$ (65,797)</u>	<u>\$ 4,216,158</u>	<u>\$ 4,216,158</u>

For the Fiscal Year Ended September 30, 2021

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	United States VSST	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Account	Total Funds from Dedicated Collections (Combined)	Total Funds from Dedicated Collections (Consolidated)
Statement of Changes in Net Position										
<b>Unexpended Appropriations</b>										
Beginning Balance	\$ —	\$ —	\$ 2,877	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,877	\$ 2,877
Total Unexpended Appropriations: Ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,877</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,877</u>	<u>\$ 2,877</u>
<b>Cumulative Results of Operations</b>										
Beginning Balance	\$ 1,458,470	\$ 416,794	\$ 21,656	\$ 31,273	\$ 11,409,855	\$ 2,926	\$ (520,681)	\$ 77,614	\$ 12,897,907	\$ 12,897,907
With the Public non-exchange revenue	—	389	—	—	774,330	1,308	—	—	776,027	776,027
Intragovernmental non-exchange revenue	5,811	—	—	65	—	—	—	—	5,876	5,876
Donations and forfeitures of cash and Property	1,420,815	—	—	43,040	—	—	—	—	1,463,855	1,463,855
Transfers in/out without reimbursement	(3,410)	—	—	—	(445,000)	—	—	131	(448,279)	(448,279)
Imputed Financing	2,694	13,513	—	—	—	—	14,762	6,406	37,375	37,375
Other	—	4	—	—	—	—	—	—	4	4
Net cost of operations	<u>(1,593,445)</u>	<u>58,169</u>	<u>73,660</u>	<u>(34,221)</u>	<u>(2,700,443)</u>	<u>(496)</u>	<u>(85,179)</u>	<u>65,797</u>	<u>(4,216,158)</u>	<u>(4,216,158)</u>
Net Change in Cumulative Results of Operations	<u>(167,535)</u>	<u>72,075</u>	<u>73,660</u>	<u>8,884</u>	<u>(2,371,113)</u>	<u>812</u>	<u>(70,417)</u>	<u>72,334</u>	<u>(2,381,300)</u>	<u>(2,381,300)</u>
Cumulative Results of Operations: Ending	<u>\$ 1,290,935</u>	<u>\$ 488,869</u>	<u>\$ 95,316</u>	<u>\$ 40,157</u>	<u>\$ 9,038,742</u>	<u>\$ 3,738</u>	<u>\$ (591,098)</u>	<u>\$ 149,948</u>	<u>\$ 10,516,607</u>	<u>\$ 10,516,607</u>
<b>Net Position End of Period</b>	<u>\$ 1,290,935</u>	<u>\$ 488,869</u>	<u>\$ 98,193</u>	<u>\$ 40,157</u>	<u>\$ 9,038,742</u>	<u>\$ 3,738</u>	<u>\$ (591,098)</u>	<u>\$ 149,948</u>	<u>\$ 10,519,484</u>	<u>\$ 10,519,484</u>

These notes are an integral part of the financial statements.



**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 17. Funds from Dedicated Collections (continued)**

As of September 30, 2020

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	United States VSST	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Account	Total Funds from Dedicated Collections (Combined)	Total Funds from Dedicated Collections (Consolidated)
Balance Sheet										
ASSETS										
Intragovernmental										
Fund Balance with Treasury	\$ 299,087	\$ 154,048	\$ 41,142	\$ 11,490	\$ 11,642,843	\$ 2,943	\$ 145,653	\$ 78,467	\$ 12,375,673	\$ 12,375,673
Investments, Net	3,222,946	157,293	—	167,631	—	—	—	—	3,547,870	3,547,870
Accounts Receivable, Net	19,428	11	2	—	—	—	—	—	19,441	19,441
Advances and prepayments	—	—	—	—	58,147	—	94	—	58,241	58,241
Total Intragovernmental Assets	<u>\$ 3,541,461</u>	<u>\$ 311,352</u>	<u>\$ 41,144</u>	<u>\$ 179,121</u>	<u>\$ 11,700,990</u>	<u>\$ 2,943</u>	<u>\$ 145,747</u>	<u>\$ 78,467</u>	<u>\$ 16,001,225</u>	<u>\$ 16,001,225</u>
With the Public										
Accounts Receivable, Net	\$ 36	\$ 128,109	\$ —	\$ —	\$ —	\$ —	\$ 63	\$ 7,630	\$ 135,838	\$ 135,838
Inventory and Related Property, Net	106,008	—	—	—	—	—	—	21,226	127,234	127,234
General Property, Plant and Equip.	1,350	10,683	200	—	—	—	16,174	3,667	32,074	32,074
Advances and Prepayments	495	—	—	—	2,412	—	—	73	2,980	2,980
Other Assets	1	—	—	—	—	—	—	—	1	1
Total Assets with the Public	<u>\$ 107,890</u>	<u>\$ 138,792</u>	<u>\$ 200</u>	<u>\$ —</u>	<u>\$ 2,412</u>	<u>\$ —</u>	<u>\$ 16,237</u>	<u>\$ 32,596</u>	<u>\$ 298,127</u>	<u>\$ 298,127</u>
Total Assets	<u>\$ 3,649,351</u>	<u>\$ 450,144</u>	<u>\$ 41,344</u>	<u>\$ 179,121</u>	<u>\$ 11,703,402</u>	<u>\$ 2,943</u>	<u>\$ 161,984</u>	<u>\$ 111,063</u>	<u>\$ 16,299,352</u>	<u>\$ 16,299,352</u>
LIABILITIES										
Intragovernmental										
Accounts Payable	\$ 106,704	\$ 12,230	\$ 8,451	\$ 125	\$ 16,365	\$ —	\$ 3,428	\$ (2,200)	\$ 145,103	\$ 145,103
Other Liabilities	646	2,027	1,141	10	—	—	3,956	2,980	10,760	10,760
Total Intragovernmental Liabilities	<u>\$ 107,350</u>	<u>\$ 14,257</u>	<u>\$ 9,592</u>	<u>\$ 135</u>	<u>\$ 16,365</u>	<u>\$ —</u>	<u>\$ 7,384</u>	<u>\$ 780</u>	<u>\$ 155,863</u>	<u>\$ 155,863</u>
With the Public										
Accounts Payable	\$ 1,973,343	\$ 865	\$ 2,934	\$ 1,438	\$ 4,717	\$ —	\$ 11,213	\$ 22,509	\$ 2,017,019	\$ 2,017,019
Federal Employee Benefits Payable	4,304	11,955	—	37	—	—	20,976	7,189	44,461	44,461
Advances and deferred revenue	106,008	—	—	—	—	—	633,448	667	740,123	740,123
Other Liabilities	(124)	6,271	4,286	146,239	272,465	17	9,644	2,304	441,102	441,102
Total with the Public	<u>\$ 2,083,531</u>	<u>\$ 19,091</u>	<u>\$ 7,220</u>	<u>\$ 147,714</u>	<u>\$ 277,182</u>	<u>\$ 17</u>	<u>\$ 675,281</u>	<u>\$ 32,669</u>	<u>\$ 3,242,705</u>	<u>\$ 3,242,705</u>
Total Liabilities	<u>\$ 2,190,881</u>	<u>\$ 33,348</u>	<u>\$ 16,812</u>	<u>\$ 147,849</u>	<u>\$ 293,547</u>	<u>\$ 17</u>	<u>\$ 682,665</u>	<u>\$ 33,449</u>	<u>\$ 3,398,568</u>	<u>\$ 3,398,568</u>
Net Position										
Unexpended Appropriations	\$ —	\$ —	\$ 2,877	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,877	\$ 2,877
Cumulative Results of Operations	1,458,470	416,796	21,655	31,272	11,409,855	2,926	(520,681)	77,614	12,897,907	12,897,907
Total Net Position	<u>\$ 1,458,470</u>	<u>\$ 416,796</u>	<u>\$ 24,532</u>	<u>\$ 31,272</u>	<u>\$ 11,409,855</u>	<u>\$ 2,926</u>	<u>\$ (520,681)</u>	<u>\$ 77,614</u>	<u>\$ 12,900,784</u>	<u>\$ 12,900,784</u>
Total Liabilities and Net Position	<u>\$ 3,649,351</u>	<u>\$ 450,144</u>	<u>\$ 41,344</u>	<u>\$ 179,121</u>	<u>\$ 11,703,402</u>	<u>\$ 2,943</u>	<u>\$ 161,984</u>	<u>\$ 111,063</u>	<u>\$ 16,299,352</u>	<u>\$ 16,299,352</u>

These notes are an integral part of the financial statements.

**Notes to the Principal Financial Statements**  
(Dollars in Thousands, Except as Noted)

**Note 17. Funds from Dedicated Collections (continued)**

For the Fiscal Year Ended September 30, 2020

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	United States VSST	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Account	Total Funds from Dedicated Collections (Combined)	Total Funds from Dedicated Collections (Consolidated)
Statement of Net Cost										
Gross Cost of Operations	\$ 1,810,983	\$ 241,117	\$ 163,018	\$ 49,687	\$2,607,442	\$ 182	\$ 524,439	\$ 340,819	\$ 5,737,687	\$ 5,737,687
Less: Earned Revenues	14,296	362,972	101,613	72	—	—	418,840	328,579	1,226,372	1,226,372
Net Program Costs	<u>\$ 1,796,687</u>	<u>\$ (121,855)</u>	<u>\$ 61,405</u>	<u>\$ 49,615</u>	<u>\$2,607,442</u>	<u>\$ 182</u>	<u>\$ 105,599</u>	<u>\$ 12,240</u>	<u>\$ 4,511,315</u>	<u>\$ 4,511,315</u>

For the Fiscal Year Ended September 30, 2020

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	United States VSST	Crime Victims Fund	Domestic Trafficking Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Account	Total Funds from Dedicated Collections (Combined)	Total Funds from Dedicated Collections (Consolidated)
Statement of Changes in Net Position										
<b>Unexpended Appropriations</b>										
Beginning Balance	\$ —	\$ 53,764	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 53,764	\$ 53,764
Beginning Balance, as adjusted	—	53,764	—	—	—	—	—	—	53,764	53,764
Appropriations Received	—	—	65,182	—	—	—	—	—	65,182	65,182
Appropriations Used	—	(53,764)	(62,305)	—	—	—	—	—	(116,069)	(116,069)
Total Unexpended Appropriations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,877</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,877</u>	<u>\$ 2,877</u>
<b>Cumulative Results of Operations</b>										
Beginning Balance	\$ 1,505,505	\$ 233,059	\$ 20,790	\$ 20,543	\$13,959,315	\$ 2,167	\$ (426,699)	\$ 84,501	\$15,399,181	\$ 15,399,181
Appropriations Used	—	53,763	62,306	—	—	—	—	—	116,069	116,069
With the Public non-exchange revenue	—	248	—	—	502,982	941	—	—	504,171	504,171
Intragovernmental non-exchange revenue	68,519	1,949	—	8,257	—	—	—	—	78,725	78,725
Donations and forfeitures of cash and Property	1,693,660	—	—	52,087	—	—	—	—	1,745,747	1,745,747
Transfers in/out without reimbursement	(14,780)	(71)	(35)	—	(445,000)	—	—	—	(459,886)	(459,886)
Imputed Financing	2,253	11,734	—	—	—	—	11,617	5,353	30,957	30,957
Other	—	(5,741)	(2)	1	—	—	—	—	(5,742)	(5,742)
Net cost of operations	<u>(1,796,687)</u>	<u>121,855</u>	<u>(61,405)</u>	<u>(49,615)</u>	<u>(2,607,442)</u>	<u>(182)</u>	<u>(105,599)</u>	<u>(12,240)</u>	<u>(4,511,315)</u>	<u>(4,511,315)</u>
Net Change in Cumulative Results of Operations	<u>(47,035)</u>	<u>183,737</u>	<u>864</u>	<u>10,730</u>	<u>(2,549,460)</u>	<u>759</u>	<u>(93,982)</u>	<u>(6,887)</u>	<u>(2,501,274)</u>	<u>(2,501,274)</u>
Cumulative Results of Operations: Ending	<u>\$ 1,458,470</u>	<u>\$ 416,796</u>	<u>\$ 21,654</u>	<u>\$ 31,273</u>	<u>\$11,409,855</u>	<u>\$ 2,926</u>	<u>\$ (520,681)</u>	<u>\$ 77,614</u>	<u>\$12,897,907</u>	<u>\$ 12,897,907</u>
<b>Net Position End of Period</b>	<u>\$ 1,458,470</u>	<u>\$ 416,796</u>	<u>\$ 24,531</u>	<u>\$ 31,273</u>	<u>\$11,409,855</u>	<u>\$ 2,926</u>	<u>\$ (520,681)</u>	<u>\$ 77,614</u>	<u>\$12,900,784</u>	<u>\$ 12,900,784</u>

These notes are an integral part of the financial statements.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 17. 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 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. The Antitrust Division collects filing fees for pre-merger notifications and retains these fees for expenditure in support of its programs.

The USVSST Act provides for the establishment and administration of the USVSST Fund to provide compensation to certain U.S. persons who were injured in acts of international state sponsored terrorism. The USVSST Fund may compensate eligible United States persons who (1) hold a final judgment issued by a United States district court awarding the applicant compensatory damages arising from acts of international terrorism for which a foreign state sponsor of terrorism was found not immune from the jurisdiction of the courts of the United States under the Foreign Sovereign Immunities Act; (2) were taken and held hostage from the United States Embassy in Tehran, Iran, during the period beginning November 4, 1979, and ending January 20, 1981, or are spouses and children of these hostages, if identified as a member of the proposed class in case number 1:00-CV-03110 (EGS) of the United States District Court for the District of Columbia; or (3) are the personal representative of a deceased individual in either of those two categories. Prior to FY 2019, the USVSST had multiple funding sources and the Department had the discretion to report the USVSST program as either Funds from Dedicated Collections or All Other Funds. In FYs 2021 and 2020, the program has been funded solely by revenue collected from Non-federal sources.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 17. Funds from Dedicated Collections (continued)**

Therefore, in accordance with SFFAS No. 43, 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 USVSST activity as Funds from Dedicated Collections.

