Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2023

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AUDIT DIVISION

24-020

JANUARY 2024

COMMENTARY AND SUMMARY

Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2023

Objectives

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

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

Results in Brief

KPMG LLP (KPMG) found that the Department's financial statements are fairly presented as of and for the year ended September 30, 2023, and issued an unmodified opinion. KPMG identified one material weakness in the Independent Auditors' Report and did not report any instances of non-compliance.

The OIG reviewed KPMG's report and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with Government Auditing Standards, was not intended to enable us to express, and we do not express, an opinion on the Department's financial statements, conclusions about the effectiveness of internal control, conclusions on whether the Department's financial management systems substantially complied with FFMIA, or conclusions on compliance and other matters. KPMG is responsible for the attached Independent Auditors' Report dated November 15, 2023, and the conclusions expressed in the report. Our review disclosed no instances where KPMG did not comply, in all material respects, with Government Auditing Standards.

Recommendations

KPMG provided the Department four recommendations to improve its financial management and reporting controls, and risk assessment process.

Audit Results

The fiscal year (FY) 2023 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 2022, the Department also received an unmodified opinion on its financial statements (OIG Audit Division Report Number 23-037).

Although substantial progress was made, the material weakness that was identified in last year's Independent Auditors' Report—which related to financial management and reporting controls, and risk assessment controls, at the Federal Bureau of Prisons and the Department—continues to exist. Additionally, in FY 2023, deficiencies were identified in the OBD's financial management and reporting controls that further contributed to this material weakness. No instances of non-compliance or other matters were identified during the audit that are required to be reported under Government Auditing Standards. KPMG's tests disclosed no instances in which the Department's financial management systems did not substantially comply with FFMIA.

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

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U.S. Department of Justice

Management's Discussion and Analysis (Unaudited)

Context for the Financial Information in the MD&A

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

Mission Statement

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

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

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

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

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

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

Organizational Structure

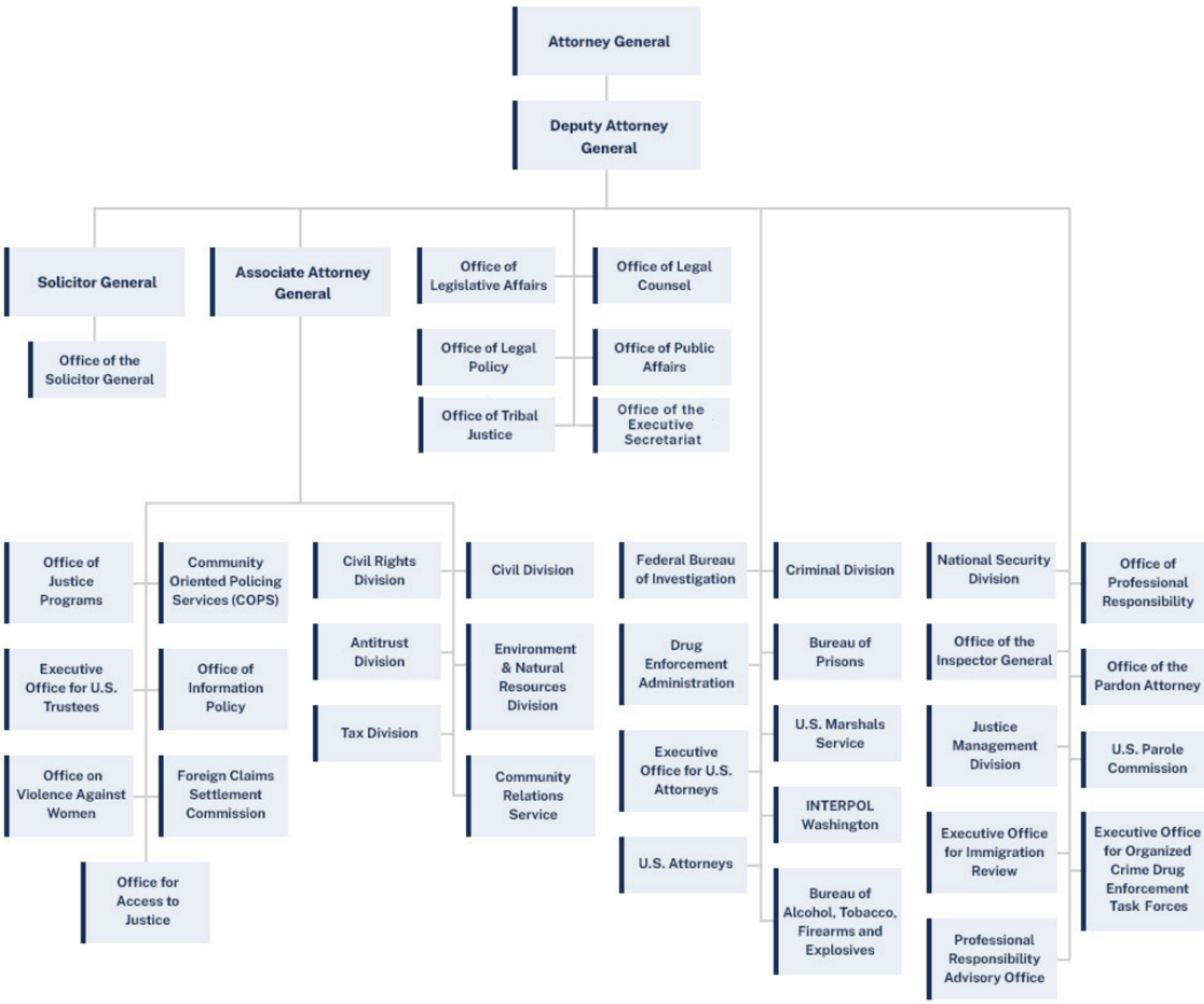
Led by the Attorney General, the Justice Department is comprised of more than forty separate component organizations. There are nearly 116,000 employees of the Department who ensure that the individual component missions, and the overarching Department mission, is carried out. These include major investigative components such as the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

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

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

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

U.S. DEPARTMENT OF JUSTICE



As of September 30, 2023, the Department's financial reporting structure was comprised of nine principal components:

- ASSETS FORFEITURE FUND (AFF)
  SEIZED ASSET DEPOSIT FUND (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)*
- UNITED STATES MARSHALS SERVICE (USMS)

*OBDs organizational structure presented on the following page.

OFFICES

- Office of the Attorney General
- Office of the Deputy Attorney General
- Office of the Associate Attorney General
- Office for Access to Justice (ATJ)
- Community Relations Service (CRS)
- Executive Office for Immigration Review (EOIR)
- Executive Office for U.S. Attorneys (EOUSA)
- Executive Office for U.S. Trustees (UST)
- INTERPOL Washington
- Office of Community Oriented Policing Services (COPS)
- Executive Office for Organized Crime Drug Enforcement Task Forces (OCDETF)
- Office of Information Policy (OIP)
- Office of Legal Counsel (OLC)
- Office of Legal Policy (OLP)
- Office of Legislature Affairs (OLA)
- Office of the Inspector General (OIG)
- Office of the Pardon Attorney (PARDON)
- Office of Professional Responsibility (OPR)
- Office of Public Affairs (OPA)
- Office of the Solicitor General (OSG)
- Office of Tribal Justice (OTJ)
- Office on Violence Against Women (OVW)
- Professional Responsibility Advisory Office (PRAO)
- U.S. Attorneys (USAO)
- Office of the Executive Secretariat

BOARDS

- Foreign Claims Settlement Commission (FCSC)
- U.S. Parole Commission (USPC)

DIVISIONS

- Antitrust Division (ATR)
- Civil Division (CIV)
- Civil Rights Division (CRT)
- Criminal Division (CRM)
- Environment and Natural Resources Division (ENRD)
- Justice Management Division (JMD)
- National Security Division (NSD)
- Tax Division (TAX)

Chart 1: DOJ Employees Onboard by Reporting Component

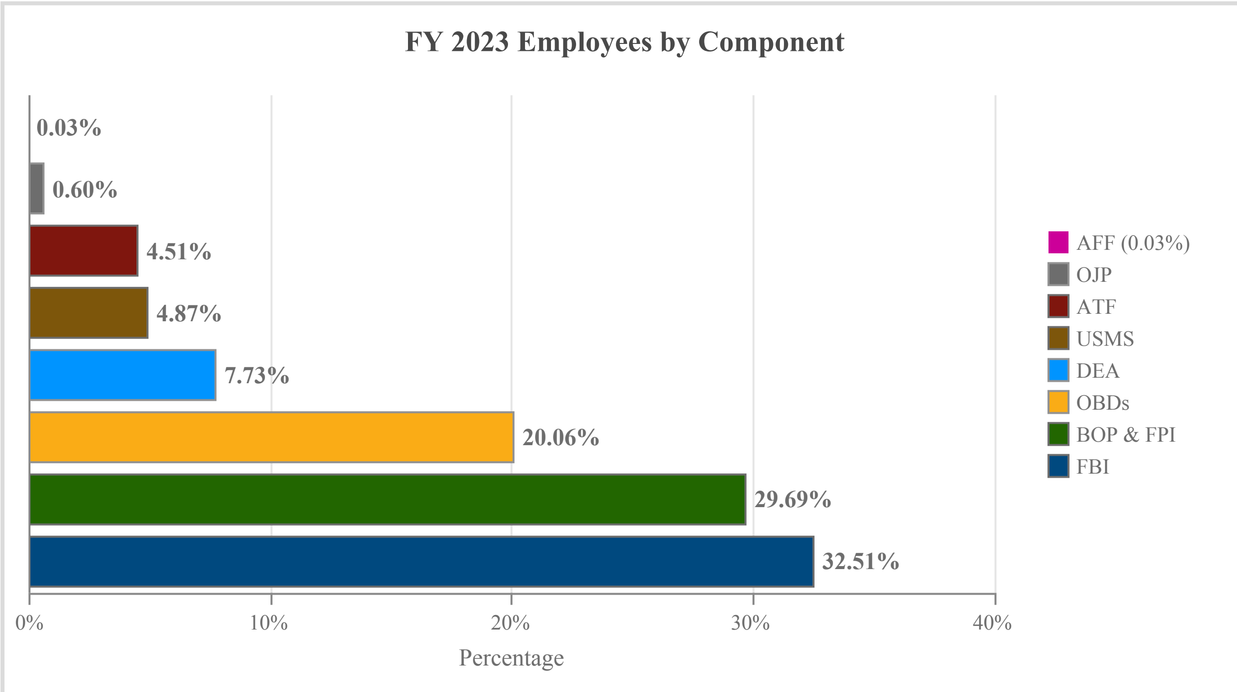
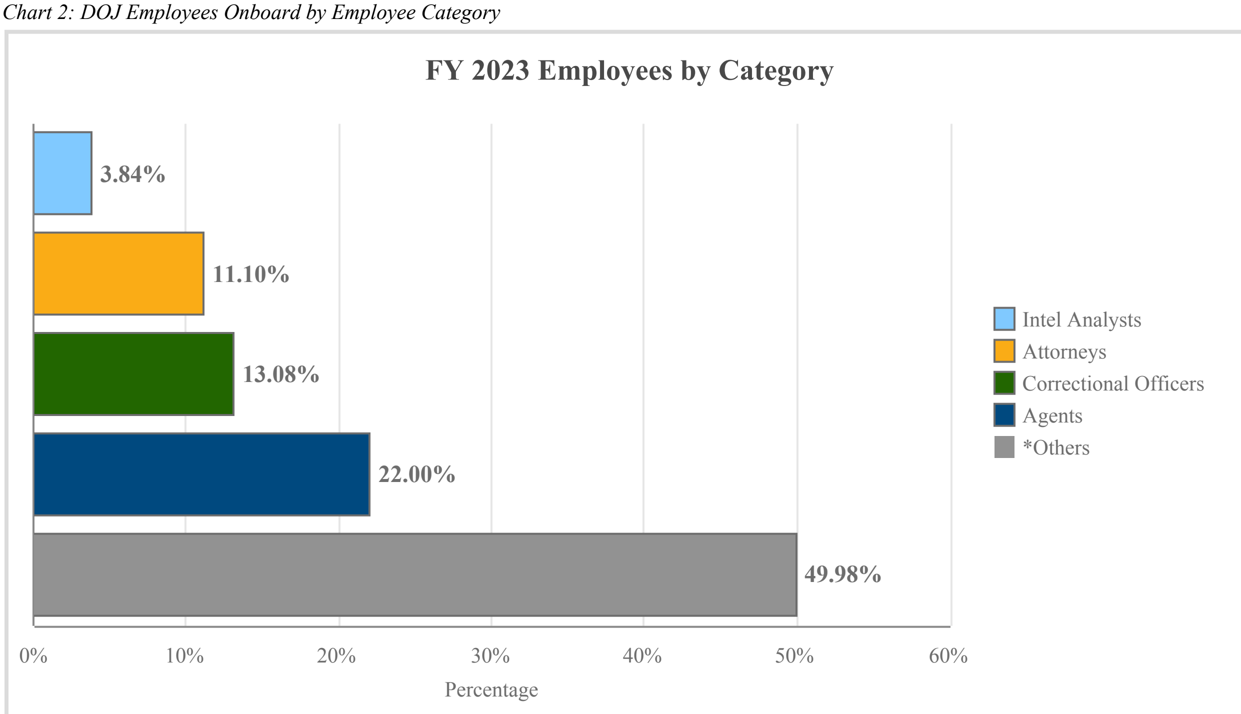