The Crime Victims Fund 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 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 a means 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 18. Suborganization Program Costs**

For the Fiscal Year Ended September 30, 2021

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Major Program 1: Law Enforcement</b>											
Gross Cost	\$ 1,598,734	\$ 1,544,974	\$ —	\$ 3,043,003	\$ 11,440,423	\$ —	\$ 529,211	\$ —	\$ 2,117,541	\$ (828,684)	\$ 19,445,202
Less: Earned Revenues	5,289	59,943	—	477,665	949,014	—	23	—	59,133	(828,684)	722,383
Net Cost of Operations	\$ 1,593,445	\$ 1,485,031	\$ —	\$ 2,565,338	\$ 10,491,409	\$ —	\$ 529,188	\$ —	\$ 2,058,408	\$ —	\$ 18,722,819
<b>Major Program 2: Litigation and Compensation</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,627,858	\$ —	\$ —	\$ (40,973)	\$ 6,586,885
Less: Earned Revenues	—	—	—	—	—	—	440,433	—	—	(40,973)	399,460
Net Cost of Operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,187,425	\$ —	\$ —	\$ —	\$ 6,187,425
<b>Major Program 3: Prisons and Detention</b>											
Gross Cost	\$ —	\$ —	\$ 8,521,928	\$ —	\$ —	\$ 660,765	\$ 11,101	\$ —	\$ 2,187,721	\$ (333,743)	\$ 11,047,772
Less: Earned Revenues	—	—	323,039	—	—	642,475	—	—	164	(317,189)	648,489
Net Cost of Operations	\$ —	\$ —	\$ 8,198,889	\$ —	\$ —	\$ 18,290	\$ 11,101	\$ —	\$ 2,187,557	\$ (16,554)	\$ 10,399,283
<b>Major Program 4: Grants</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 631,051	\$ 4,686,021	\$ —	\$ (16,187)	\$ 5,300,885
Less: Earned Revenues	—	—	—	—	—	—	(609)	37,075	—	(16,187)	20,279
Net Cost of Operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 631,660	\$ 4,648,946	\$ —	\$ —	\$ 5,280,606
<b>Major Program 5: Executive Oversight and Enterprise Technology</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,131,262	\$ —	\$ —	\$ (47,809)	\$ 2,083,453
Less: Earned Revenues	—	—	—	—	—	—	1,211,308	—	—	(47,809)	1,163,499
Net Cost of Operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 919,954	\$ —	\$ —	\$ —	\$ 919,954
<b>Net Cost of Operations</b>	<b>\$ 1,593,445</b>	<b>\$ 1,485,031</b>	<b>\$ 8,198,889</b>	<b>\$ 2,565,338</b>	<b>\$ 10,491,409</b>	<b>\$ 18,290</b>	<b>\$ 8,279,328</b>	<b>\$ 4,648,946</b>	<b>\$ 4,245,965</b>	<b>\$ (16,554)</b>	<b>\$ 41,510,087</b>

These notes are an integral part of the financial statements.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 18. Suborganization Program Costs (continued)**

For the Fiscal Year Ended September 30, 2020

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Major Program 1: Law Enforcement</b>											
Gross Cost	\$ 1,810,983	\$ 1,476,854	\$ —	\$ 2,892,584	\$ 10,998,989	\$ —	\$ 542,936	\$ —	\$ 2,003,609	\$ (770,910)	\$ 18,955,045
Less: Earned Revenues	14,296	67,863	—	444,820	867,901	—	(175)	—	47,638	(770,910)	671,433
Net Cost of Operations	\$ 1,796,687	\$ 1,408,991	\$ —	\$ 2,447,764	\$ 10,131,088	\$ —	\$ 543,111	\$ —	\$ 1,955,971	\$ —	\$ 18,283,612
<b>Major Program 2: Litigation and Compensation</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,452,004	\$ —	\$ —	\$ (38,247)	\$ 4,413,757
Less: Earned Revenues	—	—	—	—	—	—	409,925	—	—	(38,247)	371,678
Net Cost of Operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,042,079	\$ —	\$ —	\$ —	\$ 4,042,079
<b>Major Program 3: Prison and Detention</b>											
Gross Cost	\$ —	\$ —	\$ 8,399,367	\$ —	\$ —	\$ 591,570	\$ 11,367	\$ —	\$ 1,954,637	\$ (302,700)	\$ 10,654,241
Less: Earned Revenues	—	—	353,314	—	—	565,726	(38)	—	207	(285,609)	633,600
Net Cost of Operations	\$ —	\$ —	\$ 8,046,053	\$ —	\$ —	\$ 25,844	\$ 11,405	\$ —	\$ 1,954,430	\$ (17,091)	\$ 10,020,641
<b>Major Program 4: Grants</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 611,375	\$ 4,463,983	\$ —	\$ (16,165)	\$ 5,059,193
Less: Earned Revenue	—	—	—	—	—	—	10,390	42,811	—	(16,165)	37,036
Net Cost of Operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 600,985	\$ 4,421,172	\$ —	\$ —	\$ 5,022,157
<b>Major Program 5: Executive Oversight and Enterprise Technology</b>											
Gross Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,087,112	\$ —	\$ —	\$ (28,250)	\$ 2,058,862
Less: Earned Revenues	—	—	—	—	—	—	1,453,470	—	—	(28,250)	1,425,220
Net Cost of Operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 633,642	\$ —	\$ —	\$ —	\$ 633,642
<b>Net Cost of Operations</b>	<b>\$ 1,796,687</b>	<b>\$ 1,408,991</b>	<b>\$ 8,046,053</b>	<b>\$ 2,447,764</b>	<b>\$ 10,131,088</b>	<b>\$ 25,844</b>	<b>\$ 5,831,222</b>	<b>\$ 4,421,172</b>	<b>\$ 3,910,401</b>	<b>\$ (17,091)</b>	<b>\$ 38,002,131</b>

These notes are an integral part of the financial statements.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 19. 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. Interpretation of Federal Financial Accounting Standards Interpretation No. 2, *Accounting for Treasury Judgment Fund Transactions*, 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	42.1%
	Regular Employees Offset	31.2%
	Law Enforcement Officers	68.2%
	Law Enforcement Officers Offset	57.8%
Federal Employees Retirement System (FERS)	Regular Employees	18.5%
	Regular Employees - Revised Annuity Employees (RAE)	19.0%
	Regular Employees - Further Revised Annuity Employees (FRAE)	19.2%
	Law Enforcement Officers	38.2%
	Law Enforcement Officers - RAE	38.8%
	Law Enforcement Officers - FRAE	38.9%

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

**Notes to the Principal Financial Statements**  
(Dollars in Thousands, Except as Noted)

**Note 19. Imputed Financing (continued)**

For the Fiscal Years Ended September 30, 2021 and 2020

	2021	2020
Imputed Inter-Departmental Financing		
U.S. Treasury Judgement Fund	\$ 41,278	\$ 33,895
Health Insurance	854,355	777,993
Life Insurance	2,383	2,327
Pension	82,769	5,273
Total Imputed Inter-Departmental	<u>\$ 980,785</u>	<u>\$ 819,488</u>

Imputed Intra-Departmental Financing Sources as defined in SFFAS No. 4, *Managerial Cost Accounting Standards and Concepts*, are the unreimbursed portion of the full costs of goods and services received by a Department component from a providing entity that is part of the Department. Recognition is required for those transactions determined to be material to the receiving entity. The determination of whether the cost is material requires considerable judgment based on the specific facts and circumstances of each type of good or service provided. SFFAS No. 4 also states that costs for broad and general support need not be recognized by the receiving entity unless such services form a vital and integral part of the operations or output of the receiving entity. Costs are considered broad and general if they are provided to many, if not all, reporting components and not specifically related to the receiving entity's output. The FPI's imputed costs relates to OPM employee benefits and unreimbursed costs for BOP warehouse space used in the production of goods by the FPI and for managerial and operational services BOP provided to FPI. These imputed costs have been eliminated from the consolidated financial statements. For the fiscal years ended September 30, 2021 and 2020, the FPI imputed costs were \$16,554 and \$17,091 respectively.

**Note 20. 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, 2021 and 2020

	2021	2020
Unobligated balance brought forward from prior year	\$ 8,096,906	\$ 10,623,240
<b>Adjustments to Budgetary Resources made during current year</b>		
Downward Adjustments of prior year undelivered orders	1,017,904	1,139,247
Downward adjustments of prior year delivered orders	116,839	94,813
Other Adjustments	(18,896)	(2,969)
Total Adjustments	<u>\$ 1,115,847</u>	<u>\$ 1,231,091</u>
Unobligated balance brought forward from prior year		
budget authority, net (discretionary and mandatory)	<u>\$ 9,212,753</u>	<u>\$ 11,854,331</u>



**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 20. 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. In FY 2021, DOJ discovered an immaterial reporting error in the prior year of the table below. The FY 2020 presentation has been adjusted accordingly to reflect a \$6.8 billion increase to Total UDO.

As of September 30, 2021 and 2020

	2021	2020
Intragovernmental		
UDO Obligations Unpaid	\$ 1,772,016	\$ 1,729,979
UDO Obligations Prepaid/Advanced	258,395	261,176
Total Intragovernmental	2,030,411	1,991,155
With The Public		
UDO Obligations Unpaid	15,692,421	17,817,912
UDO Obligations Prepaid/Advanced	574,539	696,469
Total With the Public	16,266,960	18,514,381
Total UDO	<u>\$ 18,297,371</u>	<u>\$ 20,505,536</u>

**Permanent Indefinite Appropriations:**

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

- 28 U.S.C. §524(c)(4) authorized the Attorney General to retain AFF receipts to pay operations expenses, equitable sharing to state and local law enforcement agencies who assist in forfeiture cases, and lien holders.
- On October 5, 1990, Congress passed the Radiation Exposure Compensation Act ("RECA" or "the Act", Public Law 101-426), providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 20. 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 (the "PSOB Act", 42 United States Code § 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:

- 1) 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.
  - 2) Disability Benefits, a one-time financial benefit to public safety officers permanently disabled by catastrophic injuries sustained in the line of duty.
  - 3) 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.
- 28 U.S.C. § 599 reauthorizes the Independent Counsel Reauthorization Act of 2016 for a five-year period. The Act also amends the time period in which individuals who held certain positions are subject to preliminary investigations by the DOJ from 1 year to 8 years after leaving office. The preliminary investigation is conducted to determine if the appointment of an independent counsel for further investigation and possible prosecution is necessary.
  - 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 20. 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, 2020 is presented below. The reconciliation as of September 30, 2021 is not presented, because the submission of the Budget of the United States (Budget) for FY 2023, which presents the execution of the FY 2021 Budget, occurs after publication of these financial statements. The DOJ Budget Appendix can be found on the OMB website President's Budget | The White House and will be published at a later date in 2022.

For the Fiscal Year Ended September 30, 2020  
(Dollars in Millions)

	Total Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Agency Outlays, Net
Statement of Budgetary Resources (SBR)	\$ 56,079	\$ 47,982	\$ 918	\$ 40,445
Funds not Reported in the Budget				
Expired Funds: ATF, BOP, DEA, FBI, OBDs, OJP, & USMS	(1,098)	(178)	—	—
USMS Court Security Funds	(597)	(547)	—	(493)
Distributed Offsetting Receipts	—	—	2	87
Special and Trust Fund Receipts	—	—	—	831
Other	(9)	(4)	—	4
Budget of the United States Government	<u>\$ 54,375</u>	<u>\$ 47,253</u>	<u>\$ 920</u>	<u>\$ 40,874</u>

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

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 21. 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) using the cash accounting basis. The Department is aware of settlements and judgements where the respective Court has not formally accepted the settlement, or the judgments are pending on appeal. The Department is also aware of formally accepted court settlements that do not meet the standards for collectability based on management's determination. The sources of custodial revenue as presented on the SCA are described below.

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

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

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

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

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

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

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 21. 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, 2021 and 2020, the Department reported total custodial revenue on the SCA in the amounts of \$7,940,784 and \$14,021,304 respectively. The custodial revenue represented \$7,939,031 and \$14,022,834 in custodial collections and \$1,753 and \$(2,049) 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, 2021 and 2020 the assets and liabilities related to custodial activities were \$869,640 and \$1,101,277. As of September 30, 2021 and 2020, the total funds returned to the Treasury General Fund were \$(2,737,626) and \$(4,622,344), respectively.

The table below shows collection activity by revenue type.

For the Fiscal Years Ended September 30, 2021 and 2020

	2021 Current Year Collections	2020 Current Year Collections
<b>Custodial Non-Exchange Revenues</b>		
Excise Taxes	\$ 93,878	\$ 65,253
Fines, Penalties, Interest and Other Revenue	7,845,153	13,957,581
Subtotal	7,939,031	14,022,834
Less: Amount Collected for Non-Federal Agencies	256,130	510,751
Total Amount of Federal Revenue Collected	<u>\$ 7,682,901</u>	<u>\$ 13,512,083</u>
 <b>Refunds/Payments</b>		
Excise Taxes	\$ 3,809	\$ 2,895
Total Amount of Refunds	<u>\$ 3,809</u>	<u>\$ 2,895</u>

All current year collections are associated with the current tax year.

**Notes to the Principal Financial Statements  
(Dollars in Thousands, Except as Noted)**

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**Note 22. Reconciliation of Net Costs 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 asset/liabilities); and (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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 22. Reconciliation of Net Costs to Net Outlays (continued)**

For the Fiscal Year Ended September 30, 2021

	Intra- governmental	With the Public	Total FY 2021
<b>NET COST</b>	\$ 8,546,998	\$ 32,963,089	\$ 41,510,087
<b>Components of Net Cost That Are Not Part of the Budgetary Outlays:</b>			
Property, plant, and equipment depreciation	\$ —	\$ (924,730)	\$ (924,730)
Property, plant, and equipment disposal and revaluation	—	(44,741)	(44,741)
Costs of goods sold	—	(200,904)	(200,904)
Inventory disposals and revaluation	—	(3,640)	(3,640)
Applied overhead /costs capitalization offset	—	132,974	132,974
Other	—	(162,689)	(162,689)
<b>Increase/(decrease) in assets</b>			
Accounts Receivable, net	(152,162)	(56,807)	(208,969)
Securities and investments	(1,117)	—	(1,117)
Other Assets	48,237	(114,768)	(66,531)
<b>(Increase)/decrease in liabilities</b>			
Accounts Payable	107,892	980,354	1,088,246
Environmental and disposal liabilities	—	(2,663)	(2,663)
Federal employees and benefits payable	—	(32,280)	(32,280)
Other Liabilities	32,413	(591,470)	(559,057)
<b>Financing Sources</b>			
Imputed Costs	(980,785)	—	(980,785)
<b>Total Components of Net Operating Costs Not Part of the Budgetary Outlays:</b>	<u>\$ (945,522)</u>	<u>\$ (1,021,364)</u>	<u>\$ (1,966,886)</u>
<b>Component of Budgetary Outlays That Are Not Part of Net Operating Costs:</b>			
Acquisition of capital assets	\$ 136,167	\$ 658,783	\$ 794,950
Acquisition of inventory	—	91,651	91,651
Acquisition of other assets	—	85,518	85,518
<b>Financing Sources</b>			
Donated Revenue	—	(5)	(5)
Transfers out (in) without reimbursements	(235,457)	—	(235,457)
<b>Total Component of the Budget Outlays That Are Not Part of Net Operating Costs</b>	<u>\$ (99,290)</u>	<u>\$ 835,947</u>	<u>\$ 736,657</u>
<b>Misc Items</b>			
Distributed Offsetting Receipts	\$ (110,040)	\$ 538,507	\$ 428,467
Custodial/Non-exchange revenue	(30)	1,097	1,067
Other temporary timing differences	(1,140)	(559,253)	(560,393)
<b>Total Other Reconciling items</b>	<u>\$ (111,210)</u>	<u>\$ (19,649)</u>	<u>\$ (130,859)</u>
<b>Total Net Outlays</b>	<u>\$ 7,390,976</u>	<u>\$ 32,758,023</u>	<u>\$ 40,148,999</u>
<b>Budgetary Agency Outlays, net (SBR 4210)</b>			
Budgetary Agency Outlays, Net			<u>\$ 40,148,999</u>

These notes are an integral part of the financial statements.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 22. Reconciliation of Net Costs to Net Outlays (continued)**

For the Fiscal Year Ended September 30, 2020

	Intra- governmental	With the Public	Total FY 2020
<b>NET COST</b>	\$ 7,855,403	\$ 30,146,728	\$ 38,002,131
<b>Components of Net Cost That Are Not Part of the Budgetary Outlays:</b>			
Property, Plant, and equipment depreciation	\$ —	\$ (911,671)	\$ (911,671)
Property, plant, and equipment disposal and revaluation	—	(17,282)	(17,282)
Cost of goods sold	—	(180,120)	(180,120)
Applied overhead/costs capitalization offset	—	185,510	185,510
Other	—	(151,474)	(151,474)
<b>Increase/(decrease) in assets</b>			
Accounts Receivable, net	(77,891)	15,371	(62,520)
Securities and investments	1,005	—	1,005
Other Assets	9,661	380,292	389,953
<b>(Increase)/decrease in liabilities</b>			
Accounts Payable	152,564	609,365	761,929
Environmental and disposal liabilities	—	(1,071)	(1,071)
Federal employees and benefits payable	(57)	(10,840)	(10,897)
Other Liabilities	(78,741)	2,431,525	2,352,784
<b>Financing sources</b>			
Imputed Costs	(819,490)	—	(819,490)
<b>Total Components of Net Operating Costs Not Part of the Budgetary Outlays:</b>	<u>\$ (812,949)</u>	<u>\$ 2,349,605</u>	<u>\$ 1,536,656</u>
<b>Component of Budgetary Outlays That Are Not Part of Net Operating Cost:</b>			
Acquisition of capital assets	\$ 121,311	\$ 684,365	\$ 805,676
Acquisition of inventory	—	289,020	289,020
Acquisition of other assets	52,265	128,446	180,711
<b>Financing sources</b>			
Transfers out (in) without reimbursements	(220,428)	—	(220,428)
<b>Total Component of the Budgetary Outlays That Are Not Part of Net Operating Cost</b>	<u>\$ (46,852)</u>	<u>\$ 1,101,831</u>	<u>\$ 1,054,979</u>
<b>Misc Items</b>			
Distributed offsetting receipts	\$ (89,581)	\$ 353,856	\$ 264,275
Custodial/Non-exchange revenue	431	8,966	9,397
Other temporary timing differences	(162)	(421,864)	(422,026)
<b>Total Other Reconciling items</b>	<u>\$ (89,312)</u>	<u>\$ (59,042)</u>	<u>\$ (148,354)</u>
<b>Total Net Outlays</b>	<u>\$ 6,906,290</u>	<u>\$ 33,539,122</u>	<u>\$ 40,445,412</u>
<b>Budgetary Agency Outlays, net (SBR 4210)</b>			
Budgetary Agency Outlays, Net			<u>\$ 40,445,412</u>

These notes are an integral part of the financial statements.



**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 23. 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 15, "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 may incur substantial 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, 2021 and 2020

**Public Private Partnerships**

	FY 2021	
	Actual Amount Paid	Estimated Amount to be paid
ESPCs	\$ 38,062	\$ 682,735
Estimated Total	<u>\$ 38,062</u>	<u>\$ 682,735</u>

	FY 2020	
	Actual Amount Paid	Estimated Amount to be paid
ESPCs	\$ 90,597	\$ 724,190
Estimated Total	<u>\$ 90,597</u>	<u>\$ 724,190</u>

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

**Note 24. COVID-19 Activity**

For FY 2021 and FY 2020, the Department received \$604 million and \$1 billion funding from the Consolidated Appropriations Act, 2021 and the Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 respectively, to prevent, prepare for, or respond to COVID-19. Specifically, in FY 2021, the BOP received \$300 million for personal protective equipment (PPE), cleaning supplies, paper products, outside medical expenses, box meals, Residential Reentry Center expenses (Home Confinement for at-risk inmates), cost of providing free phone calls to inmates during COVID-19 pandemic, overtime expenses for sites on modified operation, funeral arrangements (due to COVID) and hiring of additional Epidemiologist. The USMS's Federal Prisoner Detention received \$125 million to prevent, prepare for, and respond to coronavirus, domestically or internationally, including for necessary expenses related to United States prisoners in the custody of the USMS. The FBI received \$179 million to use in support of the necessary improvements to the National Instant Criminal Background Check System, and to offset the loss of fee revenue due to COVID-19 pandemic.

Summarized financial information about the Department's COVID-19 budgetary resources, obligations incurred, and the remaining fund balance is presented below:

As of September 30, 2021 and 2020

	2021	2020
<b>Budgetary Activities</b>		
Unobligated Balance Carried Forward	\$ 6,547	\$ —
Adjustments to Budgetary Resources made during the year		
Downward Adjustments of prior year undelivered orders	1,087	—
Downward Adjustments of prior year delivered orders	38	—
Other Adjustments	(1,080)	—
Unobligated balance from Prior Year budget authority, net	\$ 6,592	\$ —
Supplemental/Annual Appropriated Funds Received	604,000	1,007,000
Other COVID-19 Budgetary Resources	3,148	229,313
Total Budgetary Resources	607,148	1,236,313
Less: Obligations Incurred	473,641	1,229,766
Unobligated Balance - End of Year	\$ 140,099	\$ 6,547

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 25. Subsequent Events**

On October 28, 2021, the Department announced it had reached, through mediation, an agreement in principle to settle the civil case arising out of the June 2015 Mother Emanuel AME Church mass shooting in Charleston, South Carolina. The FBI is named as the primary defendant in that case, and has maintained record of this contingent liability, with a probable likelihood of loss, as of September 30, 2021. Under applicable law, the court must approve the settlements for the 14 plaintiffs, and all parties expect that the court will agree that these settlements are fair and reasonable. Once approved, the individual settlements—which range from \$5 million to \$7.5 million per claimant—are expected to be paid out of the Treasury Judgement Fund.

**Note 26. Reclassification of the Statement of Net Cost and Statement of Changes in Net Position for FR 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 Governmentwide 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, which are accessed using GTAS. 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.

FY 2021 Department of Justice Statement of Net Cost		Line Items Used to Prepare FY 2021 Government-wide Statement of Net Cost				
Financial Statement Line	Amounts	Dedicated Collections Combined	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
Gross Costs						<i>Non-Federal Costs</i>
	\$ 34,777,418	\$ 4,780,123	\$ 29,997,295	\$ -	\$ 34,777,418	Non-Federal Gross Cost
	<b>\$ 34,777,418</b>	<b>\$ 4,780,123</b>	<b>\$ 29,997,295</b>	<b>\$ -</b>	<b>\$ 34,777,418</b>	<b>Total Non-Federal Costs</b>
	\$ 9,686,779					<b>Intragovernmental Costs</b>
		168,895	4,418,438	-	4,587,333	Benefit Program Costs
		37,376	959,963	(16,554)	980,785	Imputed Costs
		624,099	4,073,124	(1,250,841)	3,446,382	Buy/Sell Costs
		-	136,167	-	136,167	Purchase of Assets
		-	7	-	7	Borrowing and Other Interest Expense
		14,010	658,262	-	672,272	Other Expenses (w/o Reciprocals)
		-	(136,167)		(136,167)	Purchase of Assets Offset
	<b>\$ 9,686,779</b>	<b>\$ 844,380</b>	<b>\$ 10,109,794</b>	<b>\$ (1,267,395)</b>	<b>\$ 9,686,779</b>	<b>Total Intragovernmental Costs</b>
<b>Total Gross Costs</b>	<b>\$ 44,464,197</b>	<b>\$ 5,624,503</b>	<b>\$ 40,107,089</b>	<b>\$ (1,267,395)</b>	<b>\$ 44,464,197</b>	<b>Total Reclassified Gross Costs</b>
Earned Revenue	\$ 1,814,329	\$ 1,296,393	\$ 517,936	\$ -	\$ 1,814,329	Non-Federal Earned Revenue
	<b>\$ 1,814,329</b>	<b>\$ 1,296,393</b>	<b>\$ 517,936</b>	<b>\$ -</b>	<b>\$ 1,814,329</b>	<b>Total Non-Federal Earned Revenue</b>
	1,139,781					<b>Intragovernmental Revenue</b>
		111,920	2,276,656	(1,250,841)	1,137,735	Buy/Sell Revenue
						Benefit Program Revenue
		30	2,016	-	2,046	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
	<b>1,139,781</b>	<b>111,950</b>	<b>2,278,672</b>	<b>(1,250,841)</b>	<b>1,139,781</b>	<b>Total Intragovernmental Earned Revenue</b>
<b>Total Earned Revenue</b>	<b>\$ 2,954,110</b>	<b>\$ 1,408,343</b>	<b>\$ 2,796,608</b>	<b>\$ (1,250,841)</b>	<b>\$ 2,954,110</b>	<b>Total Reclassified Earned Revenue</b>
<b>Net Cost</b>	<b>\$ 41,510,087</b>	<b>\$ 4,216,160</b>	<b>\$ 37,310,481</b>	<b>\$ (16,554)</b>	<b>\$ 41,510,087</b>	<b>Net Cost</b>
<b>Exchange Statement of Custodial Activity</b>						
Exchange Custodial Collections from SCA	\$ 15,002	\$ -	\$ 15,002	\$ -	\$ 15,002	Non-Federal Earned Revenue
Total Exchange Custodial Collections	<b>\$ 15,002</b>	<b>\$ -</b>	<b>\$ 15,002</b>	<b>\$ -</b>	<b>\$ 15,002</b>	<b>Total Reclassified Exchange Custodial Collections</b>
Disposition of Exchange Custodial Collections from SCA	(15,002)	-	(15,002)	-	(15,002)	Custodial Collections for Others Transferred to the General Fund
<b>Total Disposition of Exchange Custodial Collections</b>	<b>\$ (15,002)</b>	<b>\$ -</b>	<b>\$ (15,002)</b>	<b>\$ -</b>	<b>\$ (15,002)</b>	<b>Total Reclassified Disposition of Custodial Collections</b>

These notes are an integral part of the financial statements.

FY 2021 Department of Justice SCNP			Line Items Used to Prepare FY 2021 Government-wide SCNP			
Financial Statement Line	Amounts	Dedicated Collections Combined	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
Unexpended Appropriations, Beginning Balance	\$ 16,621,923	\$ 2,877	\$ 16,619,046	\$ -	\$ 16,621,923	Unexpended Appropriations, Beginning Balance
Appropriations Received	36,047,475	-	36,047,475	-	36,047,475	Appropriations Received
Other Adjustments	(248,215)	-	(248,215)	-	(248,215)	Other Adjustments
Appropriations Transferred In/Out	966,479	-	966,479	-	966,479	Appropriations Transferred In/Out
Appropriations Used	(35,495,072)	-	(35,495,072)	-	(35,495,072)	Appropriations Used
<b>Total Unexpended Appropriations: Ending</b>	<b>\$ 17,892,590</b>	<b>\$ 2,877</b>	<b>\$ 17,889,713</b>	<b>\$ -</b>	<b>\$ 17,892,590</b>	<b>Total Unexpended Appropriations</b>
<b>Cumulative Results of Operations, Beginning Balance</b>						
Cumulative Results of Operations Beginning Balance	\$ 17,679,262	\$ 12,897,907	\$ 4,781,355	\$ -	\$ 17,679,262	Cumulative Results, Beginning Balance, as adjusted
Changes in Accounting Principles	10,065	-	10,065	-	10,065	Changes in Accounting Principles
Other Adjustments	(6)	-	(6)	-	(6)	Other Adjustments
Nonexchange Revenues	782,022			-		<i>Non-Federal Non-Exchange Revenues</i>
		775,763	119	-	775,882	Other taxes and receipts
		775,763	119	-	775,882	<b>Total Non-Federal Non-Exchange Revenues</b>
				-		<i>Federal Non-Exchange Revenue</i>
		6,140	-	-	6,140	Federal securities interest revenue including associated gains and losses (non-exchange)
		6,140	-	-	6,140	<b>Total Federal Non-Exchange Revenue</b>
<b>Total Non-Exchange Revenues</b>	<b>\$ 782,022</b>	<b>\$ 781,903</b>	<b>\$ 119</b>	<b>\$ -</b>	<b>\$ 782,022</b>	<b>Total Non-Exchange Revenues</b>
Appropriations Used	35,495,072	-	35,495,072	-	35,495,072	Appropriations Expended
Donations and Forfeitures of Property	393,144	393,144	-	-	393,144	Other taxes and receipts
Transfers In/Out without Reimbursement	(257,965)	(448,279)	190,314	-	(257,965)	Transfers In/Out w/o Reimbursement-Budgetary
Other	(11,467)	(5,396)	(22,290)	-	(27,686)	Other
		5,400	10,819	-	16,219	Miscellaneous Earned Revenue
Donations and Forfeitures of Cash and Cash Equivalents	1,070,709	1,070,711	(2)	-	1,070,709	Other taxes and receipts
Imputed Financing	980,785	37,375	959,964	(16,554)	980,785	Imputed Financing Sources
Total Financing Sources	56,141,621	14,732,765	41,425,410	(16,554)	56,141,621	Total Financing Sources
Net Cost of Operations	(41,510,087)	(4,216,158)	(37,310,483)	16,554	(41,510,087)	Net Cost of Operations
<b>Ending Balance – Cumulative Results of Operations</b>	<b>\$ 14,631,534</b>	<b>\$ 10,516,607</b>	<b>\$ 4,114,927</b>	<b>\$ -</b>	<b>\$ 14,631,534</b>	<b>Cumulative Results of Operations</b>
<b>Total Net Position</b>	<b>\$ 32,524,124</b>	<b>\$ 10,519,484</b>	<b>\$ 22,004,640</b>	<b>\$ -</b>	<b>\$ 32,524,124</b>	<b>Net Position</b>
<b>Non-Exchange Statement of Custodial Activity</b>						
Non-Exchange Custodial Collections from the SCA	\$ 7,925,782	\$ -	\$ 7,925,782	\$ -	\$ 7,925,782	Miscellaneous Taxes and Receipts
<i>Total Non-Exchange Custodial Collections</i>	<i>\$ 7,925,782</i>	<i>\$ -</i>	<i>\$ 7,925,782</i>	<i>\$ -</i>	<i>\$ 7,925,782</i>	<i>Net Custodial Revenue</i>
Disposition of Non-Exchange Custodial Collections from the SCA	(7,925,782)	-	(4,956,093)	-	(4,956,093)	Custodial Collections Transferred to a TAS Other than the General Fund
		-	(2,722,624)	-	(2,722,624)	Non-Entity Custodial Collections Transferred to the General Fund
		-	231,622	-	231,622	Accrual for Custodial Collections Yet to be Transferred to a TAS other than the General Fund
		-	(474,878)	-	(474,878)	Other Cash Collections
		-	(3,809)	-	(3,809)	Less Refunds and Other Payments
<b>Total Disposition of Non-Exchange Custodial Collections</b>	<b>\$ (7,925,782)</b>	<b>\$ -</b>	<b>\$ (7,925,782)</b>	<b>\$ -</b>	<b>\$ (7,925,782)</b>	<b>Total Distribution of Collections</b>

These notes are an integral part of the financial statements.

FY 2020 Department of Justice Statement of Net Cost			Line Items Used to Prepare FY 2020 Government-wide Statement of Net Cost			
Financial Statement Line	Amounts	Dedicated Collections Combined	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
Gross Costs						<i>Non-Federal Costs</i>
	\$ 32,038,020	\$ 4,948,551	\$ 27,089,469	\$ -	\$ 32,038,020	Non-Federal Gross Costs
	<b>32,038,020</b>	<b>4,948,551</b>	<b>27,089,469</b>	<b>-</b>	<b>32,038,020</b>	<b>Total Non-Federal Costs</b>
	9,103,078					<b>Intragovernmental Costs</b>
		150,573	4,063,703	-	4,214,276	Benefit Program Costs
		30,958	805,622	(17,091)	819,489	Imputed Costs
		589,987	3,931,638	(1,139,180)	3,382,445	Buy/Sell Costs
		-	173,576	-	173,576	Purchase of Other Assets
		-	71	-	71	Borrowing and Other Interest Expense
		-	(173,576)	-	(173,576)	Purchase of Other Assets - Offset
		17,618	669,179	-	686,797	Other Expenses (without reciprocals)
	<b>9,103,078</b>	<b>789,136</b>	<b>9,470,213</b>	<b>(1,156,271)</b>	<b>9,103,078</b>	<b>Total Intragovernmental Costs</b>
<b>Total Gross Costs</b>	<b>\$ 41,141,098</b>	<b>\$ 5,737,687</b>	<b>\$ 36,559,682</b>	<b>\$ (1,156,271)</b>	<b>\$ 41,141,098</b>	<b>Total Reclassified Gross Costs</b>
Earned Revenue	1,891,291	1,211,130	680,161	-	1,891,291	Non-Federal Earned Revenue
	1,247,676					<b>Intragovernmental Revenue</b>
		14,336	2,367,562	(1,139,180)	1,242,718	Buy/Sell Revenue (Exchange)
		906	4,052	-	4,958	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
	1,247,676	15,242	2,371,614	(1,139,180)	1,247,676	<b>Total Intragovernmental Earned Revenue</b>
<b>Total Earned Revenue</b>	<b>\$ 3,138,967</b>	<b>\$ 1,226,372</b>	<b>\$ 3,051,775</b>	<b>\$ (1,139,180)</b>	<b>\$ 3,138,967</b>	<b>Total Reclassified Earned Revenue</b>
<b>Net Cost</b>	<b>\$ 38,002,131</b>	<b>\$ 4,511,315</b>	<b>\$ 33,507,907</b>	<b>\$ (17,091)</b>	<b>\$ 38,002,131</b>	<b>Net Cost</b>
<b>Exchange Statement of Custodial Activity</b>						<b>Exchange Statement of Custodial Activity</b>
Exchange Custodial Collections from SCA	\$ 15,519	\$ -	\$ 15,519	\$ -	\$ 15,519	Non-Federal Earned Revenue
Total Exchange Custodial Collections	\$ 15,519	\$ -	\$ 15,519	\$ -	\$ 15,519	Total Reclassified Exchange Custodial Collections
Disposition of Exchange Custodial Collections from SCA	(15,519)	-	(15,519)	-	(15,519)	Custodial Collections for Others Transferred to the General Fund
<b>Total Disposition of Exchange Custodial Collections</b>	<b>\$ (15,519)</b>	<b>\$ -</b>	<b>\$ (15,519)</b>	<b>\$ -</b>	<b>\$ (15,519)</b>	<b>Total Reclassified Disposition of Custodial Collections</b>

These notes are an integral part of the financial statements.