Chart 2: DOJ Employees Onboard by Employee Category



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

Major Programs

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

- Program 1 - Law Enforcement
    - Protects and defends the United States against foreign and domestic threats by investigating, enforcing, and upholding the laws of the United States (e.g. AFF, ATF, DEA, FBI, OCDETF, and USMS).

- Program 2 - Litigation and Compensation
    - The litigating function defends or asserts the laws, programs, and policies of the United States and ensures greater coordination and unity of purpose between prosecutors and law enforcement agencies; the compensation function ensure that proceeds, monetary penalties, and fines are deposited into compensation funds that are distributed to victims (e.g. ATR, CIV, CRT, CRM, ENRD, EOUSA, INTERPOL, NSD, OLC, OPA, OSG, PRAO, TAX, USVSSTF, USAO, VCF, and RECA).

- Program 3 - Prisons and Detention
    - Provides for the safe, secure, and humane confinement of detained persons in prisons, detention centers, and community-based facilities, and provides services and programs to facilitate successful reentry (e.g. BOP, FPI, USPC, and USMS Detention).

- Program 4 - Grants
    - Reduces crime and improves the function of the criminal justice system by increasing public safety and improving fair administration of justice across America through innovative leadership and programs (e.g. COPS, OJP, and OVW).

- Program 5 - Executive Oversight and Enterprise Technology
    - <u>Executive Oversight:</u> Provides advice to senior management officials on matters including, but not limited to policy for budget and financial management, personnel management and training, procurement, equal employment opportunity, information processing, telecommunications, security, and all matters pertaining to organization authorities; also includes vital functions such as adjudicating immigration cases, preserving the bankruptcy system, managing multi-agency task forces, and national criminal justice programs (e.g. AG, DAG, ASG, other SMOs, CRS, EOIR, UST, OTJ, JMD, and OIG).

    - <u>Enterprise Technology:</u> Protects critical mission assets by strengthening security in particular areas including access management and incident response and recovery (e.g. Justice Information Sharing Technology (JIST) and Working Capital Fund (WCF)).

Performance Goals, Objectives, and Results

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

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

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

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

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

The Department's *Strategic Plan* includes 66 key performance measures, which are summarized in this document. The Department's full performance for these measures will be discussed in the Department's *FY 2023 Annual Performance Report* (*APR*) / *FY 2023 APP* and submitted with the *President's Budget* in February 2024.

[1] https://www.justice.gov/doj/doj-strategic-plan-2022-2026

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

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

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

Strategic Objective	Key Performance Indicator	FY 2023 Target	FY 2023 Actual	Target Achieved?
Strategic Goal 1: Uphold the Rule of Law				
1.1	Percent of OPR inquiries resolved within one year [OPR]	75%	98%	Achieved
1.1	Number of criminal government program fraud cases where the proactive use of data led to the opening of an investigation by the Criminal Division. [CRM]	50	TBD	
1.1	Number of U.S. Attorney's Offices that received proactive data leads in criminal government fraud cases from the Criminal Division. [CRM]	45	TBD	
1.1	Percent of criminal cases concerning COVID-19 related fraud defendants in which the Department seeks restitution [USAO]	90%	TBD	
1.1	Percent of criminal cases concerning COVID-19 related fraud defendants whose cases were favorably resolved [USAO]	90%	99%	Achieved
1.1	Ratio of backlogged to incoming FOIA requests [OIP]	45%	TBD	
1.2	Percent increase in the Department's average score on selected FEVS questions related to how well managers cultivate innovation, creativity, and collaboration [JMD]	61%	93%	Achieved
1.2	Percent of people involved in hiring who have completed implicit bias and interview skills training within the last three years [JMD]	20%	8%	Not Achieved
1.2	Disparities in employee attrition rates [JMD]	1.34	1.41	Not Achieved
1.2	Percent of Department websites reflecting U.S. Web Design System requirements and meeting best practices for plain language and user centered design [JMD]	100%	TBD	
1.2	Percent of common data sets accessible amongst DOJ components [JMD]	49%	TBD	

Strategic Objective	Key Performance Indicator	FY 2023 Target	FY 2023 Actual	Target Achieved?
Strategic Goal 2: Keep Our Country Safe				
2.1	Number of counterintelligence program disruptions or dismantlements [FBI]	400	494	Achieved
2.1	Percent of prosecutions brought against defendants engaged in a) hostile activities against national assets, b) intelligence gathering, or c) export violations that are favorably resolved [NSD]	90%	TBD	
2.1	Percent of Department-led foreign investment cases that were adjudicated favorably [NSD]	97%	TBD	
2.2	Number of terrorism disruptions effected through investigations [FBI]	600	405	Not Achieved
2.2	Percent of counterterrorism defendants whose cases were favorably resolved [NSD]	90%	TBD	
2.2	Number of individuals in the Department trained to prosecute domestic terrorism and domestic violent extremism [NSD]	400	TBD	
2.2	Percent of Department-issued Intelligence Information Reports used in the development of United States Intelligence Community Intelligence Products [FBI]	15%	18.5%	Achieved
2.3	Percent of federal violent crime defendants' cases favorably resolved [CRM, USAO]	90%	98%	Achieved
2.3	Volume of U.S. Attorney office records uploaded to the National Instant Criminal Background Check System [USAO]	6%	TBD	
2.3	Percent of grantees that conduct community engagement activities as part of the program planning for their crime reduction initiative [OJP]	25%	32%	Achieved
2.4	Percent increase in disruptions of malicious cyber actors' use of online infrastructure through proactive operations and judicial means [FBI]	5%	14%	Achieved
2.4	Percent of reported ransomware incidents from which cases are opened, added to existing cases, or resolved within 72 hours [FBI]	65%	47%	Not Achieved
2.4	Percent increase in operations conducted jointly with strategic partners [FBI]	3%	(38)%	Not Achieved
2.4	Percent of confirmed cyber incidents to Department systems [JMD]	0.001%	0.0014%	Not Achieved
2.4	Percent increase of threat advisories disseminated to the private sector (changed from Number of) [FBI]	5%	(5)%	Not Achieved
2.5	Percent of disruptions or dismantlements of drug-trafficking organizations focused on the highest priority targets [OCDETF]	31%	TBD	
2.5	Amount of diversion, nationally, of opioids and stimulants [DEA]	308,376g	100,881g	Not Achieved
2.5	Percent of relevant-funded grantee programs that provide Medication Assisted Treatment, which includes medication plus counseling, as part of their substance use disorder services [OJP]	TBD	TBD	

Strategic Objective	Key Performance Indicator	FY 2023 Target	FY 2023 Actual	Target Achieved?
Strategic Goal 2: Keep Our Country Safe				
2.6	Percent increase in services to traditionally underserved victim populations through VOCA-funded organizations and anti-human trafficking programs [OJP]	TBD	TBD	
2.6	Percent of USAOs conducting training on trauma-informed and culturally sensitive approaches for attorneys, victim witness specialists, and support staff [USAO]	65%	TBD	
2.6	Percent of victims reporting that they entered and maintained permanent housing upon exit from an OVW-funded transitional housing program 6 months after program completion (Transitional Housing Program only) [OVW]	80%	TBD	
2.6	Percent of crimes-against-children FBI cases which address abductions, hands-on offenders, sextortion, or enticement [FBI]	46%	65%	Achieved
2.6	Number of formal relationships established with state, county, and local law enforcement, either directly or through state Police Officer Standards and Training councils or commissions, to communicate elder justice best practices [CIV]	10	3	Not Achieved
2.6	Percent of Indian Country homicide cases and sexual abuse cases favorably resolved [USAO]	90%	96%	Achieved
Strategic Goal 3: Protect Civil Rights				
3.1	Number of new Voting Rights Act matters initiated [CRT]	4	TBD	
3.1	Percent of cases prosecuting threats of violence and intimidation against election officials that are favorably resolved [CRM]	75%	90%	Achieved
3.1	Percent of BOP facilities providing structured curriculum on voting rights to releasing individuals [BOP]	100%	100%	Achieved
3.2	Number of Title VII and USERRA investigations [CRT]	20	28	Achieved
3.2	Number of Limited English Proficiency (LEP) individuals who access department-funded materials in their native language to understand federal hate crimes and anti-discrimination laws [CRT]	35,000	57,895	Achieved
3.2	Percent of United States Attorney's Offices leading hate crime alliances with community representatives and local civil rights leaders [USAO]	100%	TBD	
3.2	Percent of criminal cases addressing civil rights violations, including hate crimes, favorably resolved [CRT]	85%	TBD	
3.3	Percent of federal law enforcement officers who receive Use of Force Sustained Training within a 3-year period [ATF, BOP, DEA, FBI, USMS]	95%	TBD	
3.3	Percent of participants in CRS facilitated police-community relations programs who perceive stronger community capacity to address alleged inequities [CRS]	80%	TBD	
3.3	Percent of federal law enforcement officers equipped with body-worn cameras and associated training [ATF, DEA, FBI, USMS]	38%	TBD	
3.3	Percent of Justice Assistance Grant Program law enforcement grantees using innovative and evidence-based practices [OJP]	9%	8%	Not Achieved

Strategic Objective	Key Performance Indicator	FY 2023 Target	FY 2023 Actual	Target Achieved?
Strategic Goal 3: Protect Civil Rights				
3.4	Percent of eligible individuals represented by consistent defense counsel throughout that individual's justice system involvement [OJP]	TBD	TBD	
3.4	Number of Justice Department strategic partnerships established by the Office for Access to Justice to improve equal access to justice [ATJ]	10	TBD	
3.5	Number of Environmental Justice Coordinators designated [USAO]	94	TBD	
3.5	Percent of participants in CRS facilitated environmental justice programs who perceive stronger community capacity to address alleged inequities [CRS]	TBD	TBD	
3.5	Number of matters that address adverse environmental and public health effects brought under civil rights statutes [CRT]	16	TBD	
3.5	Percent of environmental enforcement cases in or substantially affecting overburdened and underserved communities that are favorably resolved [ENRD]	80%	TBD	
3.5	Percent reduction in energy intensity used by the Department [JMD]	(2)%	TBD	
Strategic Goal 4: Ensure Economic Opportunity and Fairness for All				
4.1	Number of active civil non-merger investigations [ATR]	50	TBD	
4.1	Percentage of consumer protection branch cases favorably resolved [CIV]	85%	97%	Achieved
4.2	Percent of corporate criminal cases in which individual responsibility was evaluated [CRM, USAO]	95%	TBD	
4.2	Percent of corporate criminal resolutions containing compliance reporting obligations that are evaluated by DOJ at least annually [CRM, USAO]	95%	TBD	
4.2	Number of criminal disruptions or dismantlements in public corruption and fraud against the government [FBI]	487	320	Not Achieved
4.2	Percent of new contacts by the FBI with foreign anti-corruption agencies that progress to mutual sharing of information or assistance or result in a new international corruption case [FBI]	60%	47%	Not Achieved
Strategic Goal 5: Administer Just Court and Correctional Systems				
5.1	Median case completion time [EOIR]	710	791	Achieved
5.1	Average number of vacancy-days for immigration adjudicator positions [EOIR]	382	TBD	
5.1	Percent of immigration judges who have received all relevant continuing legal education annually [EOIR]	92%	99%	Achieved
5.1	Visits to the Immigration Court Online Resource (ICOR) [EOIR]	24,000	462,503	Achieved
5.2	Percent of funded corrections officer positions filled at the end of each fiscal year [BOP]	93%	TBD	
5.2	Percent of inmates in federal custody who have successfully completed or are enrolled in an FSA program or activity [BOP]	55%	79%	Achieved
5.2	Percent of inquiries from external stakeholders that BOP responds to within the target response time [BOP]	80%	89%	Achieved

*TBD: The FY 2023 Actuals will be reported in the APR at a later date.

Analysis of Financial Statements

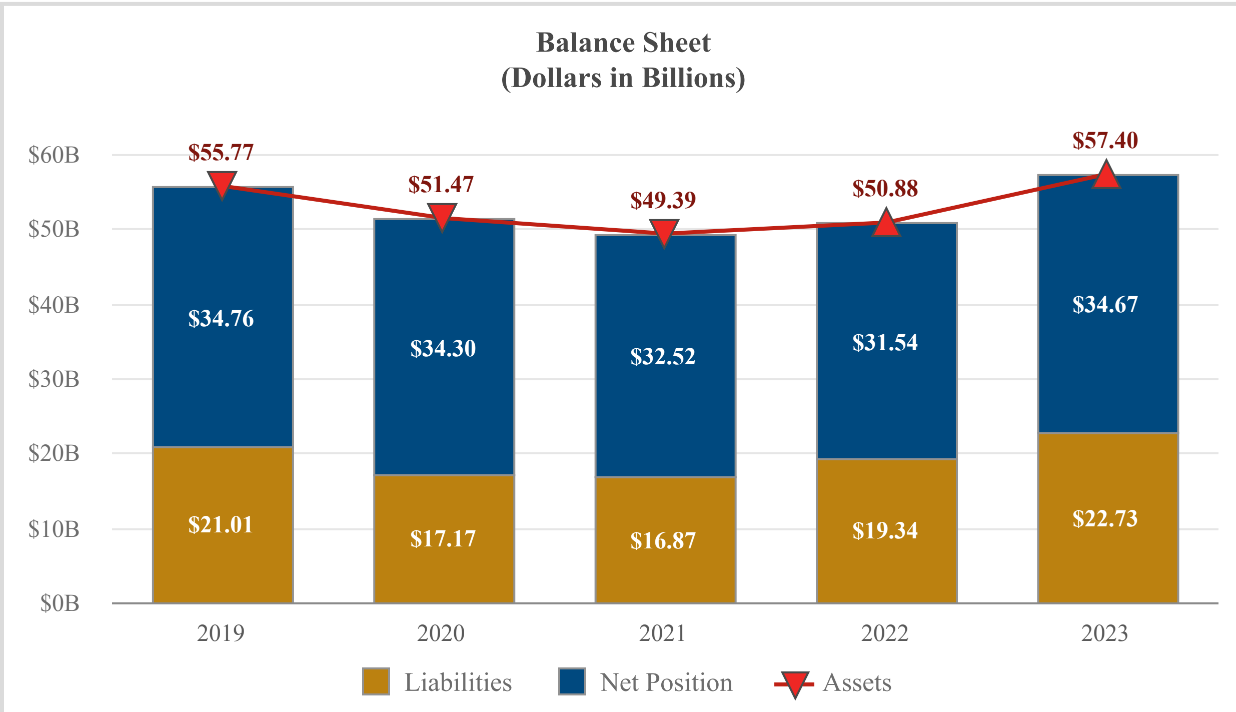
The Department's financial statements received an unmodified audit opinion for the fiscal years ended September 30, 2023 and 2022. These statements were prepared from the accounting records of the Department in accordance with the accounting principles generally accepted in the United States and standards promulgated by the Federal Accounting Standards Advisory Board (FASAB) and *Office of Management & Budget Circular A-136* (*OMB A-136*).

The following information highlights the Department's financial position and results of operations for the fiscal years ended September 30, 2023 and 2022. The complete set of financial statements, related notes, and the opinion of the Department's auditor are provided in Section II of this document.

U.S. Department of Justice Table of Key Measures							
Dollars in Billions		**2023**		**2022**		**Increase/(Decrease)**	
BUDGETARY RESOURCES							
Total Budgetary Resources	$	69.95	$	59.94	$	10.01	16.7 %
Total Unobligated Balances	$	13.70	$	9.79	$	3.91	39.9 %
Net Agency Outlays	$	44.95	$	40.03	$	4.92	12.3 %
COST OF OPERATIONS							
Gross Program Costs	$	54.06	$	45.38	$	8.68	19.1 %
Less: Earned Revenue	$	3.31	$	2.94	$	.37	12.6 %
Total Net Cost of Operations	**$**	**50.75**	**$**	**42.44**	**$**	**8.31**	**19.6 %**
BALANCE SHEET							
Assets:							
Fund Balance with Treasury	$	36.85	$	34.23	$	2.62	7.7 %
Cash & Other Monetary Instruments	$	3.28	$	1.41	$	1.87	132.6 %
Investments, Net	$	6.45	$	3.14	$	3.31	105.4 %
Accounts Receivable	$	2.11	$	2.90	$	(.79)	(27.2) %
Property, Plant & Equipment, Net	$	7.77	$	8.27	$	(.50)	(6.0) %
Other	$	.94	$	.93	$	.01	1.1 %
Total Assets	**$**	**57.40**	**$**	**50.88**	**$**	**6.52**	**12.8 %**
Liabilities:							
Accounts Payable	$	3.17	$	3.08	$	.09	2.9 %
Advances & Deferred Revenues	$	1.19	$	1.12	$	.07	6.2 %
Federal Employee Benefits	$	2.75	$	2.67	$	.08	3.0 %
Compensation Fund Liabilities	$	6.35	$	3.94	$	2.41	61.2 %
Seized Cash & Monetary Instruments	$	4.75	$	2.88	$	1.87	64.9 %
Custodial Liabilities	$	1.39	$	2.68	$	(1.29)	(48.1) %
Other	$	3.13	$	2.97	$	.16	5.4 %
Total Liabilities	**$**	**22.73**	**$**	**19.34**	**$**	**3.39**	**17.5 %**
Net Position:							
Unexpended Appropriations	$	25.08	$	19.92	$	5.16	25.9 %
Cumulative Results of Operations	$	9.59	$	11.62	$	(2.03)	(17.5) %
Total Net Position	**$**	**34.67**	**$**	**31.54**	**$**	**3.13**	**9.9 %**

Balance Sheet

Chart 3: Balance Sheet, Trend Analysis FY 2019-2023

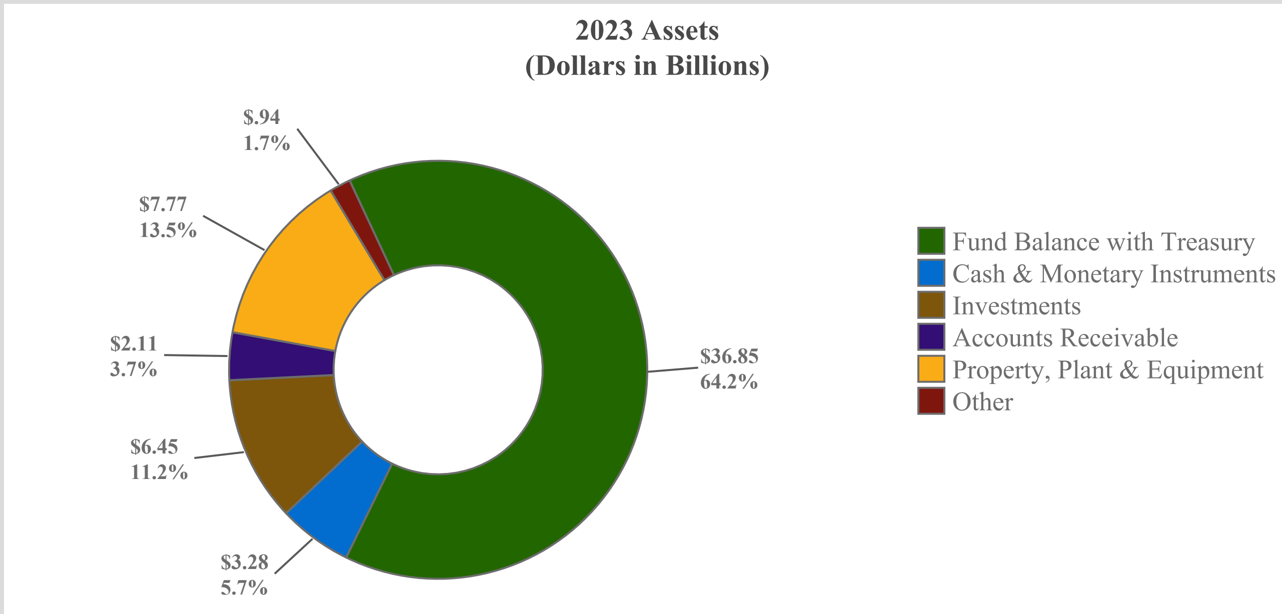


Assets

The Department's Consolidated Balance Sheet as of September 30, 2023, reflects $57.40 billion in total assets, an increase of $6.52 billion or 12.8% compared to the previous year's total of $50.88 billion. A contributing factor for the increase in total assets was a $2.62 billion increase to fund balance with treasury (FBwT) partially a result of revenue received from large forfeiture cases, offset by third party payments and a permanent rescission for a net increase to AFF's FBwT of $1.30 billion. The remaining increase to FBwT can be associated with increased appropriations received in FY 2023 compared to FY 2022, and a portion of those funds remaining either unobligated or obligated and not yet disbursed. Additionally, Investments increased $3.31 billion as a result of the United States Victims of State Sponsored Terrorism Fund (USVSSTF) unobligated claims associated with lump sum catch-up payments for victims of 9/11, the 1983 Beirut barracks bombing, and the 1996 Khobar Towers bombing. Another contributing factor for the increase to total assets was a $1.87 billion increase to seized cash deposited primarily associated with FTX, Alameda Research, Binance, GTV Media Group, and Ability Pharmacy.