FY 2020 Department of Justice SCNP			Line Items Used to Prepare FY 2020 Government-wide SCNP			
Financial Statement Line	Amounts	Dedicated Collections Combined	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
Unexpended Appropriations, Beginning Balance	\$ 16,097,423	\$ 53,764	\$ 16,043,659	\$ -	\$ 16,097,423	Unexpended Appropriations, Beginning Balance
Appropriations Received	33,762,221	65,182	33,697,039	-	33,762,221	Appropriations Received
Appropriations Transferred In/Out	948,064	-	948,064	-	948,064	Appropriations Transferred In/Out
Other Adjustments	(216,466)	-	(216,466)	-	(216,466)	Appropriations received as adjusted (rescissions and other adjustments)
Appropriations Used	(33,969,319)	(116,069)	(33,853,250)	-	(33,969,319)	Appropriations Used
<b>Total Unexpended Appropriations</b>	<b>\$ 16,621,923</b>	<b>\$ 2,877</b>	<b>\$ 16,619,046</b>	<b>\$ -</b>	<b>\$ 16,621,923</b>	<b>Total Unexpended Appropriations</b>
<b>CUMULATIVE Results of Operations</b>						
Cumulative Results, Beginning Balance	\$ 18,658,177	\$ 15,399,181	\$ 3,258,996	\$ -	\$ 18,658,177	Cumulative Results, Beginning Balance, as adjusted
Other Adjustments	(141)	-	(141)	-	(141)	Other Adjustments
Non-Exchange Revenues	583,068					<i>Non-Federal Non-Exchange Revenues</i>
		504,170	172	-	504,342	Other taxes and receipts
		504,170	172	-	504,342	<b>Total Non-Federal Non-Exchange Revenues</b>
						<i>Federal Non-Exchange Revenue</i>
		-	-	-	-	<b>Total Non-Federal Non-Exchange Revenues</b>
		78,726	-	-	78,726	Federal securities interest revenue including associated gains and losses (non-exchange)
		78,726	-	-	78,726	<b>Total Federal Non-Exchange Revenue</b>
<b>Total Non-Exchange Revenues</b>	<b>\$ 583,068</b>	<b>\$ 582,896</b>	<b>\$ 172</b>	<b>\$ -</b>	<b>\$ 583,068</b>	<b>Total Non-Exchange Revenues</b>
Appropriations Expended	\$ 33,969,319	\$ 116,069	\$ 33,853,250	\$ -	\$ 33,969,320	Appropriations Expended
Donations and Forfeitures of Property	565,757	565,757	-	-	565,757	Other taxes and receipts
Transfers In/Out w/o Reimbursement – Budgetary	(79,546)	(459,886)	380,340	-	(79,546)	Transfers In/Out w/o Reimbursement – Budgetary
Other	(14,725)	(5,742)	(8,983)	-	(14,725)	Other
Donations and Forfeitures of Cash and Cash Equivalents	1,179,995	1,179,989	5	-	1,179,994	Other taxes and receipts
Imputed Financing	819,489	30,957	805,623	(17,091)	819,489	Imputed Financing
Total Financing Sources	55,681,393	17,409,222	38,289,262	(17,091)	55,681,393	Total Financing Sources
Net Cost of Operations	(38,002,131)	(4,511,315)	(33,507,907)	17,091	(38,002,131)	Net Cost of Operations
<b>Ending Balance – Cumulative Results of Operations</b>	<b>\$ 17,679,262</b>	<b>\$ 12,897,907</b>	<b>\$ 4,781,355</b>	<b>\$ -</b>	<b>\$ 17,679,262</b>	<b>Cumulative Results of Operations</b>
Total Net Position	\$ 34,301,185	\$ 12,900,784	\$ 21,400,401	\$ -	\$ 34,301,185	Total Net Position
<b>Statement of Custodial Activity</b>						
Non-Exchange Custodial Collections from the SCA	\$ 14,005,785	\$ -	\$ 14,005,785	\$ -	\$ 14,005,785	Miscellaneous Taxes and Receipts
<i>Total Non-Exchange Custodial Collections</i>	<i>\$ 14,005,785</i>	<i>\$ -</i>	<i>\$ 14,005,785</i>	<i>\$ -</i>	<i>\$ 14,005,785</i>	Net Custodial Revenue
Disposition of Non-Exchange Custodial Collections from the SCA	(14,005,785)	-	(9,329,509)	-	(9,329,509)	Custodial Collections Transferred to a TAS Other than the General Fund
		-	(4,606,825)	-	(4,606,825)	Non-Entity Custodial Collections Transferred to the General Fund
		-	867,020	-	867,020	Accrual for Custodial Collections Yet to be Transferred to a TAS other than the General Fund
		-	(936,471)	-	(936,471)	Other Taxes and Receipts
<b>Total Disposition of Non-Exchange Custodial Collections</b>	<b>\$ (14,005,785)</b>	<b>\$ -</b>	<b>\$ (14,005,785)</b>	<b>\$ -</b>	<b>\$ (14,005,785)</b>	<b>Total Distribution of Collections</b>

These notes are an integral part of the financial statements.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 27. Compensation Funds**

The Department's compensation funds are classified as Other Liabilities, however OMB Circular 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 15 - Other Liabilities. To comply with SFFAS No. 1, *Accounting for Selected Assets and Liabilities*, DOJ considers compensation fund liabilities as current liabilities.

**Radiation Exposure Compensation Act**

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

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

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

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

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

The OBDs recognized liabilities of \$61,918 and \$102,395 for estimated future benefits payable by the Department as of September 30, 2021 and 2020, respectively, from FY 2021 through FY 2023. The estimated liability is based on activity between FYs 2007-2011 and FYs 2015-2020. Key factors in determining future liability include trends in the number of claims filed, trends in the percentage of claims adjudicated, and trends in the percentage of claims approved.



**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 27. Compensation Funds (continued)**

The deadline to file new claims under RECA is July 11, 2022; The Radiation Exposure Compensation Act Trust Fund terminates on that same date. After a claim is received, the RECA Program has one year to adjudicate it. Therefore, the Department estimates that final payments will be made in FY 2023. Currently, there is a pending legislation in Congress - H.R. 5338: *Radiation Exposure Compensation Act Amendments of 2021*, to expand and extend the program for another 19 years to 2040.

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

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

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

The VCF meets the criteria of a government-acknowledged event as defined by FASAB SFFAS No.5, *Accounting for Liabilities of the Federal Government*. The OBDs recognized liabilities of \$3.295 billion and \$3.023 billion for estimated future benefits payable by the Department as of September 30, 2021 and 2020. In accordance with SFFAS No. 5, the September 30, 2021 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, 2021. 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, 2021 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.

**Notes to the Principal Financial Statements**  
**(Dollars in Thousands, Except as Noted)**

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**Note 27. Compensation Funds (continued)**

- Ability to amend a claim at any point until October 1, 2090: the VCF allows a claimant to amend a claim at any time if the individual is certified for a new condition, suffers a new loss (such as a new disability), or dies of an eligible condition after previously being compensated on a personal injury claim.

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

The USVSST Act established the USVSST Fund to provide compensation to individuals harmed as a result of an international act of terrorism by a state sponsor of terrorism. The USVSST Fund 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 Act mandates that certain forfeiture proceeds, penalties, and fines be deposited into the USVSST Fund 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 USVSST Fund 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.

As of September 30, 2021 and 2020, the USVSST Fund recognized liabilities for future claims amounted to \$177.4 million and \$146.2 million, respectively.

**Note 28. Changes in Accounting Principles**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), which creates FASB Accounting Standard Codification (ASC) 606, Revenue from Contracts with Customers (ASC 606), and supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition. FPI adopted Topic 606 on October 1, 2020 utilizing the modified retrospective method for all open contracts. FPI also adopted the related guidance in ASC 340-40, Contracts with Customers on October 1, 2020 with respect to costs to obtain and costs to fulfill a contract.

Due to the adoption of Topic 606 in FY 2021, FPI recorded a change in accounting principles increasing their beginning Cumulative Results of Operations balance by \$10,065, reflected on the Statement of Changes in Net Position.

# U.S. DEPARTMENT OF JUSTICE

## REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



**U.S. Department of Justice**  
**Combining Statement of Budgetary Resources**  
**For the Fiscal Year Ended September 30, 2021**

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)	\$ 1,262,487	\$ 199,337	\$ 1,499,000	\$ 429,886	\$ 2,298,345	\$ 91,011	\$ 2,656,890	\$ 524,907	\$ 250,890	\$ 9,212,753
Appropriations (discretionary and mandatory)	1,444,103	1,484,203	8,135,375	2,955,320	10,420,329	—	8,097,677	3,962,642	4,258,317	40,757,966
Spending Authority from Offsetting Collection (discretionary and mandatory)	19,582	66,375	430,316	14,857	1,093,578	708,360	2,628,284	286,637	112,309	5,360,298
<b>Total Budgetary Resources</b>	<b>\$ 2,726,172</b>	<b>\$ 1,749,915</b>	<b>\$ 10,064,691</b>	<b>\$ 3,400,063</b>	<b>\$ 13,812,252</b>	<b>\$ 799,371</b>	<b>\$ 13,382,851</b>	<b>\$ 4,774,186</b>	<b>\$ 4,621,516</b>	<b>\$ 55,331,017</b>
<b>Status of Budgetary Resources</b>										
New Obligations and Upward Adjustments (Total)	\$ 1,643,202	\$ 1,569,716	\$ 8,368,395	\$ 3,082,703	\$ 11,346,580	\$ 573,182	\$ 11,173,539	\$ 2,702,715	\$ 4,431,067	\$ 44,891,099
Unobligated Balance, End of Year:										
Apportioned, Unexpired Accounts	1,000,221	150,427	1,095,482	259,715	2,246,313	—	1,685,741	2,055,588	124,981	8,618,468
Exempt from Apportionment, Unexpired Accounts	—	—	127,473	—	—	226,189	—	—	—	353,662
Unapportioned, Unexpired Accounts	82,749	7,908	69,585	1,858	300	—	294,188	15,883	9,201	481,672
Unexpired, Unobligated Balance, End of Year	1,082,970	158,335	1,292,540	261,573	2,246,613	226,189	1,979,929	2,071,471	134,182	9,453,802
Expired Unobligated Balance, End of Year	—	21,864	403,756	55,787	219,059	—	229,383	—	56,267	986,116
Unobligated Balance - End of Year (Total)	1,082,970	180,199	1,696,296	317,360	2,465,672	226,189	2,209,312	2,071,471	190,449	10,439,918
<b>Total Status of Budgetary Resources</b>	<b>\$ 2,726,172</b>	<b>\$ 1,749,915</b>	<b>\$ 10,064,691</b>	<b>\$ 3,400,063</b>	<b>\$ 13,812,252</b>	<b>\$ 799,371</b>	<b>\$ 13,382,851</b>	<b>\$ 4,774,186</b>	<b>\$ 4,621,516</b>	<b>\$ 55,331,017</b>
<b>Outlays, Net</b>										
Outlays, Net (Total) (discretionary and mandatory)	\$ 2,644,850	\$ 1,432,921	\$ 7,677,588	\$ 2,939,084	\$ 10,132,447	\$ (7,252)	\$ 7,788,793	\$ 4,353,517	\$ 4,225,822	\$ 41,187,770
Less: Distributed Offsetting Receipts	40,445	281	(5,408)	549,139	(777)	—	454,739	—	352	1,038,771
Agency Outlays, Net (discretionary and mandatory)	<b>\$ 2,604,405</b>	<b>\$ 1,432,640</b>	<b>\$ 7,682,996</b>	<b>\$ 2,389,945</b>	<b>\$ 10,133,224</b>	<b>\$ (7,252)</b>	<b>\$ 7,334,054</b>	<b>\$ 4,353,517</b>	<b>\$ 4,225,470</b>	<b>\$ 40,148,999</b>

**U.S. Department of Justice**  
**Combining Statement of Budgetary Resources**  
**For the Fiscal Year Ended September 30, 2020**

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)	\$ 1,242,130	\$ 205,184	\$ 1,222,382	\$ 561,367	\$ 2,247,284	\$ 211,624	\$ 5,225,944	\$ 688,668	\$ 249,748	\$ 11,854,331
Appropriations (discretionary and mandatory)	1,765,276	1,400,435	7,878,000	2,741,909	9,903,407	—	6,342,484	5,248,770	3,944,907	39,225,188
Spending Authority from Offsetting Collection (discretionary and mandatory)	17,551	89,373	353,431	29,301	1,065,926	615,306	2,523,162	216,302	89,322	4,999,674
<b>Total Budgetary Resources</b>	<b>\$ 3,024,957</b>	<b>\$ 1,694,992</b>	<b>\$ 9,453,813</b>	<b>\$ 3,332,577</b>	<b>\$ 13,216,617</b>	<b>\$ 826,930</b>	<b>\$ 14,091,590</b>	<b>\$ 6,153,740</b>	<b>\$ 4,283,977</b>	<b>\$ 56,079,193</b>
<b>Status of Budgetary Resources</b>										
New Obligations and Upward Adjustments (Total)	\$ 1,867,172	\$ 1,507,008	\$ 7,972,347	\$ 3,007,276	\$ 11,110,687	\$ 735,919	\$ 11,962,442	\$ 5,711,220	\$ 4,108,216	\$ 47,982,287
Unobligated Balance, End of Year:										
Apportioned, Unexpired Accounts	1,152,322	155,607	1,061,270	274,540	1,892,507	—	1,617,222	416,846	120,534	6,690,848
Exempt from Apportionment, Unexpired Accounts	—	—	51,945	—	—	91,011	—	—	—	142,956
Unapportioned, Unexpired Accounts	5,463	18,621	—	109	2,472	—	270,311	25,674	—	322,650
Unexpired, Unobligated Balance, End of Year	1,157,785	174,228	1,113,215	274,649	1,894,979	91,011	1,887,533	442,520	120,534	7,156,454
Expired Unobligated Balance, End of Year	—	13,756	368,251	50,652	210,951	—	241,615	—	55,227	940,452
Unobligated Balance - End of Year (Total)	1,157,785	187,984	1,481,466	325,301	2,105,930	91,011	2,129,148	442,520	175,761	8,096,906
<b>Total Status of Budgetary Resources</b>	<b>\$ 3,024,957</b>	<b>\$ 1,694,992</b>	<b>\$ 9,453,813</b>	<b>\$ 3,332,577</b>	<b>\$ 13,216,617</b>	<b>\$ 826,930</b>	<b>\$ 14,091,590</b>	<b>\$ 6,153,740</b>	<b>\$ 4,283,977</b>	<b>\$ 56,079,193</b>
<b>Outlays, Net</b>										
Outlays, Net (Total) (discretionary and mandatory)	\$ 2,364,053	\$ 1,352,273	\$ 7,675,619	\$ 2,812,491	\$ 9,822,566	\$ 87,011	\$ 8,367,725	\$ 5,029,403	\$ 3,852,557	\$ 41,363,698
Less: Distributed Offsetting Receipts	89,062	236	7,489	427,631	3	—	393,346	—	519	918,286
Agency Outlays, Net (discretionary and mandatory)	<b>\$ 2,274,991</b>	<b>\$ 1,352,037</b>	<b>\$ 7,668,130</b>	<b>\$ 2,384,860</b>	<b>\$ 9,822,563</b>	<b>\$ 87,011</b>	<b>\$ 7,974,379</b>	<b>\$ 5,029,403</b>	<b>\$ 3,852,038</b>	<b>\$ 40,445,412</b>

# U.S. DEPARTMENT OF JUSTICE

OTHER INFORMATION  
(UNAUDITED)