The increases to total assets were offset by accounts receivable, other than intragovernmental, by $0.77 billion due to reduced net claims resulting from violations of laws and regulations against other parties, not yet collected by the Department on behalf of others and the Treasury General Fund. Lastly, general property, plant, and equipment decreased by $0.50 billion.

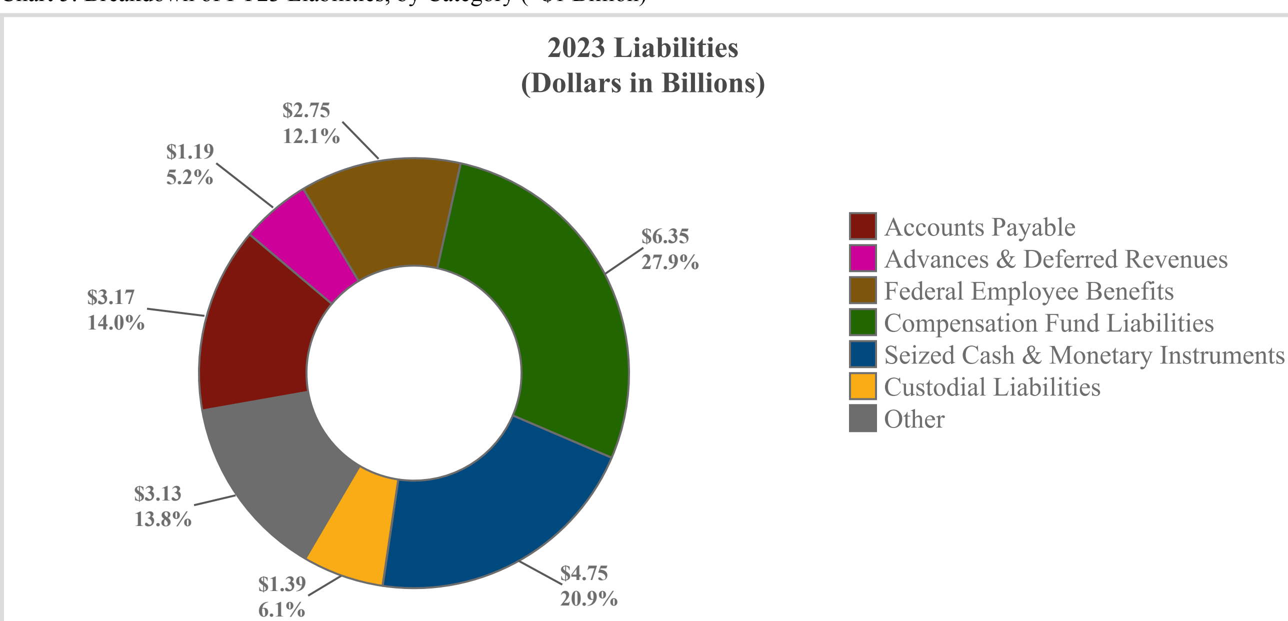
Chart 4: Breakdown of FY23 Assets, by Category (>$1 Billion)



Liabilities

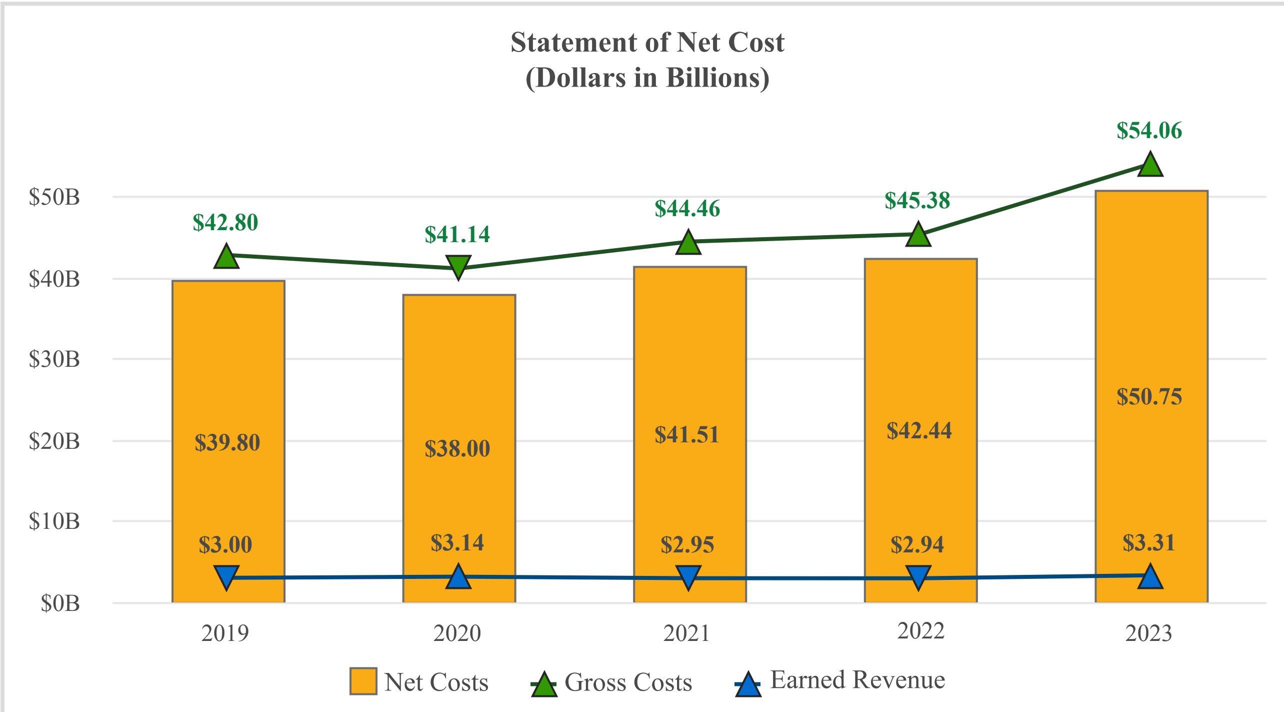
Total liabilities were $22.73 billion as of September 30, 2023, an increase of $3.39 billion or 17.5% compared to the previous year's total of $19.34 billion. The primary reason for the increase in total liabilities was attributed to $3 billion appropriated funding made available to USVSSTF for lump sum catch-up payments for the 1983 Beirut barracks bombing and the 1996 Khobar Towers bombing. Additionally, liabilities associated with seized cash and monetary instruments increased by $1.87 billion due to large case seizures including FTX, Alameda Research, Binance, GTV Media Group, and Ability Pharmacy. Increases to total liabilities were largely offset by a reduction in custodial liability accruals of $1.29 billion.

Chart 5: Breakdown of FY23 Liabilities, by Category (>$1 Billion)



Statement of Net Cost

Chart 6: Statement of Net Cost, Trend Analysis FY 2019-2023

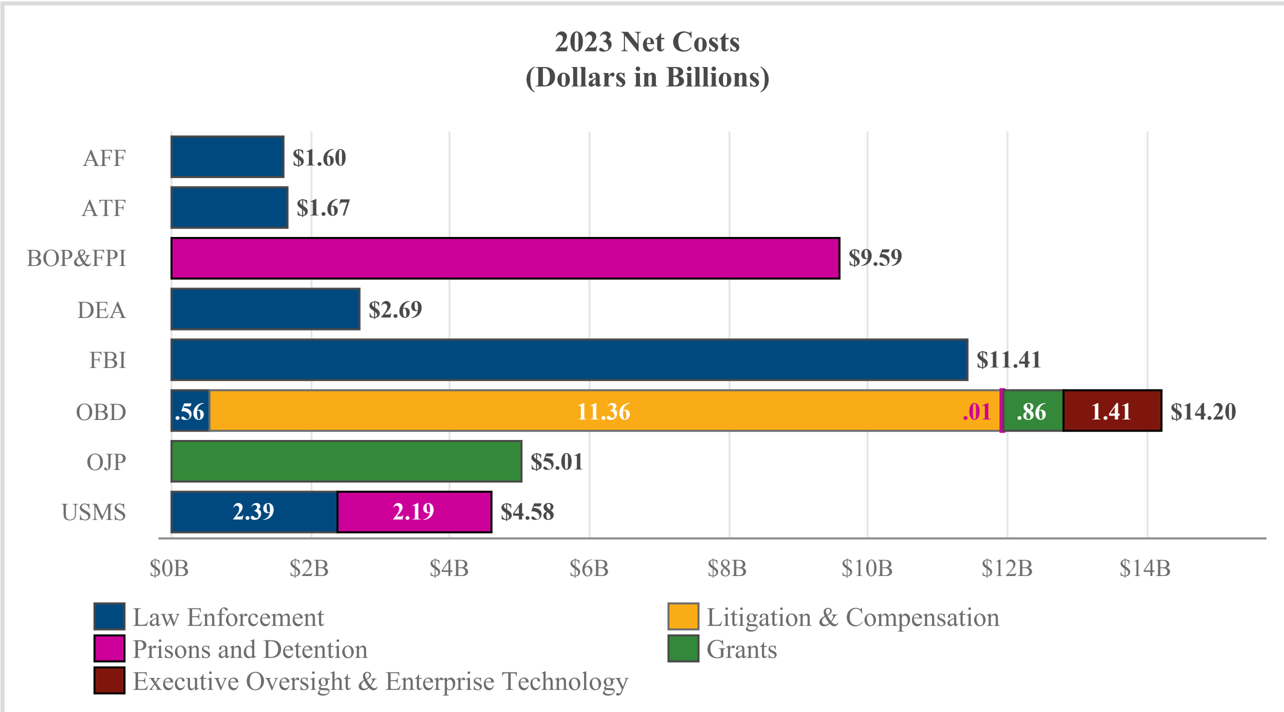


Net Cost of Operations

The Department presents their Consolidated Statement of Net Cost by major program. The net cost of the Department's operations totaled $50.75 billion for the fiscal year ended September 30, 2023, an increase of $8.31 billion or 19.6% from the previous year's total of $42.44 billion. The most significant increase to net cost is attributed to Major Program 2, Litigation and Compensation, which increased by $5.21 billion. The increase is due to USVSSTF $2.70 billion claim payments for the 9/11-related lump sum catch-up payments, and the $3 billion liability accruals for the lump sum catch-up payments for the 1983 Beirut barracks bombing and the 1996 Khobar Towers bombing. This was offset by increased revenue of approximately $0.40 billion.

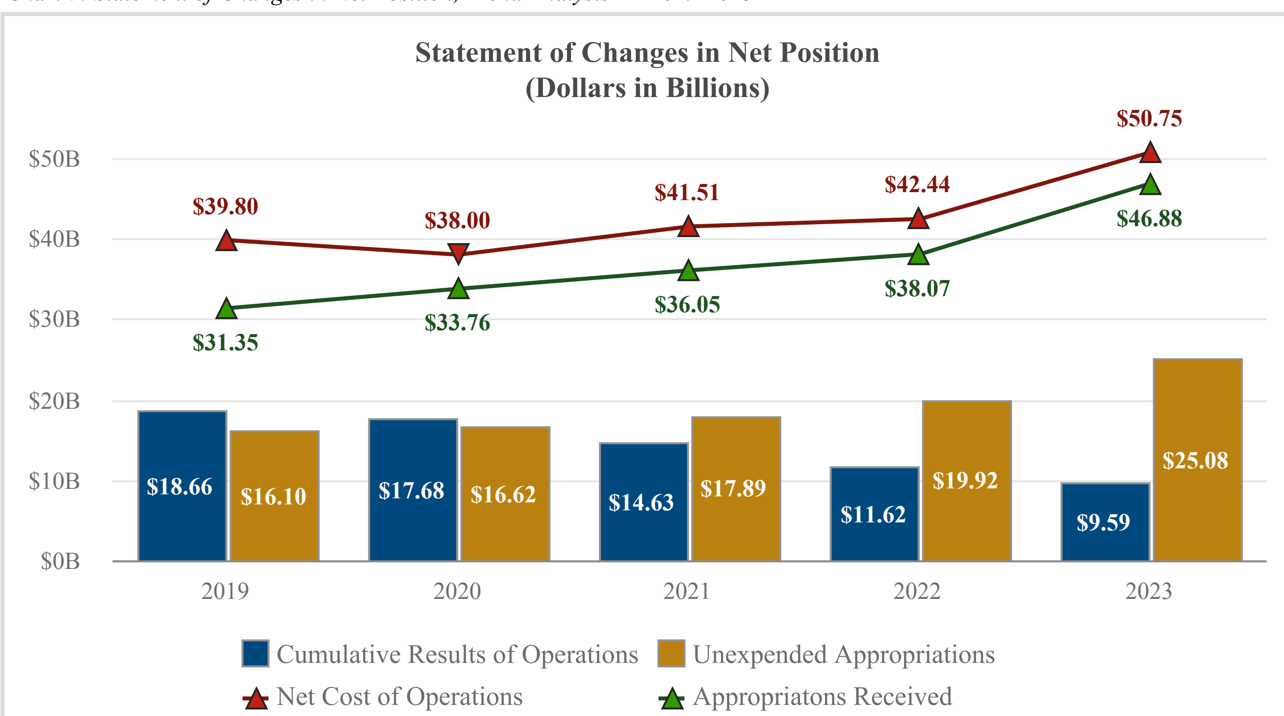
Total net cost increased among all major programs in FY 2023, however it cannot be associated with major events. Rather it is due to increased operational costs due to economic cost factors which was supported by increased appropriated funding.

Chart 6: Breakdown of FY23 Net Costs, by DOJ Major Program & Reporting Component



Statement of Changes in Net Position

Chart 7: Statement of Changes in Net Position, Trend Analysis FY 2019-2023



Total Unexpended Appropriations

The Department's Consolidated Statement of Changes in Net Position shows total unexpended appropriations of $25.08 billion and $19.92 billion as of September 30, 2023 and 2022, an increase of $5.16 billion or 25.9%. Appropriations received increased $8.81 billion, offset by an increase to appropriations used of $5.38 billion. Appropriations transferred-in decreased by $0.66 billion, and other adjustments increased by $0.36 billion. The result is a net change in unexpended appropriations of $3.13 billion, combined with an increase to beginning balance of $2.03 billion results in the increase to total unexpended appropriations.

Total Cumulative Results of Operations

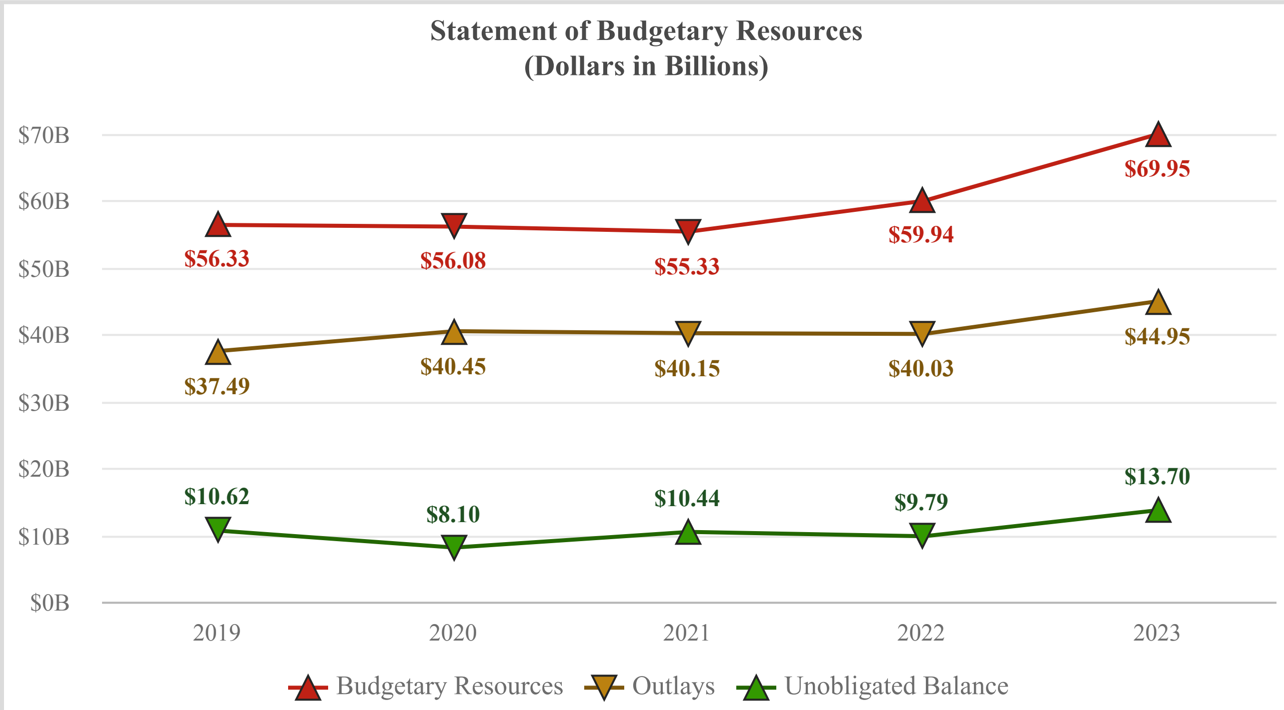
The Department's Consolidated Statement of Changes in Net Position shows total cumulative results of operations of $9.59 billion and $11.62 billion as of September 30, 2023 and 2022, a decrease of $2.03 billion or 17.5%. The total decrease can be attributed to a $2.60 billion decrease to beginning balance in addition to a $0.24 billion reduction related to permanent rescissions in Special and Trust Funds. Furthering the reduction of cumulative results of operations was increased net cost of $8.31 billion. This was offset by increases primarily to appropriations used of $5.38 billion, nonexchange revenues of $1.12 billion, forfeitures of cash and property of $1.64 billion, transfers-in without reimbursement of $0.75 billion, and imputed financing of $0.44 billion.

Summary of Resources
(Dollars in Billions)

Source	FY 2023	FY 2022	% Change
Earned Revenue:	**$ 3.31**	**$ 2.94**	12.6 %
Financing Sources:			
Appropriations Received	$ 46.88	$ 38.07	23.1 %
Appropriations Transferred-In/Out	$ .43	$ 1.09	(60.6)%
Nonexchange Revenues	$ 1.98	$ .87	127.6 %
Donations and Forfeitures of Cash and Cash Equivalents	$ 3.01	$ 1.37	119.7 %
Other Adjustments	$ (1.01)	$ (1.13)	(10.6)%
Donations and Forfeitures of Property	$ .22	$ .42	(47.6)%
Transfers-In/Out Without Reimbursement	$ .67	$ (.08)	(937.5)%
Imputed Financing	$ 1.71	$ 1.27	34.6 %
Other Financing Sources	$ (.01)	$ (.01)	— %
Total DOJ Resources	**$ 57.19**	**$ 44.81**	27.6 %

Statement of Budgetary Resources

Chart 8: Statement of Budgetary Resources, Trend Analysis FY 2019-2023



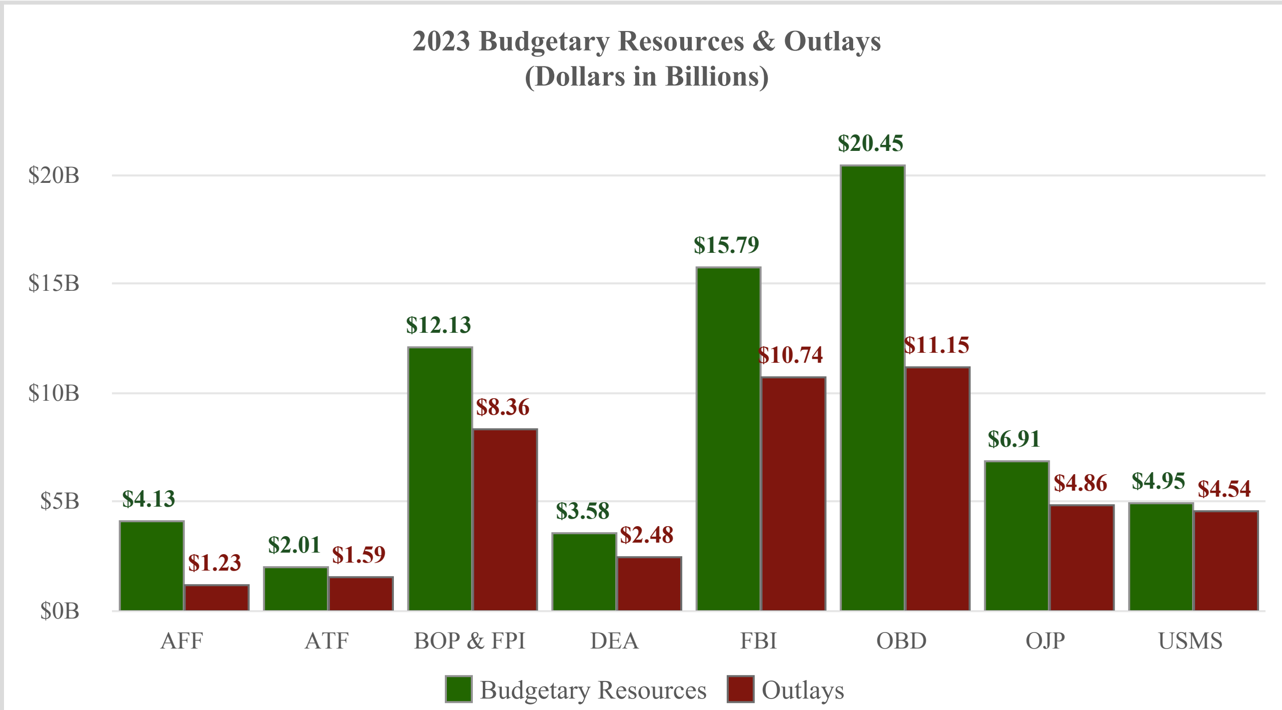
Budgetary Resources

As presented on the Department's Combined Statement of Budgetary Resources, total budgetary resources were $69.95 billion for the fiscal years ended September 30, 2023 and $59.94 billion for the year ended September 30, 2022 reflecting a $10.01 billion increase or 16.7%. The single largest contributing factor was an increase to appropriations of $9.83 billion.