**U.S. Department of Justice**  
**Consolidating Balance Sheet**  
**As of September 30, 2021**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Assets</b>											
Intragovernmental											
Fund Balance with Treasury	\$ 928,529	\$ 478,832	\$ 3,134,841	\$ 1,053,296	\$ 5,267,524	\$ 29,644	\$ 6,507,581	\$ 15,399,322	\$ 1,123,149	\$ —	\$ 33,922,718
Investments	2,918,959	—	—	—	—	276,503	403,436	—	—	—	3,598,898
Accounts Receivable	7,621	29,454	3,826	3,913	391,311	80,475	397,661	13,422	12,589	(293,258)	647,014
Advances and Prepayments	—	—	6,167	43,912	14,046	—	—	111,989	—	(4,327)	171,787
Other Assets (Note 10)	—	101	—	—	—	—	—	—	—	—	101
Total Intragovernmental	\$ 3,855,109	\$ 508,387	\$ 3,144,834	\$ 1,101,121	\$ 5,672,881	\$ 386,622	\$ 7,308,678	\$ 15,524,733	\$ 1,135,738	\$ (297,585)	\$ 38,340,518
With the Public											
Cash and Other Monetary Assets	\$ 1,211,275	\$ 12,845	\$ 446	\$ 21,023	\$ 131,693	\$ —	\$ 51	\$ —	\$ —	\$ —	\$ 1,377,333
Accounts Receivable, Net	42	173	7,770	4,127	40,817	2,633	73,418	1,577	76	—	130,633
Inventory and Related Property, Net											
Forfeited Property, Net (Note 8)	82,601	—	—	—	—	—	—	—	—	—	82,601
Other Inventory and Related Property, Net (Note 7)	—	—	19,911	12,350	—	80,737	—	—	5,146	—	118,144
General Property, Plant and Equipment, Net (Note 9)	1,224	179,623	4,334,576	283,492	3,095,259	81,164	222,519	40,990	530,857	—	8,769,704
Advances and Prepayments	—	927	2,721	268	143,321	2,323	4,728	416,582	—	—	570,870
Other Assets (Note 10)	1	—	—	—	—	406	—	—	184	—	591
Total With the Public	\$ 1,295,143	\$ 193,568	\$ 4,365,424	\$ 321,260	\$ 3,411,090	\$ 167,263	\$ 300,716	\$ 459,149	\$ 536,263	\$ —	\$ 11,049,876
<b>Total Assets</b>	<b>\$ 5,150,252</b>	<b>\$ 701,955</b>	<b>\$ 7,510,258</b>	<b>\$ 1,422,381</b>	<b>\$ 9,083,971</b>	<b>\$ 553,885</b>	<b>\$ 7,609,394</b>	<b>\$ 15,983,882</b>	<b>\$ 1,672,001</b>	<b>\$ (297,585)</b>	<b>\$ 49,390,394</b>
<b>Liabilities</b>											
Intragovernmental											
Accounts Payable	\$ 101,850	\$ 28,909	\$ 56,671	\$ 56,765	\$ 117,879	\$ 2,780	\$ 123,493	\$ 53,480	\$ 43,665	\$ (293,258)	\$ 292,234
Advances from Others and Deferred Revenue	—	—	—	38	69,877	98,412	28,898	5,180	—	(4,327)	198,078
Other Liabilities											
Custodial Liabilities (Note 21)	—	—	27	3,851	4,367	—	830,005	—	—	—	838,250
Other (Note 15)	804	34,070	259,278	46,033	128,542	3,364	56,956	1,403	35,861	—	566,311
Total Intragovernmental	\$ 102,654	\$ 62,979	\$ 315,976	\$ 106,687	\$ 320,665	\$ 104,556	\$ 1,039,352	\$ 60,063	\$ 79,526	\$ (297,585)	\$ 1,894,873
With the Public											
Accounts Payable	\$ 885,161	\$ 38,140	\$ 317,742	\$ 75,451	\$ 379,228	\$ 44,220	\$ 418,537	\$ 84,925	\$ 400,981	\$ —	\$ 2,644,385
Federal Employee Benefits Payable	4,522	187,961	1,249,648	261,379	624,088	17,450	304,486	9,668	174,257	—	2,833,459
Environmental and Disposal Liabilities (Note 12)	—	—	74,789	—	4,825	—	—	—	—	—	79,614
Advances from Others and Deferred Revenue	82,601	—	(282)	739,235	6,953	—	—	—	—	—	828,507
Other											
Accrued Grant Liabilities	—	—	—	—	—	—	137,939	658,691	—	—	796,630
Seized Cash and Monetary Instruments (Note 14)	2,781,818	4,440	—	716	63,004	—	—	—	—	—	2,849,978
Radiation Exposure Compensation Act Liabilities (Note 27)	—	—	—	—	—	—	61,918	—	—	—	61,918
September 11th Victim Compensation Fund Liabilities (Note 27)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,294,883	\$ —	\$ —	\$ —	\$ 3,294,883
United States Victims of State Sponsored Terrorism Act Liabilities (Note 27)	—	—	—	—	—	—	177,404	—	—	—	177,404
Other Liabilities (Note 15)	2,561	35,345	736,915	103,162	276,661	11,459	186,209	6,783	45,524	—	1,404,619
Total With the Public	\$ 3,756,663	\$ 265,886	\$ 2,378,812	\$ 1,179,943	\$ 1,354,759	\$ 73,129	\$ 4,581,376	\$ 760,067	\$ 620,762	\$ —	\$ 14,971,397
<b>Total Liabilities</b>	<b>\$ 3,859,317</b>	<b>\$ 328,865</b>	<b>\$ 2,694,788</b>	<b>\$ 1,286,630</b>	<b>\$ 1,675,424</b>	<b>\$ 177,685</b>	<b>\$ 5,620,728</b>	<b>\$ 820,130</b>	<b>\$ 700,288</b>	<b>\$ (297,585)</b>	<b>\$ 16,866,270</b>
Commitments and Contingencies (Note 16)											
<b>NET POSITION</b>											
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,877	\$ —	\$ —	\$ —	\$ 2,877
Unexpended Appropriations - Funds from other than Dedicated Collections	—	266,498	2,235,383	611,325	4,235,884	—	3,892,948	6,085,939	561,736	—	17,889,713
<b>Total Unexpended Appropriations</b>	<b>\$ —</b>	<b>\$ 266,498</b>	<b>\$ 2,235,383</b>	<b>\$ 611,325</b>	<b>\$ 4,235,884</b>	<b>\$ —</b>	<b>\$ 3,895,825</b>	<b>\$ 6,085,939</b>	<b>\$ 561,736</b>	<b>\$ —</b>	<b>\$ 17,892,590</b>
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	1,290,935	—	149,948	(591,098)	—	—	624,342	9,042,480	—	—	10,516,607
Cumulative Results of Operations - Funds other than those from Dedicated Collections	—	106,592	2,430,139	115,524	3,172,663	376,200	(2,531,501)	35,333	409,977	—	4,114,927
<b>Total Cumulative Results of Operations</b>	<b>\$ 1,290,935</b>	<b>\$ 106,592</b>	<b>\$ 2,580,087</b>	<b>\$ (475,574)</b>	<b>\$ 3,172,663</b>	<b>\$ 376,200</b>	<b>\$ (1,907,159)</b>	<b>\$ 9,077,813</b>	<b>\$ 409,977</b>	<b>\$ —</b>	<b>\$ 14,631,534</b>
<b>Total Net Position</b>	<b>\$ 1,290,935</b>	<b>\$ 373,090</b>	<b>\$ 4,815,470</b>	<b>\$ 135,751</b>	<b>\$ 7,408,547</b>	<b>\$ 376,200</b>	<b>\$ 1,988,666</b>	<b>\$ 15,163,752</b>	<b>\$ 971,713</b>	<b>\$ —</b>	<b>\$ 32,524,124</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 5,150,252</b>	<b>\$ 701,955</b>	<b>\$ 7,510,258</b>	<b>\$ 1,422,381</b>	<b>\$ 9,083,971</b>	<b>\$ 553,885</b>	<b>\$ 7,609,394</b>	<b>\$ 15,983,882</b>	<b>\$ 1,672,001</b>	<b>\$ (297,585)</b>	<b>\$ 49,390,394</b>

**U.S. Department of Justice**  
**Consolidating Balance Sheet**  
**As of September 30, 2020**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Assets</b>											
Intragovernmental											
Fund Balance with Treasury	\$ 299,087	\$ 444,576	\$ 2,659,338	\$ 1,031,107	\$ 5,034,741	\$ 13,305	\$ 6,475,052	\$ 17,022,367	\$ 1,096,484	\$ —	\$ 34,076,057
Investments	4,402,946	—	—	—	—	286,048	324,924	—	—	—	5,013,918
Accounts Receivable	19,428	32,543	2,915	3,897	407,594	34,294	534,315	12,351	6,704	(287,450)	766,591
Advances and Prepayments	—	—	6,632	33,746	32,501	—	1,297	101,748	—	(2,535)	173,389
Other Assets (Note 10)	—	76	—	—	—	—	—	—	—	—	76
Total Intragovernmental	\$ 4,721,461	\$ 477,195	\$ 2,668,885	\$ 1,068,750	\$ 5,474,836	\$ 333,647	\$ 7,335,588	\$ 17,136,466	\$ 1,103,188	\$ (289,985)	\$ 40,030,031
With the Public											
Cash and Other Monetary Assets	\$ 1,184,697	\$ 12,573	\$ 444	\$ 25,801	\$ 117,992	\$ —	\$ 51	\$ —	\$ —	\$ —	\$ 1,341,558
Accounts Receivable, Net	36	127	9,869	4,274	31,967	1,391	133,034	639	216	—	181,553
Inventory and Related Property, Net											
Forfeited Property, Net (Note 8)	106,008	—	—	—	—	—	—	—	—	—	106,008
Other Inventory and Related Property, Net (Note 7)	—	—	21,226	17,725	—	208,132	—	—	4,857	—	251,940
General Property, Plant and Equipment, Net (Note 9)	1,350	172,052	4,599,337	289,778	3,003,056	71,281	212,132	24,366	482,109	—	8,855,461
Advances and Prepayments	495	2,062	4,745	380	122,495	6,709	(8)	559,727	—	—	696,605
Other Assets	1	—	—	—	4	2,900	—	—	184	—	3,089
Total With the Public	\$ 1,292,587	\$ 186,814	\$ 4,635,621	\$ 337,958	\$ 3,275,514	\$ 290,413	\$ 345,209	\$ 584,732	\$ 487,366	\$ —	\$ 11,436,214
<b>Total Assets</b>	<b>\$ 6,014,048</b>	<b>\$ 664,009</b>	<b>\$ 7,304,506</b>	<b>\$ 1,406,708</b>	<b>\$ 8,750,350</b>	<b>\$ 624,060</b>	<b>\$ 7,680,797</b>	<b>\$ 17,721,198</b>	<b>\$ 1,590,554</b>	<b>\$ (289,985)</b>	<b>\$ 51,466,245</b>
<b>Liabilities</b>											
Intragovernmental											
Accounts Payable	\$ 106,704	\$ 31,168	\$ 104,799	\$ 73,825	\$ 155,703	\$ 2,342	\$ 168,331	\$ 26,871	\$ 30,570	\$ (287,450)	\$ 412,863
Advances from Others and Deferred Revenue	—	—	—	6	78,133	182,949	2,855	4,620	—	(2,535)	266,028
Other											
Custodial Liabilities (Note 21)	—	—	31	3,927	2,512	—	1,060,284	—	—	—	1,066,754
Other Liabilities (Note 15)	646	33,056	253,405	44,373	118,533	2,969	50,407	1,332	32,274	—	536,995
Total Intragovernmental	\$ 107,350	\$ 64,224	\$ 358,235	\$ 122,131	\$ 354,881	\$ 188,260	\$ 1,281,877	\$ 32,823	\$ 62,844	\$ (289,985)	\$ 2,282,640
With the Public											
Accounts Payable	\$ 1,973,343	\$ 42,584	\$ 343,106	\$ 73,819	\$ 347,365	\$ 43,239	\$ 344,497	\$ 60,989	\$ 398,542	\$ —	\$ 3,627,484
Federal Employee Benefits Payable	4,304	190,229	1,230,966	263,981	639,941	21,094	272,808	9,808	168,049	—	2,801,180
Environmental and Disposal Liabilities (Note 12)	—	—	72,174	—	4,777	—	—	—	—	—	76,951
Advances from Others and Deferred Revenue	106,008	—	(489)	639,612	4,792	—	—	—	—	—	749,923
Other											
Accrued Grant Liabilities	—	—	—	—	—	—	90,288	535,497	—	—	625,785
Seized Cash and Monetary Instruments (Note 14)	2,362,505	4,184	—	613	62,345	—	—	—	—	—	2,429,647
Radiation Exposure Compensation Act Liabilities (Note 27)	—	—	—	—	—	—	102,395	—	—	—	102,395
September 11th Victim Compensation Fund Liabilities (Note 27)	—	—	—	—	—	—	3,023,169	—	—	—	3,023,169
United States Victims of State Sponsored Terrorism Act Liabilities ( Note 27)	—	—	—	—	—	—	146,201	—	—	—	146,201
<b>Other Liabilities (Note 15)</b>	<b>\$ 2,068</b>	<b>\$ 32,186</b>	<b>\$ 693,027</b>	<b>\$ 104,694</b>	<b>\$ 258,650</b>	<b>\$ 9,871</b>	<b>\$ 153,542</b>	<b>\$ 4,976</b>	<b>\$ 40,671</b>	<b>\$ —</b>	<b>\$ 1,299,685</b>
<b>Total With the Public</b>	<b>\$ 4,448,228</b>	<b>\$ 269,183</b>	<b>\$ 2,338,784</b>	<b>\$ 1,082,719</b>	<b>\$ 1,317,870</b>	<b>\$ 74,204</b>	<b>\$ 4,132,900</b>	<b>\$ 611,270</b>	<b>\$ 607,262</b>	<b>\$ —</b>	<b>\$ 14,882,420</b>
<b>Total Liabilities</b>	<b>\$ 4,555,578</b>	<b>\$ 333,407</b>	<b>\$ 2,697,019</b>	<b>\$ 1,204,850</b>	<b>\$ 1,672,751</b>	<b>\$ 262,464</b>	<b>\$ 5,414,777</b>	<b>\$ 644,093</b>	<b>\$ 670,106</b>	<b>\$ (289,985)</b>	<b>\$ 17,165,060</b>
Commitments and Contingencies (Note 16)											
<b>NET POSITION</b>											
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,877	\$ —	\$ —	\$ —	\$ 2,877
Unexpended Appropriations - Funds from other than Dedicated Collections	—	219,087	1,837,208	555,331	3,948,889	—	3,848,899	5,644,260	565,372	—	16,619,046
<b>Total Unexpended Appropriations</b>	<b>\$ —</b>	<b>\$ 219,087</b>	<b>\$ 1,837,208</b>	<b>\$ 555,331</b>	<b>\$ 3,948,889</b>	<b>\$ —</b>	<b>\$ 3,851,776</b>	<b>\$ 5,644,260</b>	<b>\$ 565,372</b>	<b>\$ —</b>	<b>\$ 16,621,923</b>
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	\$ 1,458,470	\$ —	\$ 77,614	\$ (520,681)	\$ —	\$ —	\$ 469,723	\$ 11,412,781	\$ —	\$ —	\$ 12,897,907
Cumulative Results of Operations - Funds other than those from Dedicated Collections	—	111,515	2,692,665	167,208	3,128,710	361,596	(2,055,479)	20,064	355,076	—	4,781,355
<b>Total Cumulative Results of Operations</b>	<b>\$ 1,458,470</b>	<b>\$ 111,515</b>	<b>\$ 2,770,279</b>	<b>\$ (353,473)</b>	<b>\$ 3,128,710</b>	<b>\$ 361,596</b>	<b>\$ (1,585,756)</b>	<b>\$ 11,432,845</b>	<b>\$ 355,076</b>	<b>\$ —</b>	<b>\$ 17,679,262</b>
<b>Total Net Position</b>	<b>\$ 1,458,470</b>	<b>\$ 330,602</b>	<b>\$ 4,607,487</b>	<b>\$ 201,858</b>	<b>\$ 7,077,599</b>	<b>\$ 361,596</b>	<b>\$ 2,266,020</b>	<b>\$ 17,077,105</b>	<b>\$ 920,448</b>	<b>\$ —</b>	<b>\$ 34,301,185</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 6,014,048</b>	<b>\$ 664,009</b>	<b>\$ 7,304,506</b>	<b>\$ 1,406,708</b>	<b>\$ 8,750,350</b>	<b>\$ 624,060</b>	<b>\$ 7,680,797</b>	<b>\$ 17,721,198</b>	<b>\$ 1,590,554</b>	<b>\$ (289,985)</b>	<b>\$ 51,466,245</b>



**U.S. Department of Justice**  
**Consolidating Statement of Net Cost**  
**For the Fiscal Year Ended September 30, 2021**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Major Program 1: Law Enforcement</b>											
Gross Cost - Intragovernmental	\$ 165,318	\$ 524,674	\$ —	\$ 1,182,256	\$ 3,420,940	\$ —	\$ 170,098	\$ —	\$ 805,845	\$ (828,684)	\$ 5,440,447
Gross Cost - With the Public	1,433,416	1,020,300	—	1,860,747	8,019,483	—	359,113	—	1,311,696	—	14,004,755
Subtotal Gross Costs	1,598,734	1,544,974	—	3,043,003	11,440,423	—	529,211	—	2,117,541	(828,684)	19,445,202
Earned Revenues - Intragovernmental	5,289	58,946	—	21,807	736,379	—	23	—	55,227	(828,684)	48,987
Earned Revenues - With the Public	—	997	—	455,858	212,635	—	—	—	3,906	—	673,396
Subtotal Earned Revenue	5,289	59,943	—	477,665	949,014	—	23	—	59,133	(828,684)	722,383
Subtotal Net Cost of Operation	\$ 1,593,445	\$ 1,485,031	\$ —	\$ 2,565,338	\$ 10,491,409	\$ —	\$ 529,188	\$ —	\$ 2,058,408	\$ —	\$ 18,722,819
<b>Major Program 2: Litigation and Compensation</b>											
Gross Cost - Intragovernmental	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,621,568	\$ —	\$ —	\$ (40,973)	\$ 1,580,595
Gross Cost - With the Public	—	—	—	—	—	—	5,006,290	—	—	—	5,006,290
Subtotal Gross Costs	—	—	—	—	—	—	6,627,858	—	—	(40,973)	6,586,885
Earned Revenues - Intragovernmental	—	—	—	—	—	—	200,883	—	—	(40,973)	159,910
Earned Revenues - With the Public	—	—	—	—	—	—	239,550	—	—	—	239,550
Subtotal Earned Revenue	—	—	—	—	—	—	440,433	—	—	(40,973)	399,460
Subtotal Net Cost of Operation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,187,425	\$ —	\$ —	\$ —	\$ 6,187,425
<b>Major Program 3: Prison and Detention</b>											
Gross Cost - Intragovernmental	\$ —	\$ —	\$ 2,187,090	\$ —	\$ —	\$ 109,087	\$ 5,322	\$ —	\$ 53,203	\$ (333,743)	\$ 2,020,959
Gross Cost - With the Public	—	—	6,334,838	—	—	551,678	5,779	—	2,134,518	—	9,026,813
Subtotal Gross Costs	—	—	8,521,928	—	—	660,765	11,101	—	2,187,721	(333,743)	11,047,772
Earned Revenues - Intragovernmental	—	—	3,028	—	—	587,881	—	—	—	(317,189)	273,720
Earned Revenues - With the Public	—	—	320,011	—	—	54,594	—	—	164	—	374,769
Subtotal Earned Revenue	—	—	323,039	—	—	642,475	—	—	164	(317,189)	648,489
Subtotal Net Cost of Operation	\$ —	\$ —	\$ 8,198,889	\$ —	\$ —	\$ 18,290	\$ 11,101	\$ —	\$ 2,187,557	\$ (16,554)	\$ 10,399,283
<b>Major Program 4: Grants</b>											
Gross Cost - Intragovernmental	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 24,401	\$ 240,389	\$ —	\$ (16,187)	\$ 248,603
Gross Cost - With the Public	—	—	—	—	—	—	606,650	4,445,632	—	—	5,052,282
Subtotal Gross Costs	—	—	—	—	—	—	631,051	4,686,021	—	(16,187)	5,300,885
Earned Revenues - Intragovernmental	—	—	—	—	—	—	(612)	37,075	—	(16,187)	20,276
Earned Revenues - With the Public	—	—	—	—	—	—	3	—	—	—	3
Subtotal Earned Revenue	—	—	—	—	—	—	(609)	37,075	—	(16,187)	20,279
Subtotal Net Cost of Operation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 631,660	\$ 4,648,946	\$ —	\$ —	\$ 5,280,606
<b>Major Program 5: Executive Oversight and Enterprise Technology</b>											
Gross Cost - Intragovernmental	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 443,983	\$ —	\$ —	\$ (47,809)	\$ 396,174
Gross Cost - With the Public	—	—	—	—	—	—	1,687,279	—	—	—	1,687,279
Subtotal Gross Cost	—	—	—	—	—	—	2,131,262	—	—	(47,809)	2,083,453
Earned Revenue - Intragovernmental	—	—	—	—	—	—	684,697	—	—	(47,809)	636,888
Earned Revenue - With the Public	—	—	—	—	—	—	526,611	—	—	—	526,611
Subtotal Earned Revenue	—	—	—	—	—	—	1,211,308	—	—	(47,809)	1,163,499
Subtotal Net Cost of Operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 919,954	\$ —	\$ —	\$ —	\$ 919,954
<b>Total Net Cost of Operations</b>	<b>\$ 1,593,445</b>	<b>\$ 1,485,031</b>	<b>\$ 8,198,889</b>	<b>\$ 2,565,338</b>	<b>\$ 10,491,409</b>	<b>\$ 18,290</b>	<b>\$ 8,279,328</b>	<b>\$ 4,648,946</b>	<b>\$ 4,245,965</b>	<b>\$ (16,554)</b>	<b>\$ 41,510,087</b>

**U.S. Department of Justice**  
**Consolidating Statement of Net Cost**  
**For the Fiscal Year Ended September 30, 2020**

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
<b>Major Program 1: Law Enforcement</b>											
Gross Cost - Intragovernmental	\$ 254,362	\$ 505,843	\$ —	\$ 1,108,024	\$ 3,217,334	\$ —	\$ 186,456	\$ —	\$ 698,659	\$ (770,910)	\$ 5,199,768
Gross Cost - With the Public	1,556,621	971,011	—	1,784,560	7,781,655	—	356,480	—	1,304,950	—	13,755,277
Subtotal Gross Costs	1,810,983	1,476,854	—	2,892,584	10,998,989	—	542,936	—	2,003,609	(770,910)	18,955,045
Earned Revenues - Intragovernmental	14,296	67,393	—	15,968	693,277	—	(175)	—	43,493	(770,910)	63,342
Earned Revenues - With the Public	—	470	—	428,852	174,624	—	—	—	4,145	—	608,091
Subtotal Earned Revenue	14,296	67,863	—	444,820	867,901	—	(175)	—	47,638	(770,910)	671,433
Subtotal Net Cost of Operation	\$ 1,796,687	\$ 1,408,991	\$ —	\$ 2,447,764	\$ 10,131,088	\$ —	\$ 543,111	\$ —	\$ 1,955,971	\$ —	\$ 18,283,612
<b>Major Program 2: Litigation and Compensation</b>											
Gross Cost - Intragovernmental	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,397,569	\$ —	\$ —	\$ (38,247)	\$ 1,359,322
Gross Cost - With the Public	—	—	—	—	—	—	3,054,435	—	—	—	3,054,435
Subtotal Gross Costs	—	—	—	—	—	—	4,452,004	—	—	(38,247)	4,413,757
Earned Revenues - Intragovernmental	—	—	—	—	—	—	305,887	—	—	(38,247)	267,640
Earned Revenues - With the Public	—	—	—	—	—	—	104,038	—	—	—	104,038
Subtotal Earned Revenue	—	—	—	—	—	—	409,925	—	—	(38,247)	371,678
Subtotal Net Cost of Operation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,042,079	\$ —	\$ —	\$ —	\$ 4,042,079
<b>Major Program 3: Prison and Detention</b>											
Gross Cost - Intragovernmental	\$ —	\$ —	\$ 2,028,550	\$ —	\$ —	\$ 181,346	\$ 5,517	\$ —	\$ 40,810	\$ (302,700)	\$ 1,953,523
Gross Cost - With the Public	—	—	6,370,817	—	—	410,224	5,850	—	1,913,827	—	8,700,718
Subtotal Gross Costs	—	—	8,399,367	—	—	591,570	11,367	—	1,954,637	(302,700)	10,654,241
Earned Revenues - Intragovernmental	—	—	3,417	—	—	525,424	(38)	—	—	(285,609)	243,194
Earned Revenues - With the Public	—	—	349,897	—	—	40,302	—	—	207	—	390,406
Subtotal Earned Revenue	—	—	353,314	—	—	565,726	(38)	—	207	(285,609)	633,600
Subtotal Net Cost of Operation	\$ —	\$ —	\$ 8,046,053	\$ —	\$ —	\$ 25,844	\$ 11,405	\$ —	\$ 1,954,430	\$ (17,091)	\$ 10,020,641
<b>Major Program 4: Grants</b>											
Gross Cost - Intragovernmental	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 28,192	\$ 179,010	\$ —	\$ (16,165)	\$ 191,037
Gross Cost - With the Public	—	—	—	—	—	—	583,183	4,284,973	—	—	4,868,156
Subtotal Gross Costs	—	—	—	—	—	—	611,375	4,463,983	—	(16,165)	5,059,193
Earned Revenues - Intragovernmental	—	—	—	—	—	—	10,390	42,811	—	(16,165)	37,036
Earned Revenues - With the Public	—	—	—	—	—	—	—	—	—	—	—
Subtotal Earned Revenue	—	—	—	—	—	—	10,390	42,811	—	(16,165)	37,036
Subtotal Net Cost of Operation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 600,985	\$ 4,421,172	\$ —	\$ —	\$ 5,022,157
<b>Major Program 5: Executive Oversight and Enterprise Technology</b>											
Gross Cost - Intragovernmental	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 427,678	\$ —	\$ —	\$ (28,250)	\$ 399,428
Gross Cost - With the Public	—	—	—	—	—	—	1,659,434	—	—	—	1,659,434
Subtotal Gross Costs	—	—	—	—	—	—	2,087,112	—	—	(28,250)	2,058,862
Earned Revenues - Intragovernmental	—	—	—	—	—	—	664,714	—	—	(28,250)	636,464
Earned Revenues - With the Public	—	—	—	—	—	—	788,756	—	—	—	788,756
Subtotal Earned Revenue	—	—	—	—	—	—	1,453,470	—	—	(28,250)	1,425,220
Subtotal Net Cost of Operation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 633,642	\$ —	\$ —	\$ —	\$ 633,642
<b>Total Net Cost of Operations</b>	<b>\$ 1,796,687</b>	<b>\$ 1,408,991</b>	<b>\$ 8,046,053</b>	<b>\$ 2,447,764</b>	<b>\$ 10,131,088</b>	<b>\$ 25,844</b>	<b>\$ 5,831,222</b>	<b>\$ 4,421,172</b>	<b>\$ 3,910,401</b>	<b>\$ (17,091)</b>	<b>\$ 38,002,131</b>

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2021**

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	\$	—	\$	—	\$	—	\$	2,877	\$	—	\$ 2,877
Funds from other than Dedicated Collections	—	219,087	1,837,208	555,331	3,948,889	—	3,848,899	5,644,260	565,372	—	16,619,046
Appropriations Received											
Funds from other than Dedicated Collections	—	1,483,887	8,135,375	2,386,263	10,493,786	—	7,378,655	2,486,900	3,682,609	—	36,047,475
Appropriations Transferred-In/Out											
Funds from other than Dedicated Collections	—	(1,721)	(33,755)	15,642	1,786	—	370,532	46,356	567,639	—	966,479
Other Adjustments											
Funds from other than Dedicated Collections	—	—	(100)	(121)	(80,150)	—	(34,598)	(133,146)	(100)	—	(248,215)
Appropriations Used											
Funds from other than Dedicated Collections	—	(1,434,755)	(7,703,345)	(2,345,790)	(10,128,427)	—	(7,670,540)	(1,958,431)	(4,253,784)	—	(35,495,072)
<b>Net Change in Unexpended Appropriations</b>											
Funds from other than Dedicated Collections	—	47,411	398,175	55,994	286,995	—	44,049	441,679	(3,636)	—	1,270,667
<b>Total Unexpended Appropriations: Ending</b>											
Funds from Dedicated Collections	—	—	—	—	—	—	2,877	—	—	—	2,877
Funds from other than Dedicated Collections	—	266,498	2,235,383	611,325	4,235,884	—	3,892,948	6,085,939	561,736	—	17,889,713
<b>Total All Funds</b>	<b>\$</b>	<b>—</b>	<b>\$ 266,498</b>	<b>\$ 2,235,383</b>	<b>\$ 611,325</b>	<b>\$ 4,235,884</b>	<b>\$ —</b>	<b>\$ 3,895,825</b>	<b>\$ 6,085,939</b>	<b>\$ 561,736</b>	<b>\$ —</b>

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended 30, 2021 - 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	\$ 1,458,470	\$ —	\$ 77,614	\$ (520,681)	\$ —	\$ —	\$ 469,723	\$ 11,412,781	\$ —	\$ —	\$ 12,897,907
Funds from other than Dedicated Collections	—	111,515	2,692,665	167,208	3,128,710	361,596	(2,055,479)	20,064	355,076	—	4,781,355
Adjustments:											
Changes in Accounting Principles											
Funds from other than Dedicated Collections	—	—	—	—	—	10,065	—	—	—	—	10,065
Beginning Balances, as Adjusted											
Funds from Dedicated Collections	1,458,470	—	77,614	(520,681)	—	—	469,723	11,412,781	—	—	12,897,907
Funds from other than Dedicated Collections	—	111,515	2,692,665	167,208	3,128,710	371,661	(2,055,479)	20,064	355,076	—	4,791,420
Other Adjustments											
Funds from other than Dedicated Collections	—	—	—	—	(1)	—	—	—	(5)	—	(6)
Appropriations Used											
Funds from other than Dedicated Collections	—	1,434,755	7,703,345	2,345,790	10,128,427	—	7,670,540	1,958,431	4,253,784	—	35,495,072
Nonexchange Revenues											
Funds from Dedicated Collections	5,811	—	—	—	—	—	454	775,638	—	—	781,903
Funds from other than Dedicated Collections	—	—	—	—	—	—	23	96	—	—	119
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections	1,027,671	—	—	—	—	—	43,040	—	—	—	1,070,711
Funds from other than Dedicated Collections	—	—	—	—	—	—	(2)	—	—	—	(2)
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(3,410)	—	131	—	—	—	—	(445,000)	—	—	(448,279)
Funds from other than Dedicated Collections	—	1,254	(131)	17,030	110,747	—	61,627	(278)	65	—	190,314
Donations and Forfeitures of Property											
Funds from Dedicated Collections	393,144	—	—	—	—	—	—	—	—	—	393,144
Imputed Financing (Note 19)											
Funds from Dedicated Collections	2,694	—	6,406	14,762	—	—	13,513	—	—	—	37,375
Funds from other than Dedicated Collections	—	44,099	298,946	65,655	307,636	22,829	168,750	5,027	47,022	(16,554)	943,410
Other											
Funds from Dedicated Collections	—	—	—	—	—	—	4	—	—	—	4
Funds from other than Dedicated Collections	—	—	—	—	(11,447)	—	(24)	—	—	—	(11,471)
Net Cost of Operations											
Funds from Dedicated Collections	(1,593,445)	—	65,797	(85,179)	—	—	97,608	(2,700,939)	—	—	(4,216,158)
Funds from other than Dedicated Collections	—	(1,485,031)	(8,264,686)	(2,480,159)	(10,491,409)	(18,290)	(8,376,936)	(1,948,007)	(4,245,965)	16,554	(37,293,929)
Net Change in Cumulative Results of Operations											
Funds from Dedicated Collections	(167,535)	—	72,334	(70,417)	—	—	154,619	(2,370,301)	—	—	(2,381,300)
Funds from other than Dedicated Collections	—	(4,923)	(262,526)	(51,684)	43,953	4,539	(476,022)	15,269	54,901	—	(676,493)
Cumulative Results of Operations: Ending											
Funds from Dedicated Collections	1,290,935	—	149,948	(591,098)	—	—	624,342	9,042,480	—	—	10,516,607
Funds from other than Dedicated Collections	—	106,592	2,430,139	115,524	3,172,663	376,200	(2,531,501)	35,333	409,977	—	4,114,927
Total All Funds	\$ 1,290,935	\$ 106,592	\$ 2,580,087	\$ (475,574)	\$ 3,172,663	\$ 376,200	\$ (1,907,159)	\$ 9,077,813	\$ 409,977	\$ —	\$ 14,631,534
Net Position											
Funds from Dedicated Collections	1,290,935	—	149,948	(591,098)	—	—	627,219	9,042,480	—	—	10,519,484
Funds from other than Dedicated Collections	—	373,090	4,665,522	726,849	7,408,547	376,200	1,361,447	6,121,272	971,713	—	22,004,640
Net Position - Total	\$ 1,290,935	\$ 373,090	\$ 4,815,470	\$ 135,751	\$ 7,408,547	\$ 376,200	\$ 1,988,666	\$ 15,163,752	\$ 971,713	\$ —	\$ 32,524,124