Net Outlays

The Department's FY 2023 Combined Statement of Budgetary Resources shows for the fiscal years ended September 30, 2023 and 2022, agency outlays, net were $44.95 billion and $40.03 billion representing an increase of $4.92 billion or 12.3%. The increase to outlays was attributed to increased funding through appropriations which results in increased costs and expenditures.

Chart 9: Breakdown of FY23 Budgetary Resources & Outlays by Component



COVID-19 Resources

In response to the COVID-19 pandemic, the DOJ received approximately $1.6 billion in supplemental funding between FYs 2020 and 2021. This funding was received in both annual and multi-year appropriations and was used to prevent, prepare, and respond to challenges associated with COVID-19. As of September 30, 2022, DOJ expended most of the COVID-19 related funding received and had only $9 million remaining unobligated.

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 Systems, Controls, and Legal Compliance

Financial Management Systems

The Department's financial management systems strategy for FY 2023 was to complete the implementation of a 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 October 2021, the Bureau of Prisons (BOP) migrated to UFMS to complete the implementation. Throughout FY 2023, the Department and BOP continued efforts to identify solutions for unexpected complications. 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.

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 2023, 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-level FMFIA Assurance Statement provided on the following page.

Federal Managers' Financial Integrity Act of 1982

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

Federal Financial Management Improvement Act of 1996

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

Management Assurances

Federal Managers' Financial Integrity Act of 1982 Assurance Statement

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

Department of Justice management is responsible for managing risks and maintaining effective internal control to meet the objectives of FMFIA § 2 and § 4. In accordance with OMB Circular A-123, the Department conducted its assessment of risk and internal control. Based upon the results of the assessment and Assurance Statements provided by Department components, the Department can provide reasonable assurance that internal control over operations, reporting, and compliance was operating effectively as of September 30, 2023, except for the material weakness identified at the consolidated level due to improvements needed in the areas of risk assessment, financial management and financial reporting controls. Details of the material weakness and the Department's corrective action plan are provided in Section III of this report.

Federal Financial Management Improvement Act of 1996 Assurance Statement

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

The Justice Department is committed to sound financial management principles as we pursue our priorities, including upholding the rule of law, keeping our country safe, and protecting civil rights. As the Department continues its important work, the Department is dedicated to using our funds responsibly and transparently. The Department will continue to work in FY 2024 to strengthen our controls in areas identified through the Department's internal review activities and by the Office of the Inspector General and Government Accountability Office.

Merrick B. Garland
Attorney General
November 15, 2023

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

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

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

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

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

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

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

Forward-Looking Information

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

Key Risks and Response

Building Trust

- Protect Our Democratic Institutions: Our nation depends on the stability of its democratic institutions. We will continue our work to ensure that the public views the Department as objective, impartial, and insulated from political influence.
- Promote Trust Between Communities and Law Enforcement: Community trust in law enforcement is essential to making policing more effective and less dangerous for officers on the street. The Department will strengthen relationships between law enforcement officers and communities through continuous review and revisions of operating procedures.
- Ensure Economic Opportunity and Fairness For All: In its pursuit of fair markets, the Department will help ensure that all companies compete by the same rules; that tax dollars flow to their intended recipients; and that corporate crime is deterred, detected, and prosecuted.

Coordination Challenges

- Strengthen Federal, State, Local, Tribal, and International Counterterrorism Partnerships: The Justice Department will protect national security by maintaining strong partnerships with law enforcement and intelligence community partners.
- Enhance Cyber Resilience Within and Outside the Department: The Department will work with the private sector and other government agencies to share vital information they can use to strengthen their cyber defenses and resilience. The Department will help the private sector identify and address their vulnerabilities through threat intelligence sharing and targeted outreach.
- Combat Hate Crimes and Other Bias-Related Incidents: The Department will continue to combat and deter unlawful acts of hate, including by improving incident reporting, increasing law enforcement training and coordination at all levels of government, prioritizing community outreach, and making better use of civil enforcement mechanisms.

Data Collection and Analysis Limitations

- Deter Violent Crime: Through innovation and partnerships, the Department will lead the law enforcement community to embody a culture that uses data-driven and risk-informed decision-making.
- Advance Equal Access to Justice: The Department of Justice will use innovative and community-centered approaches to improve research and data collection to better understand access-to-justice gaps and better gauge whether programs are effective, equitable, and accessible.
- Implement a Comprehensive Strategy to Advance Environmental Justice: The Department will prioritize the development of effective short- and long-term strategies for reducing environmental and public health burdens in overburdened and underserved low-income communities, communities of color, and Tribal and indigenous communities. The Department will improve data collection from federal grant recipients to support our enforcement activities.

Fragmentation and Globalization of Threats

- Counter Foreign and Domestic Threats: The Justice Department will support law enforcement at all levels as we work to protect our country from foreign and domestic terrorism, while also zealously guarding civil liberties and ensuring our own accountability to the American people.

Impact of Technology

- Improve Cybersecurity to Combat Cybercrime: The Department will bolster its interagency and international collaborations to aid attribution, defend networks, sanction bad behavior, and otherwise deter or disrupt cyber adversaries in the United States and overseas.
- Disrupt the Emergence of New Security Vulnerabilities: Ransomware attacks cause financial losses and other harms to targeted governments, critical infrastructure, and industries. The Department will enhance its efforts to combat ransomware attacks by increasing the number of ransomware seizures or forfeitures.

Workforce

- Foster a High-Performing Workforce that Represents the Public We Serve: The Department will take a strategic and innovative approach to updating its management structure, training, and collaboration; to modernizing its technology; and to promoting diversity and ensuring equal employment opportunity.
- Address Post Pandemic-Related Challenges: The Department's leadership is managing challenges and risks that arose during the pandemic. The Department continues to monitor the evolving situation and will implement action plans to mitigate risks to staff and the public.

Climate-Related Risks and Response

DOJ is committed to contributing to the Federal government's leadership role in combating the climate crisis by integrating the most current climate science and assessment of climate-related risks into the management of its procurement, real property, and financial programs. In response to *Executive Order 14008*, DOJ prepared a Climate Action Plan that commits the Department to continue pursuing activities to bolster DOJ's adaptive capacity, enhance climate literacy, and ensure climate-ready facilities and a climate-ready supply of products and services. When assessing climate-related risks, DOJ considers the following risks of primary concern. Links to the most recent *Climate Action Plan and Sustainability Report* can be found in Section III, Climate-Related Financial Risks.

Assessing and Mitigating Climate-Related Risks to Physical Assets

In 2023, DOJ sought to stand up a new streamlined method for components to use in assessing their physical assets, specifically real property, for exposure to current and future climate hazards. The DOJ Climate Resilience Dashboard is a Geographic Information System (GIS) based application, allowing users to visually determine a facility's exposure to seven different climate hazards, and will be released early next fiscal year. The Dashboard will support federal planning and reporting requirements as well as internal component-level assessment initiatives and can be seen as an ongoing effort to improve climate vulnerability assessments of the Department's physical assets.

During the fiscal year, DOJ analyzed, compiled, and distributed the results of the Facility Climate Hazard Assessment Tool (F-CHAT) through an internal Summary Report to components, including a resource document: *Facility Climate Resiliency and Adaptation Strategies.* F-CHAT facilitates a standardized approach for evaluating the potential exposure of DOJ real property assets to a range of current and potential future climate hazards, including coastal and riverine flooding, extreme heat, drought, and hurricanes.

DOJ's Supply Chain

In 2023, the Department compiled and distributed an outreach document *Fortifying the Resilience of DOJ's Supply Chain*, validating from components the most critical supplies and services, documenting lessons learned, findings, resources, and recommendations for enhancing the resiliency in the face of climate change. Among the recommendations and action items for DOJ include updating the department-wide *Environmental and Sustainability Management Policy Statement*, standardizing DOJ policy addressing green purchasing and climate-related issues for consistency, and further coordination with the Interagency Forum on Climate Risks (focusing on supply chain resiliency). DOJ seeks to use more best-value procurement, which will increase the reliability and continuous access to services required and review commodities and service contracts for clauses pertaining to pandemics, extreme weather events, and other emergencies.

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 Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the U.S. Department of Justice (Department), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the U.S. Department of Justice as of September 30, 2023 and 2022, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter - Interactive Data

Management has elected to reference 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 consolidated financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Responsibilities of Management for the Consolidated Financial Statements

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-01 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-01, we:

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

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Financial Statements. The other information comprises the Other Information section and Appendix, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2023, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

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

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

Exhibit II presents the status of the prior year's recommendations.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's consolidated financial statements as of and for the year ended September 30, 2023 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-01.

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

KPMG

Department's Response to Finding

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

Purpose of the Reporting Required by *Government Auditing Standards*

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

KPMG LLP

Washington, D.C.
November 15, 2023

EXHIBIT I

Material Weakness

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

Improvements are Needed in Financial Management and Reporting Controls, and Risk Assessment Process

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Substantial progress was made to remediate the prior year material weakness; however, the deficiencies related to financial management and reporting controls, and risk assessment controls, at the Federal Bureau of Prisons (BOP) and the U.S. Department of Justice (Department) continued to exist in fiscal year (FY) 2023. Additionally, deficiencies were identified in the Offices, Boards and Divisions (OBDs) financial management and reporting controls in FY 2023.

Despite continued challenges in hiring, the BOP took significant steps towards addressing the prior year deficiencies, including analyzing changes in its business processes; training financial management personnel; and beginning the design and implementation of controls, including identifying the information and reports needed for the operation of the controls. However, due to the magnitude of the changes, the BOP's financial management controls have not yet reached a level of precision or maturity to operate consistently, and BOP personnel had insufficient opportunities to execute the controls subsequent to the training provided earlier in the fiscal year. Specifically, certain internal controls over financial reporting were not operating effectively to prevent or detect errors and ensure timely recording of transactions. Management did not timely and accurately record accounts payable accruals and related non-personnel expenses, and the de-obligations of certain contracts. As a result of the deficient controls, undelivered orders were overstated by a factual error of $15 million and a most likely error of $124 million.