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2020**

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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 53,764	\$ —	\$ —	\$ —	\$ 53,764
Funds from other than Dedicated Collections	—	181,537	1,640,246	527,031	3,730,758	—	5,121,617	4,296,876	545,594	—	16,043,659
Appropriations Received											
Funds from Dedicated Collections	—	—	—	—	—	—	65,182	—	—	—	65,182
Funds from other than Dedicated Collections	—	1,400,000	7,878,000	2,294,153	9,972,902	—	5,541,723	3,282,800	3,327,461	—	33,697,039
Appropriations Transferred-In/Out											
Funds from other than Dedicated Collections	—	137	(31,206)	14,298	(21,942)	—	377,613	(14,938)	624,102	—	948,064
Other Adjustments											
Funds from other than Dedicated Collections	—	—	(105)	(10,147)	(72,069)	—	(34,823)	(99,272)	(50)	—	(216,466)
Appropriations Used											
Funds from Dedicated Collections	—	—	—	—	—	—	(116,069)	—	—	—	(116,069)
Funds from other than Dedicated Collections	—	(1,362,587)	(7,649,727)	(2,270,004)	(9,660,760)	—	(7,157,231)	(1,821,206)	(3,931,735)	—	(33,853,250)
<b>Net Change in Unexpended Appropriations</b>											
Funds from Dedicated Collections	—	—	—	—	—	—	(50,887)	—	—	—	(50,887)
Funds from other than Dedicated Collections	—	37,550	196,962	28,300	218,131	—	(1,272,718)	1,347,384	19,778	—	575,387
<b>Total Unexpended Appropriations: Ending</b>											
Funds from Dedicated Collections	—	—	—	—	—	—	2,877	—	—	—	2,877
Funds from other than Dedicated Collections	—	219,087	1,837,208	555,331	3,948,889	—	3,848,899	5,644,260	565,372	—	16,619,046
<b>Total All Funds</b>	<b>\$ —</b>	<b>\$ 219,087</b>	<b>\$ 1,837,208</b>	<b>\$ 555,331</b>	<b>\$ 3,948,889</b>	<b>\$ —</b>	<b>\$ 3,851,776</b>	<b>\$ 5,644,260</b>	<b>\$ 565,372</b>	<b>\$ —</b>	<b>\$ 16,621,923</b>

**U.S. Department of Justice**  
**Consolidating Statement of Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2020 - 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	\$ 1,505,505	\$ —	\$ 84,501	\$ (426,699)	\$ —	\$ —	\$ 274,392	\$ 13,961,482	\$ —	\$ —	\$ 15,399,181
Funds from other than Dedicated Collections	—	127,029	2,833,302	155,025	3,216,821	364,590	(3,737,282)	8,001	291,510	—	3,258,996
Other Adjustments											
Funds from other than Dedicated Collections	—	—	—	—	(86)	—	—	—	(55)	—	(141)
Appropriations Used											
Funds from Dedicated Collections	—	—	—	—	—	—	116,069	—	—	—	116,069
Funds from other than Dedicated Collections	—	1,362,587	7,649,727	2,270,004	9,660,760	—	7,157,231	1,821,206	3,931,735	—	33,853,250
Nonexchange Revenues											
Funds from Dedicated Collections	68,519	—	—	—	—	—	10,454	503,923	—	—	582,896
Funds from other than Dedicated Collections	—	—	—	—	—	—	—	172	—	—	172
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections	1,127,903	—	—	—	—	—	52,087	—	—	—	1,179,990
Funds from other than Dedicated Collections	—	—	—	—	—	—	5	—	—	—	5
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(14,780)	—	—	—	—	—	(106)	(445,000)	—	—	(459,886)
Funds from other than Dedicated Collections	—	(12,742)	140	24,810	135,528	—	227,326	(22)	5,300	—	380,340
Donations and Forfeitures of Property											
Funds from Dedicated Collections	565,757	—	—	—	—	—	—	—	—	—	565,757
Imputed Financing (Note 19)											
Funds from Dedicated Collections	2,253	—	5,353	11,617	—	—	11,734	—	—	—	30,957
Funds from other than Dedicated Collections	—	43,632	243,309	59,534	255,758	22,850	139,298	4,255	36,987	(17,091)	788,532
Other											
Funds from Dedicated Collections	—	—	—	—	—	—	(5,742)	—	—	—	(5,742)
Funds from other than Dedicated Collections	—	—	—	—	(8,983)	—	—	—	—	—	(8,983)
<b>Net Cost of Operations</b>											
Funds from Dedicated Collections	(1,796,687)	—	(12,240)	(105,599)	—	—	10,835	(2,607,624)	—	—	(4,511,315)
Funds from other than Dedicated Collections	—	(1,408,991)	(8,033,813)	(2,342,165)	(10,131,088)	(25,844)	(5,842,057)	(1,813,548)	(3,910,401)	17,091	(33,490,816)
<b>Net Change in Cumulative Results of Operations</b>											
Funds from Dedicated Collections	(47,035)	—	(6,887)	(93,982)	—	—	195,331	(2,548,701)	—	—	(2,501,274)
Funds from other than Dedicated Collections	—	(15,514)	(140,637)	12,183	(88,111)	(2,994)	1,681,803	12,063	63,566	—	1,522,359
<b>Cumulative Results of Operations: Ending</b>											
Funds from Dedicated Collections	1,458,470	—	77,614	(520,681)	—	—	469,723	11,412,781	—	—	12,897,907
Funds from other than Dedicated Collections	—	111,515	2,692,665	167,208	3,128,710	361,596	(2,055,479)	20,064	355,076	—	4,781,355
Total All Funds	\$ 1,458,470	\$ 111,515	\$ 2,770,279	\$ (353,473)	\$ 3,128,710	\$ 361,596	\$ (1,585,756)	\$ 11,432,845	\$ 355,076	\$ —	\$ 17,679,262
<b>Net Position</b>											
Funds from Dedicated Collections	1,458,470	—	77,614	(520,681)	—	—	472,600	11,412,781	—	—	12,900,784
Funds from other than Dedicated Collections	—	330,602	4,529,873	722,539	7,077,599	361,596	1,793,420	5,664,324	920,448	—	21,400,401
Net Position - Total	\$ 1,458,470	\$ 330,602	\$ 4,607,487	\$ 201,858	\$ 7,077,599	\$ 361,596	\$ 2,266,020	\$ 17,077,105	\$ 920,448	\$ —	\$ 34,301,185

**U.S. Department of Justice**  
**Combining Statement of Custodial Activity**  
**For the Fiscal Year Ended September 30, 2021**

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	\$ —	\$ 121	\$ —	\$ 10,867	\$ 1,391	\$ —	\$ 7,817,114	\$ —	\$ —	7,829,493
Fees and Licenses	—	93,878	—	15,000	—	—	—	—	—	108,878
Miscellaneous	—	281	27	—	—	—	—	—	352	660
<b>Total Cash Collections</b>	<b>\$ —</b>	<b>\$ 94,280</b>	<b>\$ 27</b>	<b>\$ 25,867</b>	<b>\$ 1,391</b>	<b>\$ —</b>	<b>\$ 7,817,114</b>	<b>\$ —</b>	<b>\$ 352</b>	<b>\$ 7,939,031</b>
<b>Accrual Adjustments</b>	<b>—</b>	<b>(26)</b>	<b>—</b>	<b>(76)</b>	<b>1,855</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,753</b>
<b>Total Custodial Revenue</b>	<b>\$ —</b>	<b>\$ 94,254</b>	<b>\$ 27</b>	<b>\$ 25,791</b>	<b>\$ 3,246</b>	<b>\$ —</b>	<b>\$ 7,817,114</b>	<b>\$ —</b>	<b>\$ 352</b>	<b>\$ 7,940,784</b>
<b>Disposition of Collections</b>										
Transferred to Federal Agencies										
The Judiciary	—	—	—	—	—	—	(89,232)	—	—	(89,232)
U.S. Department of Agriculture	—	—	—	—	—	—	(87,945)	—	—	(87,945)
U.S. Department of Commerce	—	—	—	—	—	—	(9,230)	—	—	(9,230)
U.S. Department of the Interior	—	—	—	—	—	—	(568,102)	—	—	(568,102)
U.S. Department of Justice	—	—	—	—	—	—	(203,482)	—	—	(203,482)
U.S. Department of Labor	—	—	—	—	—	—	(655)	—	—	(655)
U.S. Postal Service	—	—	—	—	—	—	(32,115)	—	—	(32,115)
U.S. Department of State	—	—	—	—	—	—	(138)	—	—	(138)
U.S. Department of the Treasury	—	—	—	—	—	—	(649,229)	—	—	(649,229)
Office of Personnel Management	—	—	—	—	—	—	(15,542)	—	—	(15,542)
Federal Communications Commission	—	—	—	—	—	—	(3,908)	—	—	(3,908)
Social Security Administration	—	—	—	—	—	—	(484)	—	—	(484)
Federal Trade Commission	—	—	—	—	—	—	(150,506)	—	—	(150,506)
U.S. Department of Veterans Affairs	—	—	—	—	—	—	(169,423)	—	—	(169,423)
Equal Employment Opportunity Commission	—	—	—	—	—	—	(4,839)	—	—	(4,839)
General Services Administration	—	—	—	—	—	—	(14,892)	—	—	(14,892)
National Science Foundation	—	—	—	—	—	—	(334)	—	—	(334)
Federal Deposit Insurance Corporation	—	—	—	—	—	—	(4)	—	—	(4)
National Endowment For the Humanities	—	—	—	—	—	—	(1)	—	—	(1)
Railroad Retirement Board	—	—	—	—	—	—	(206)	—	—	(206)
Environmental Protection Agency	—	—	—	—	—	—	(1,073,923)	—	—	(1,073,923)
U.S. Department of Transportation	—	—	—	—	—	—	(6,310)	—	—	(6,310)
U.S. Department of Homeland Security	—	—	—	—	—	—	(151,990)	—	—	(151,990)
Agency for International Development	—	—	—	—	—	—	(6,951)	—	—	(6,951)
Small Business Administration	—	—	—	—	—	—	(11,361)	—	—	(11,361)
U.S. Department of Health and Human Services	—	—	—	—	—	—	(1,234,546)	—	—	(1,234,546)
United States Intl Development Finance Corporation	—	—	—	—	—	—	(130)	—	—	(130)
National Aeronautics and Space Administration	—	—	—	—	—	—	(1,732)	—	—	(1,732)
Export-Import Bank of the United States	—	—	—	—	—	—	(1,142)	—	—	(1,142)
U.S. Department of Housing and Urban Development	—	—	—	—	—	—	(117,398)	—	—	(117,398)
U.S. Department of Energy	—	—	—	—	—	—	(202,757)	—	—	(202,757)
U.S. Department of Education	—	—	—	—	—	—	(10,729)	—	—	(10,729)
Commodities Futures Trading Commission	—	—	—	—	—	—	(288)	—	—	(288)
Corporation of National & Community Services	—	—	—	—	—	—	(42)	—	—	(42)
Federal Reserve Board	—	—	—	—	—	—	(4)	—	—	(4)
Treasury General Fund	—	(90,445)	—	(25,867)	(1,391)	—	(2,619,571)	—	(352)	(2,737,626)
U.S. Department of Defense	—	—	—	—	—	—	(136,523)	—	—	(136,523)
Transferred to the Public	—	—	—	—	—	—	(256,130)	—	—	(256,130)
(Increase)/Decrease in Amounts Yet to be Transferred	—	—	(27)	76	(1,855)	—	233,428	—	—	231,622
Increase/(Decrease) in Refunds Payable and Other Liabilities	—	(3,809)	—	—	—	—	—	—	—	(3,809)
Retained by the Reporting Entity	—	—	—	—	—	—	(218,748)	—	—	(218,748)
<b>Total Disposition Of Collections</b>	<b>—</b>	<b>(94,254)</b>	<b>(27)</b>	<b>(25,791)</b>	<b>(3,246)</b>	<b>—</b>	<b>(7,817,114)</b>	<b>—</b>	<b>(352)</b>	<b>(7,940,784)</b>
<b>Net Custodial Activity</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>

**U.S. Department of Justice**  
**Combining Statement of Custodial Activity**  
**For the Fiscal Year Ended September 30, 2020**

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	\$ —	\$ 278	\$ —	\$ 62,418	\$ 5,165	\$ —	\$ 13,874,484	\$ —	\$ —	13,942,345
Fees and Licenses	—	65,222	—	15,000	—	—	—	—	—	80,222
Miscellaneous	—	236	31	—	—	—	—	—	519	786
<b>Total Cash Collections</b>	<b>\$ —</b>	<b>\$ 65,736</b>	<b>\$ 31</b>	<b>\$ 77,418</b>	<b>\$ 5,165</b>	<b>\$ —</b>	<b>\$ 13,874,484</b>	<b>\$ —</b>	<b>\$ 519</b>	<b>\$ 14,023,353</b>
<b>Accrual Adjustments</b>	<b>—</b>	<b>16</b>	<b>—</b>	<b>(2,768)</b>	<b>703</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,049)</b>
<b>Total Custodial Revenue</b>	<b>\$ —</b>	<b>\$ 65,752</b>	<b>\$ 31</b>	<b>\$ 74,650</b>	<b>\$ 5,868</b>	<b>\$ —</b>	<b>\$ 13,874,484</b>	<b>\$ —</b>	<b>\$ 519</b>	<b>\$ 14,021,304</b>
<b>Disposition of Collections</b>										
<b>Transferred to Federal Agencies</b>										
U.S. Government Accountability Office	—	—	—	—	—	—	(230)	—	—	(230)
The Judiciary	—	—	—	—	—	—	(69,039)	—	—	(69,039)
Trade and Development Agency	—	—	—	—	—	—	(174)	—	—	(174)
U.S. Department of Agriculture	—	—	—	—	—	—	(44,252)	—	—	(44,252)
U.S. Department of Commerce	—	—	—	—	—	—	(4,751)	—	—	(4,751)
U.S. Department of the Interior	—	—	—	—	—	—	(526,575)	—	—	(526,575)
U.S. Department of Justice	—	—	—	—	—	—	(125,471)	—	—	(125,471)
U.S. Department of Labor	—	—	—	—	—	—	(4,972)	—	—	(4,972)
U.S. Postal Service	—	—	—	—	—	—	(86,678)	—	—	(86,678)
U.S. Department of State	—	—	—	—	—	—	(823)	—	—	(823)
U.S. Department of the Treasury	—	—	—	—	—	—	(681,623)	—	—	(681,623)
Office of Personnel Management	—	—	—	—	—	—	(20,546)	—	—	(20,546)
Federal Communications Commission	—	—	—	—	—	—	(4,498)	—	—	(4,498)
Social Security Administration	—	—	—	—	—	—	(1,337)	—	—	(1,337)
Federal Trade Commission	—	—	—	—	—	—	(4,851,149)	—	—	(4,851,149)
U.S. Department of Veterans Affairs	—	—	—	—	—	—	(29,334)	—	—	(29,334)
General Services Administration	—	—	—	—	—	—	(9,885)	—	—	(9,885)
National Science Foundation	—	—	—	—	—	—	(2,320)	—	—	(2,320)
Securities and Exchange Commission	—	—	—	—	—	—	(2)	—	—	(2)
Federal Deposit Insurance Corporation	—	—	—	—	—	—	(6)	—	—	(6)
National Endowment For the Humanities	—	—	—	—	—	—	(14)	—	—	(14)
Railroad Retirement Board	—	—	—	—	—	—	(268)	—	—	(268)
Tennessee Valley Authority	—	—	—	—	—	—	(13)	—	—	(13)
Environmental Protection Agency	—	—	—	—	—	—	(190,875)	—	—	(190,875)
U.S. Department of Transportation	—	—	—	—	—	—	(2,671)	—	—	(2,671)
U.S. Department of Homeland Security	—	—	—	—	—	—	(285,340)	—	—	(285,340)
Agency for International Development	—	—	—	—	—	—	(131)	—	—	(131)
Small Business Administration	—	—	—	—	—	—	(8,639)	—	—	(8,639)
U.S. Department of Health and Human Services	—	—	—	—	—	—	(2,120,038)	—	—	(2,120,038)
National Aeronautics and Space Administration	—	—	—	—	—	—	(404)	—	—	(404)
Export-Import Bank of the United States	—	—	—	—	—	—	(1,102)	—	—	(1,102)
U.S. Department of Housing and Urban Development	—	—	—	—	—	—	(30,355)	—	—	(30,355)
U.S. Department of Energy	—	—	—	—	—	—	(45,967)	—	—	(45,967)
U.S. Department of Education	—	—	—	—	—	—	(12,331)	—	—	(12,331)
Commodities Futures Trading Commission	—	—	—	—	—	—	(101)	—	—	(101)
Corporation of National & Community Services	—	—	—	—	—	—	(959)	—	—	(959)
Federal Reserve Board	—	—	—	—	—	—	(3)	—	—	(3)
Treasury General Fund	—	(62,858)	—	(77,418)	(5,165)	—	(4,476,384)	—	(519)	(4,622,344)
U.S. Department of Defense	—	—	—	—	—	—	(166,633)	—	—	(166,633)
Transferred to the Public	—	—	—	—	—	—	(510,751)	—	—	(510,751)
(Increase)/Decrease in Amounts Yet to be Transferred	—	1	(31)	2,768	(703)	—	864,985	—	—	867,020
Increase/(Decrease) in Refunds Payable and Other Liabilities	—	(2,895)	—	—	—	—	(871)	—	—	(3,766)
Retained by the Reporting Entity	—	—	—	—	—	—	(421,954)	—	—	(421,954)
<b>Total Disposition Of Collections</b>	<b>—</b>	<b>(65,752)</b>	<b>(31)</b>	<b>(74,650)</b>	<b>(5,868)</b>	<b>—</b>	<b>(13,874,484)</b>	<b>—</b>	<b>(519)</b>	<b>(14,021,304)</b>
<b>Net Custodial Activity</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>



**U.S. Department of Justice**  
**Civil Monetary Penalty Adjustment for Inflation**  
**For the Fiscal Year Ended September 30, 2021**

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 2020. The 2021 assessments for civil penalty inflationary adjustments are currently under final review.