The Department fully implemented an accounting policy change related to capitalization thresholds for general property, plant, and equipment (PP&E) without performing a comprehensive risk-based analysis of the impact based on the nature of their assets and future planned improvements. While BOP management followed the Department's capitalization policy as directed, due to insufficient communication between BOP and the Department and delays in recording the adjustments, material inconsistencies from previous analyses were not identified. Before management's correction related to PP&E, the effect of the deficiencies was an understatement of $860 million to gross PP&E, and $194 million to net PP&E. In addition, gross costs were misstated by a net value of $200 million, consisting of a $376 million overstatement and $176 million understatement.

Deficiencies in existing controls over OBDs' financial management and reporting processes were due to the Department's insufficient risk assessment and monitoring of this component. As a result of the deficient controls, material errors totaling over $5 billion in certain financial statement captions and note disclosures were not detected in a timely manner. Prior to management's corrections, the effect of the deficiencies included (1) misstatements of $2.084 billion in two captions on the Statement of Custodial Activity; (2) an overstatement to total entity assets and an understatement to total non-entity assets of $1.261 billion; (3) an overstatement to unapportioned, unexpired accounts and an understatement to apportioned, unexpired accounts by $737 million, which was partially offset by an overstatement related to spending authority from offsetting collections of $237 million; (4) misstatements between Federal entities in the disposition of collections on the Statement of Custodial Activity of $325 million; and (5) other misstatements between the financial statements and related notes totaling $423 million.

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

Criteria:

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

The Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 6: *Accounting for Property, Plant, and Equipment* provides the requirements for reporting PP&E including capitalization thresholds.

Recommendations:

We recommend that the:

1. Department and BOP continue to recruit and retain individuals with relevant financial management and/or accounting skills, and train existing resources on financial management standards, concepts, policies, and procedures. *(Repeat)*

   Management Response:

   Management concurs with the recommendation. The Department has initiated actions based on implementation of the DOJ Strategic Plan Strategic Goal 1: Uphold the Rule of Law Objective 1.2: Promote Good Government by updating internal guidance, best practices, and policies related to outreach, recruitment, and hiring. The Department and BOP will continue recruitment of individuals with accounting and financial management skills. The BOP will enhance the training of those individuals in the areas of internal control and transaction processing.

2. BOP continue to enhance the design and implementation of process level controls to be more specific in how the control should be performed, including standard criteria to consider in the performance of the control and sufficiently document the control so it can be consistently performed. Once controls are fully designed and implemented, the BOP should monitor the operating effectiveness of the controls. (*Updated*)

   Management Response:

   Management concurs with the recommendation. The BOP will continue to review the internal control environments to support design and implementation of an improved internal control system.

3. Department design and implement a control for the Department and the components to monitor and evaluate significant changes to operations or financial reporting processes that will identify and respond to financial reporting risks, such as the adoption of new accounting policies and procedures, and implementations and conversions of financially relevant systems. (*Repeat)*

   Management Response:

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

4. Department assess reconciliation, financial reporting review, and other monitoring controls to increase the precision with which period end financial reporting is performed, including the identification and investigation of significant variances for all financial statements. *(New)*

   Management Response:

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

EXHIBIT II

STATUS OF PRIOR YEAR'S RECOMMENDATIONS

As required by *Government Auditing Standards* issued by the Comptroller General of the United States, we have evaluated whether the Department has taken the appropriate corrective action to address the recommendations from the prior year's financial statements audits. The following table provides the status of the recommendations as of the end of FY 2023.

Report	Recommendations	Status
Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2022 Report No. 23-037	**Recommendation No. 1:** Department and BOP continue to recruit individuals with relevant financial management and/or accounting skills, and train existing resources on financial management standards, concepts, policies, and procedures.	In Process
	Recommendation No. 2: BOP perform a robust analysis of changes to internal control conditions including an analysis of business and accounting operations; and prepare a sufficient response to those changes through revisions to the internal control system.	In Process (Updated by FY 2023 Recommendation No. 2)
	Recommendation No. 3: BOP finalize information needed to perform processes and controls and create system-generated reports with necessary information to execute controls, including processing data into quality information to support the internal controls system and communicate quality information within the organization to enable authorized personnel to perform key roles, address risks, and support the internal control system.	In Process (Updated by FY 2023 Recommendation No. 2)
	Recommendation No. 4: Department design and implement a control for the Department and the components to monitor and evaluate significant changes to operations or financial reporting processes that will identify and respond to financial reporting risks, such as the adoption of new accounting policies and procedures, and implementations and conversions of financially relevant systems.	In Process

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, 2023 and 2022

Dollars in Thousands	2023	2022
ASSETS (Note 2)		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 3)	$ 36,853,673	$ 34,234,439
Investments, Net (Note 5)	6,451,424	3,136,559
Accounts Receivable (Note 6)	656,923	671,969
Advances and Prepayments	148,097	158,820
Other Assets (Note 10)	55,914	58,161
Total Intragovernmental Assets	$ 44,166,031	$ 38,259,948
Other than Intragovernmental Assets:		
Cash and Other Monetary Assets (Note 4)	$ 3,281,573	$ 1,412,310
Accounts Receivable, Net (Note 6)	1,451,133	2,225,793
Inventory and Related Property, Net:		
Forfeited Property, Net (Note 8)	105,996	95,062
Inventory and Related Property, Net (Note 7)	128,215	120,361
General Property, Plant and Equipment, Net (Note 9)	7,766,789	8,265,779
Advances and Prepayments	501,449	502,293
Other Assets (Note 10)	337	598
Total Other than Intragovernmental Assets	$ 13,235,492	$ 12,622,196
Total Assets	**$ 57,401,523**	**$ 50,882,144**
LIABILITIES (Note 11)		
Intragovernmental Liabilities:		
Accounts Payable	$ 411,248	$ 424,125
Advances from Others and Deferred Revenue	224,459	202,074
Other Liabilities:		
Custodial Liabilities (Note 21)	1,367,232	2,578,143
Other (Note 15)	652,596	607,469
Total Intragovernmental Liabilities	$ 2,655,535	$ 3,811,811
Other than Intragovernmental Liabilities:		
Accounts Payable	$ 2,763,274	$ 2,658,677
Federal Employee Benefits Payable	2,752,758	2,673,387
Environmental and Disposal Liabilities (Note 12)	86,017	83,390
Advances from Others and Deferred Revenue	968,378	922,395
Other Liabilities:		
Accrued Grant Liabilities	825,428	821,239
Seized Cash and Monetary Instruments (Note 14)	4,752,101	2,877,233
Radiation Exposure Compensation Act Liabilities (Note 25)	48,779	155,437
September 11th Victim Compensation Fund Liabilities (Note 25)	2,981,356	3,580,103
United States Victims of State Sponsored Terrorism Act Liabilities (Note 25)	3,320,721	208,803
Other (Note 15)	1,573,654	1,550,672
Total Other than Intragovernmental Liabilities	$ 20,072,466	$ 15,531,336
Total Liabilities	**$ 22,728,001**	**$ 19,343,147**
Commitments and Contingencies (Note 16)		
NET POSITION		
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	$ 3,037,054	$ (1,444)
Unexpended Appropriations - Funds from other than Dedicated Collections	22,044,459	19,924,921
Total Unexpended Appropriations	**$ 25,081,513**	**$ 19,923,477**
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	6,205,000	8,438,893
Cumulative Results of Operations - Funds from other than Dedicated Collections	3,387,009	3,176,627
Total Cumulative Results of Operations	**$ 9,592,009**	**$ 11,615,520**
Total Net Position	**$ 34,673,522**	**$ 31,538,997**
Total Liabilities and Net Position	**$ 57,401,523**	**$ 50,882,144**

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, 2023 and 2022

Dollars in Thousands		2023		2022
Major Program 1: Law Enforcement				
Gross Cost	$	21,330,228	$	20,037,741
Less: Earned Revenues		1,446,732		902,669
Subtotal Net Cost of Operations	$	19,883,496	$	19,135,072
Major Program 2: Litigation and Compensation				
Gross Cost	$	11,786,496	$	6,533,249
Less: Earned Revenues		412,031		372,562
Subtotal Net Cost of Operations	$	11,374,465	$	6,160,687
Major Program 3: Prisons and Detention				
Gross Cost	$	12,534,361	$	11,221,607
Less: Earned Revenues		947,520		673,486
Subtotal Net Cost of Operations	$	11,586,841	$	10,548,121
Major Program 4: Grants				
Gross Cost	$	5,810,909	$	5,418,830
Less: Earned Revenues		21,148		14,098
Subtotal Net Cost of Operations	$	5,789,761	$	5,404,732
Major Program 5: Executive Oversight and Enterprise Technology				
Gross Cost	$	2,600,987	$	2,168,339
Less: Earned Revenues		483,925		974,301
Subtotal Net Cost of Operations	$	2,117,062	$	1,194,038
Total Net Cost of Operations	**$**	**50,751,625**	**$**	**42,442,650**

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

U.S. Department of Justice
Consolidated Statements of Changes in Net Position For the Fiscal Years Ended September 30, 2023 and 2022

Dollars in Thousands

	2023			
	Funds from Dedicated Collections (Note 17)	**Funds from other than Dedicated Collections**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ (1,444)**	**$ 19,924,921**	**$ —**	**$ 19,923,477**
Appropriations Received	5,707,596	41,176,859	—	46,884,455
Appropriations Transferred-In/Out	—	433,693	—	433,693
Other Adjustments	(406)	(414,339)	—	(414,745)
Appropriations Used	(2,668,692)	(39,076,675)	—	(41,745,367)
Net Change in Unexpended Appropriations	**$ 3,038,498**	**$ 2,119,538**	**$ —**	**$ 5,158,036**
Total Unexpended Appropriations	**$ 3,037,054**	**$ 22,044,459**	**$ —**	**$ 25,081,513**
Cumulative Results of Operations				
Beginning Balances	**$ 8,438,893**	**$ 3,176,627**	**$ —**	**$ 11,615,520**
Other Adjustments	(500,000)	(100,086)	—	(600,086)
Appropriations Used	2,668,692	39,076,675	—	41,745,367
Nonexchange Revenues	1,982,718	560	—	1,983,278
Donations and Forfeitures of Cash and Cash Equivalents	3,007,157	681	—	3,007,838
Transfers-In/Out Without Reimbursement	(24,051)	692,651	—	668,600
Donations and Forfeitures of Property	224,397	—	—	224,397
Imputed Financing (Note 19)	63,624	1,665,104	(16,515)	1,712,213
Other	1	(13,494)	—	(13,493)
Net Cost of Operations	**(9,656,431)**	**(41,111,709)**	**16,515**	**(50,751,625)**
Net Change in Cumulative Results of Operations	**(2,233,893)**	**210,382**	**—**	**(2,023,511)**
Total Cumulative Results of Operations	**$ 6,205,000**	**$ 3,387,009**	**$ —**	**$ 9,592,009**
Net Position	**$ 9,242,054**	**$ 25,431,468**	**$ —**	**$ 34,673,522**

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

U.S. Department of Justice
Consolidated Statements of Changes in Net Position For the Fiscal Years Ended September 30, 2023 and 2022