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

Bureau of Alcohol, Tobacco, Firearms and Explosives						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
18 U.S.C. 922(t)(5)	Brady Law - Nat'l Instant Criminal Check System; PL 103-159, sec. 102(b)	1993	2020	\$ 8,831	Alcohol Tobacco, Firearms, and Explosives (ATF)	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
18 U.S.C. 924(p)	Child Safety Lock Act, PL 109-92, sec. 5(c)(2)(B) Secure gun storage or safety device, violation	2005	2020	\$ 3,230	Alcohol, Tobacco, Firearms, and Explosives (ATF)	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**Civil Division**

Civil Division						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
12 USC 1833a(b)(1)	Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Violation	1989	2020	\$ 2,048,915	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
12 U.S.C. 1833a(b)(2)	FIRREA Violation (continuing)	1989	2020	\$ 2,048,915	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
12 U.S.C. 1833a(b)(2)	FIRREA Violation (continuing)	1989	2020	\$ 10,244,577	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
22 U.S.C. 2399b(a)(3)(A)	Foreign Assistance Act Fraudulent Claim for Assistance	1968	2020	\$ 5,951	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
31 U.S.C. 3729(a)	False Claims Act Violations	1986	2020	Min \$11,665 - Max \$23,331	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
31 U.S.C. 3802(a)(1)	Program Fraud Civil Remedies Act Violations Involving False Claim (per claim)	1986	2020	\$ 11,665	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
31 U.S.C. 3802(a)(2)	Program Fraud Civil Remedies Act Violation Involving False Statement (per statement)	1986	2020	\$ 11,665	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**U.S. Department of Justice**  
**Civil Monetary Penalty Adjustment for Inflation**  
**For the Fiscal Year Ended September 30, 2021**

**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
40 U.S.C. 123(a)(1)(A)	Federal Property and Administrative Services Act  Violation Involving Surplus Government Property (per act)	1949	2020	\$ 5,951	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
41 U.S.C. 8706(a)(1)(B)	Anti-Kickback Act  Violation Involving Kickbacks (per occurrence)	1986	2020	\$ 23,331	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
18 U.S.C. 2723(b)	Driver's Privacy Protection Act of 1994  Prohibition on Release and Use of Certain Personal Information from State Motor Vehicle Records - Substantial Non-compliance (per violation)	1994	2020	\$ 8,606	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
18 U.S.C. 216(b)	Ethics Reform Act of 1989  Penalties for Conflict of Interest Crimes	1989	2020	\$ 102,446	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
41 U.S.C. 2105(b)	Office of Federal Procurement Policy Act  Violation by an organization	1988	2020	\$ 107,050	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
41 U.S.C. 2105(b)	Office of Federal Procurement Policy Act  Violation by an organization	1988	2020	\$ 1,070,487	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
42 U.S.C. 5157(d)	Disaster Relief Act  Violation	1974	2020	\$ 13,525	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**Civil Rights 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. 248(c)(2)(B)(i)	Freedom of Access to Clinic Entrances Act of 1994  Nonviolent physical obstruction, first order	1994	2020	\$ 17,161	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
18 U.S.C. 248(c)(2)(B)(ii)	Freedom of Access to Clinic Entrances Act of 1994  Nonviolent physical obstruction, subsequent order	1994	2020	\$ 25,820	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
18 U.S.C. 248(c)(2)(B)(i)	Freedom of Access to Clinic Entrances Act of 1994  Other violation, first order	1994	2020	\$ 25,820	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
18 U.S.C. 248(c)(2)(B)(ii)	Freedom of Access to Clinic Entrances Act of 1994  Other violation, subsequent order	1994	2020	\$ 43,034	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
42 U.S.C. 3614(d)(1)(C)(i)	Fair Housing Act of 1968, as amended in 1988. PL 100-430  First violation	1988	2020	\$ 107,050	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
42 U.S.C. 3614(d)(1)(C)(ii)	Fair Housing Act of 1968, as amended in 1988; PL 100-430  Subsequent violation	1988	2020	\$ 214,097	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**U.S. Department of Justice**  
**Civil Monetary Penalty Adjustment for Inflation**  
**For the Fiscal Year Ended September 30, 2021**

**Civil Rights 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
42 U.S.C. 12188(b)(C)(i)	Americans With Disabilities Act; PL 101-336  Public accommodations for individuals with disabilities, first order	1990	2020	\$ 96,384	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
42 U.S.C. 12188(b)(C)(ii)	Americans With Disabilities Act; PL 101-336  Public accommodations for individuals with disabilities, subsequent order	1990	2020	\$ 192,768	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
50 U.S.C. App. 597(b)(3)	Servicemembers Civil Relief Act  First violation	2010	2020	\$ 64,715	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
50 U.S.C. App. 597(b)(3)	Servicemembers Civil Relief Act  Subsequent violation	2010	2020	\$ 129,431	Civil Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**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)	Civil Asset Forfeiture Reform Act of 2000; PL 106-105  Penalty for Frivolous Assertion of Claim	2000	2020	Min \$370 - Max \$7,395	Criminal Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
18 U.S.C. 1956(b)	Money Laundering Control Act of 1986; PL 99-570, Title I, Subtitle H  Violation	1986	2020	\$ 23,331	Criminal Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**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	2020	\$ 21,410	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
21 U.S.C. 961(1)	Controlled Substance Import Export Act  Drug abuse, import or export	1970	2020	\$ 74,388	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
21 U.S.C. 842(c)(1)(A)	Controlled Substances Act, PL 90-513  Violations of 842(a) - other than (5), (10), (16), and (17) - Prohibited acts re: controlled	1970	2020	\$ 67,627	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
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	2020	\$ 15,691	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**U.S. Department of Justice**  
**Civil Monetary Penalty Adjustment for Inflation**  
**For the Fiscal Year Ended September 30, 2021**

**Drug Enforcement Administration (continued)**

<b>Drug Enforcement Administration</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>
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	2018	2020	\$ 101,764	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
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	2020	\$ 541,933	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
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	2020	\$ 1,084	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
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	2020	\$ 406,419	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
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	2018	2020	\$ 508,820	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
21 U.S.C. 856(d)	Illicit Drug Anti-Proliferation Act of 2003  Maintaining drug-involved premises; PL 108-21	2003	2020	\$ 374,763	Drug Enforcement Administration	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**Executive Office for Immigration Review**

<b>Immigration-Related Penalties</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>
8 U.S.C. 1324a(e)(4)(A)(i)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, first order	1986	2020	Min \$583 - Max \$4,667	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324a(e)(4)(A)(ii)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, second order	1986	2020	Min \$4,667 - Max \$11,665	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324a(e)(4)(A)(iii)	Immigration Reform and Control Act of 1986 Unlawful employment of aliens, subsequent order	1986	2020	Min \$6,999 - Max \$23,331	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324a(e)(5)	Immigration Reform and Control Act of 1986 Paperwork violation	1986	2020	Min \$234 - Max \$2,332	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324a (note)	Immigration Reform and Control Act of 1986; PL 104-208, sec. 403(a)(4)(C)(ii)  Violation relating to participating employer's failure to notify DHS of final nonconfirmation of employee's employment eligibility	1996	2020	Min \$813 - Max \$1,625	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324a(g)(2)	Immigration Reform and Control Act of 1986; PL 99-603  Violation/prohibition of indemnity bonds	1986	2020	\$2,332	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**U.S. Department of Justice**  
**Civil Monetary Penalty Adjustment for Inflation**  
**For the Fiscal Year Ended September 30, 2021**

**Executive Office for Immigration Review (continued)**

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. 1324b(g)(2)(B)(iv)(I)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Unfair immigration-related employment practices, first order	1990	2020	Min \$481 - Max \$3,855	Civil Rights Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324b(g)(2)(B)(iv)(II)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Unfair immigration-related	1990	2020	Min \$3,855 - Max \$9,639	Civil Rights Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324b(g)(2)(B)(iv)(II)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Unfair immigration-related employment practices, subsequent order	1990	2020	Min \$5,783 - Max \$19,277	Civil Rights Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324b(g)(2)(B)(iv)(I)	Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a)  Unfair immigration-related employment practices, document abuse	1990	2020	Min \$193 - Max \$1,928	Civil Rights Division	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324c(d)(3)(A)	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)	1990	2020	Min \$481 - Max \$3,855	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324c(d)(3)(B)	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)	1990	2020	Min \$3,855 - Max \$9,639	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324c(d)(3)(A)	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)	1996	2020	Min \$407 - Max \$3,251	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>
8 U.S.C. 1324c(d)(3)(B)	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)	1996	2020	Min \$3,251 - Max \$8,128	Executive Office for Immigration Review	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**Federal Bureau of Investigation**

Immigration-Related Penalties						
Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level (\$ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
49 U.S.C. 30505(a)	National Vehicle Title Identification System; PL 103-272(1)(e)	1994	2020	\$1,722	Federal Bureau of Investigation	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**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
42 U.S.C. 3789g(d)	Omnibus Crime State and Local CHRI Systems - Right to Privacy Violation and Safe Streets Act  State and Local CHRI Systems - Right to Privacy Violation	1979	2020	\$29,755	Office of Justice Programs	Federal Register / Vol. 85, No. 119 / Friday, June 19, 2020 / Rules and Regulations <a href="https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-19/pdf/2020-10905.pdf</a>

**U.S. Department of Justice  
Grants Programs  
For the Fiscal Year Ended September 30, 2021**

Pursuant to the OMB Uniform Guidance in 2 C.F.R. § 200.343(b), recipients of grants and cooperative agreements must liquidate all obligations incurred under their awards within 90 days after the end of the period of performance, unless the awarding agency authorizes an extension or program-specific statutes specify a different liquidation period.

As required by OMB Circular A-136, *Financial Reporting Requirements*, DOJ is required to:

1. Disclose 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, 2021; and
2. Provide 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: OJP's OVW, and Office of Community Oriented Policing Services (COPS Office).

The table below presents, for each DOJ's grant-making component that had zero dollar balances and undisbursed obligations for expired grant awards as of September 30, 2021, for which closeout has not yet occurred, but for which the period of performance has elapsed by two years or more prior to September 30, 2021

**DOJ Grant Programs: Summary of Expired, but not Closed Grants/Cooperative Agreements**

For the Fiscal Year Ended September 30, 2021 (Dollars in Thousands)

<b>DOJ Component</b>	<b>Category</b>	<b>2-3 Years - FYs 2018-2019</b>	<b>3-5 Years - FYs 2017-2018</b>	<b>More than 5 Years - Before FY 2016</b>
<b>OJP</b>	Number of Grants/ Cooperative Agreements with Zero Dollar Balances	39	8	3
	Number of Grants/ Cooperative Agreements with Undisbursed Balances	94	16	20
	<b>OJP Total Amount of Undisbursed Balances</b>	<b>\$76,564</b>	<b>\$11,195</b>	<b>\$4,078</b>
<b>COPS</b>	Number of Grants/ Cooperative Agreements with Zero Dollar Balances	3	0	0
	Number of Grants/ Cooperative Agreements with Undisbursed Balances	14	0	0
	<b>COPS Total Amount of Undisbursed Balances</b>	<b>\$645</b>	<b>\$—</b>	<b>\$—</b>
<b>OVW</b>	Number of Grants/ Cooperative Agreements with Zero Dollar Balances	15	10	0
	Number of Grants/ Cooperative Agreements with Undisbursed Balances	49	34	0
	<b>OVW Total Amount of Undisbursed Balances</b>	<b>\$4,058</b>	<b>\$4,195</b>	<b>\$—</b>
<b>DOJ Total Amount of Undisbursed Balances</b>		<b>\$81,267</b>	<b>\$15,390</b>	<b>\$4,078</b>

**U.S. Department of Justice  
Grants Programs  
For the Fiscal Year Ended September 30, 2021**

## **Closeout Challenges**

The COPS Office transitioned to the Justice Grants System (JustGrants) and DOJ's UFMS, the new unified grant and financial management systems, in October 2020. Initially, technical difficulties with the new systems impeded our office's ability to process closeouts. Most issues have now been resolved and the COPS Office is making good progress on closing out awards. Since last year's report, the COPS Office has closed out all grants whose period of performance has elapsed by more than three years. Several of the remaining awards on this list have unresolved monitoring findings which we are working through. The COPS Office recently updated its closeout standard operating procedures to automate the closeout vetting process more fully, which will facilitate a faster pace of closeouts in FY 2022.

OJP has made some progress over the past year compared to the previous year. JustGrants was launched and used to manage grants in October 2020. Technical system functionality hindered and prevented OJP from efficiently processing award closeouts. There are continued system developments and system fixes, which have allowed OJP to continue progress on award closeout.

For OVW, technical system issues continue to impact OVW's ability to close out awards in JustGrants. OVW only completed the close out of 4 awards during FY 2021. Planned updates to JustGrants during FY 2022 are expected to improve OVW's ability to process closeouts and make progress on reducing the undisbursed balances remaining.

# U.S. DEPARTMENT OF JUSTICE

## APPENDIX (UNAUDITED)





## OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

The Office of the Inspector General (OIG) provided a draft of the *Independent Auditors' Report* to the Department of Justice (Department). The Department's response is incorporated in the Exhibit of the *Independent Auditors' Report* of this final report. In response to the *Independent Auditors' Report*, the Department concurred with the recommendations and discussed the actions it will implement in response to the finding. As a result, the status of the report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

### Recommendations for the Department:

1. **Design and implement a control for Justice Management Division (JMD) and the components to monitor and evaluate significant changes to operations or financial reporting processes within the Department that will identify, analyze, and respond to financial reporting risks, such as the adoption of new accounting standards, implementations and conversions of financially relevant systems, and utilization of new services organizations supporting the Department. (New)**

Resolved. The Department concurred with this finding. Management stated in its response that it will assess and implement controls to address reporting risks associated with changes to accounting standards, implementation of new systems, and utilization of new service organizations.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that management has sufficiently implemented controls to monitor and evaluate significant changes to address financial reporting risks associated with changes to accounting standards, implementation of new systems, and utilization of new service organizations.

2. **Design and implement effective internal control processes for JMD and the components to review and monitor service organization control risks to ensure that ineffective controls performed by service organizations are evaluated and appropriate compensating controls are designed and implemented. (New)**

Resolved. The Department concurred with this finding. Management stated in its response that the Department's Office of Management and Budget (OMB) Circular A-123 Senior Assessment Team will review and enhance its OMB Circular A-123 assessment procedures. The enhancements will focus on ensuring the effectiveness of management's risk assessment process to identify and respond to internal control risks and deficiencies relevant to service organizations.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that the Department has sufficiently implemented controls to review and monitor service organization control risks.

3. **Design, implement, and execute policies and procedures for JMD and the components to identify and investigate significant variances across all certified financial statements and notes. (New)**

Resolved. The Department concurred with this finding. Management stated in its response that it will enhance its internal control reviews over month and quarter end component financial reporting and operations to identify and investigate significant variances.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that management has sufficiently implemented and executed policies and procedures to identify and investigate significant variances across all certified financial statements and footnotes.