Dollars in Thousands

	2022			
	Funds from Dedicated Collections	**Funds from other than Dedicated Collections**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ 2,877**	**$ 17,889,713**	**$ —**	**$ 17,892,590**
Appropriations Received	1,356	38,071,523	—	38,072,879
Appropriations Transferred-In/Out	—	1,092,113	—	1,092,113
Other Adjustments	—	(771,525)	—	(771,525)
Appropriations Used	(5,677)	(36,356,903)	—	(36,362,580)
Net Change in Unexpended Appropriations	**$ (4,321)**	**$ 2,035,208**	**$ —**	**$ 2,030,887**
Total Unexpended Appropriations	**$ (1,444)**	**$ 19,924,921**	**$ —**	**$ 19,923,477**
Cumulative Results of Operations				
Beginning Balances	**$ 10,508,107**	**$ 3,712,331**	**$ —**	**$ 14,220,438**
Other Adjustments	(127,000)	(234,839)	—	(361,839)
Appropriations Used	5,677	36,356,903	—	36,362,580
Nonexchange Revenues	866,418	621	—	867,039
Donations and Forfeitures of Cash and Cash Equivalents	1,364,899	275	—	1,365,174
Transfers-In/Out Without Reimbursement	(601,033)	522,793	—	(78,240)
Donations and Forfeitures of Property	420,818	—	—	420,818
Imputed Financing (Note 19)	39,327	1,250,715	(15,798)	1,274,244
Other	(8)	(12,036)	—	(12,044)
Net Cost of Operations	**(4,038,312)**	**(38,420,136)**	**15,798**	**(42,442,650)**
Net Change in Cumulative Results of Operations	**(2,069,214)**	**(535,704)**	**—**	**(2,604,918)**
Total Cumulative Results of Operations	**$ 8,438,893**	**$ 3,176,627**	**$ —**	**$ 11,615,520**
Net Position	**$ 8,437,449**	**$ 23,101,548**	**$ —**	**$ 31,538,997**

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, 2023 and 2022

Dollars in Thousands	2023	2022
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory) (Note 20)	$ 11,965,777	$ 11,891,437
Appropriations (discretionary and mandatory)	52,846,439	43,012,364
Spending Authority from Offsetting Collections (discretionary and mandatory)	5,141,631	5,032,258
Total Budgetary Resources	**$ 69,953,847**	**$ 59,936,059**
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total)	$ 56,254,722	$ 50,145,703
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	11,994,847	7,937,039
Exempt from Apportionment, Unexpired Accounts	340,687	305,150
Unapportioned, Unexpired Accounts	277,250	323,169
Unexpired Unobligated Balance, End of Year	12,612,784	8,565,358
Expired Unobligated Balance, End of Year	1,086,341	1,224,998
Unobligated Balance - End of Year (Total)	13,699,125	9,790,356
Total Status of Budgetary Resources	**$ 69,953,847**	**$ 59,936,059**
Outlays, Net		
Outlays, Net (Total) (discretionary and mandatory)	$ 46,146,549	$ 40,917,136
Less: Distributed Offsetting Receipts	1,194,317	883,432
Agency Outlays, Net (discretionary and mandatory)	**$ 44,952,232**	**$ 40,033,704**

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, 2023 and 2022

Dollars in Thousands	2023	2022
Total Custodial Revenue		
Sources of Cash Collections		
Federal Debts, Fines, Penalties and Restitution	$ 6,734,662	$ 4,378,795
Fees and Licenses	126,371	121,040
Miscellaneous	5,193	4,994
Total Cash Collections	$ 6,866,226	$ 4,504,829
Accrual Adjustments	(1,023,964)	2,081,903
Total Custodial Revenue (Note 21)	**5,842,262**	**6,586,732**
Disposition of Collections		
Transferred to Federal Agencies		
Government Printing Office	(5)	(7)
The Judiciary	(84,738)	(109,186)
U.S. Department of Agriculture	(169,756)	(45,948)
U.S. Department of Commerce	(17,047)	(10,720)
U.S. Department of the Interior	(550,361)	(585,035)
U.S. Department of Justice	(273,757)	(554,680)
U.S. Department of Labor	(10,747)	(31,242)
Pension Benefit Guaranty Corporation	—	(106)
U.S. Postal Service	(2,940)	(13,327)
U.S. Department of State	(367)	(2,802)
U.S. Department of the Treasury	(585,251)	(563,964)
Office of Personnel Management	(2,931)	(35,568)
Federal Communications Commission	(1,258)	(420)
Social Security Administration	(316)	(567)
Federal Trade Commission	(318,566)	(162,373)
Smithsonian Institution	—	(2)
International Trade Commission	(5,147)	—
U.S. Department of Veterans Affairs	(25,314)	(25,435)
Equal Employment Opportunity Commission	(1)	—
General Services Administration	(2,628)	(1,435)
National Science Foundation	(62)	(1,755)
Federal Deposit Insurance Corporation	(125)	(128)
National Endowment For the Humanities	(34)	(14)
Railroad Retirement Board	(172)	(452)
Tennessee Valley Authority	(937)	—
Environmental Protection Agency	(182,519)	(314,173)
U.S. Department of Transportation	(18,457)	(4,496)
U.S. Department of Homeland Security	(163,867)	(244,157)
Agency for International Development	—	(312)
Small Business Administration	(8,770)	(8,270)
U.S. Department of Health and Human Services	(1,647,589)	(1,202,178)
United States Intl Development Finance Corporation	(33)	(33)
National Aeronautics and Space Administration	(5,386)	(4,070)
Export-Import Bank of the United States	(1,074)	(1,411)
U.S. Department of Housing and Urban Development	(36,161)	(26,952)
U.S. Department of Energy	(1,530)	(7,109)
U.S. Department of Education	(2,857)	(21,526)
Commodities Futures Trading Commission	(115)	(88)
Corporation of National & Community Services	(316)	(2,205)
Federal Reserve Board	(3)	(6)
Treasury General Fund	(1,796,590)	(306,674)
U.S. Department of Defense	(373,067)	(94,339)
Transferred to the Public	(630,973)	(277,574)
(Increase)/Decrease in Amounts Yet to be Transferred	1,278,995	(1,808,272)
Increase/(Decrease) in Refunds Payable and Other Liabilities	(8,296)	(6,463)
Retained by the Reporting Entity	(191,194)	(111,258)
Total Disposition Of Collections	**(5,842,262)**	**(6,586,732)**
Net Custodial Activity	**$ —**	**$ —**

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Consolidation

The consolidated/combined financial statements of the Department include the accounts of the AFF/SADF, ATF, BOP, DEA, FBI, FPI, OBDs, OJP, and USMS. All significant proprietary intra-departmental transactions and balances have been eliminated in consolidation. The Statements of Budgetary Resources and Statements of Custodial Activity are combined statements for FYs 2023 and 2022, and as such, intra-departmental transactions have not been eliminated.

D. Basis of Accounting

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

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

Proprietary and budgetary accounting are complementary; however, both the types of information presented, and the timing of their recognition are sometimes different. Information is therefore needed about the differences between proprietary and budgetary accounting, which is accomplished in part by presenting a Reconciliation of Net Cost to Net Outlays, Note 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.

Note 1. Summary of Significant Accounting Policies (continued)

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.

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

Treasury securities are issued to the funds as evidence of fund receipts and provide the funds with the authority to draw upon the U.S. Treasury for future authorized expenditures. Treasury securities held by funds from dedicated collections are an asset of the fund and a liability of the Treasury, so they are eliminated in consolidation for the U.S. Government-wide financial statements.

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

Note 1. Summary of Significant Accounting Policies (continued)

H. Accounts Receivable

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

For Custodial Accounts Receivable, DOJ applies the accounting provisions of the *Statement of Federal Financial Accounting Standards (SFFAS) No. 7*, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, as amended,* and *SFFAS No. 1*, *Accounting for Selected Assets and Liabilities. SFFAS No. 7* requires that "nonexchange revenue should be measured by the collecting entities, but should be recognized by the entities legally entitled to the revenue (the recipient entities)." Further, *SFFAS No. 1*, relating to accounts receivable, defines "measurement" as the "process of expressing an asset or liability in monetary units." The accrual adjustment consists of accounts receivable, the allowance for uncollectible amounts, and liability for refunds. Additional details regarding the Department's custodial non-exchange activities are provided in Note 21, Custodial Revenues.

I. Inventory and Related Property

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

J. General Property, Plant and Equipment

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

Type of Property	Capitalization Threshold
Real Property	$1,000
Personal Property	$100
Aircraft	$750
Internal Use Software	$5,000

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 G-PP&E and Internal Use Software. If this option is exercised, the thresholds must not conflict with the standard capitalization thresholds, but may be more restrictive, at the discretion of the entity. Federal Prison Industries, Inc., a revolving fund, exercised this option and established a threshold to capitalize personal property acquisition costs exceeding $10.

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

K. 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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

L. Forfeited and Seized Property (continued)

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

M. Digital Assets

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

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

N. 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.

O. 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.

Note 1. Summary of Significant Accounting Policies (continued)

P. 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 shorty after settlement.

Q. Annual, Sick, and Other Leave

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

R. 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.

S. Retirement Plan

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

1) Employees hired before January 1, 1984, are covered by the Civil Service Retirement System (CSRS). The Department contributes 7% of the gross pay for regular employees and 7.5% for law enforcement officers.
2) Employees hired January 1, 1984 or later, are covered by the Federal Employees Retirement System (FERS):

    a. Employees hired January 1, 1984 through December 31, 2012, are covered by the FERS. The Department contributes 18.4% of the gross pay for regular employees and 37.6% for law enforcement officers.
    b. Employees hired January 1, 2013 through December 31, 2013, are covered by the Federal Employees Retirement System-Revised Annuity Employees (FERS-RAE). The Department contributes 16.6% of the gross pay for regular employees and 35.8% for law enforcement officers.
    c. Employees hired January 1, 2014 or later are covered by the Federal Employees System-Further Revised Annuity Employees (FERS-FRAE). The Department contributes 16.6% of the gross pay for regular employees and 35.8% for law enforcement officers.

Note 1. Summary of Significant Accounting Policies (continued)

S. Retirement Plan (continued)

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

The Department does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to its employees. Such reporting is the responsibility of the Office of Personnel Management (OPM). *SFFAS No. 5*, *Accounting for Liabilities of the Federal Government*, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service. Refer to Note 19, Imputed Financing, for additional details.

T. Federal Employee Compensation Benefits

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

Actuarial Liability: The Department of Labor (DOL) calculates the liability of the federal government for future compensation benefits, which includes the expected liability for death, disability, medical, and other approved costs. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments are discounted to present value. The resulting federal government liability is then distributed by agency. The Department's portion of this liability includes the estimated future cost of death benefits, workers' compensation, medical, 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.

Note 1. Summary of Significant Accounting Policies (continued)

U. Intragovernmental Activity

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

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

Note 1. Summary of Significant Accounting Policies (continued)

W. Funds from Dedicated Collections

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

1) A statute committing the federal government to use specifically identified revenues and/or other financing sources that are originally provided to the federal government by a non-federal source only for designated activities, benefits or purposes;

2) Explicit authority for the funds to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and

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

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

Note 1. Summary of Significant Accounting Policies (continued)

X. Allocation Transfer of Appropriation

The Department is a party to allocation transfers with other federal agencies as a transferring (parent) entity and/or a receiving (child) entity. Allocation transfers are legal delegations by one department of its authority to obligate budget authority and outlay funds to another department. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations, and budget apportionments are derived. Two exceptions to this general rule affecting the Department include the funds transferred from the Judicial Branch to the USMS, and funds transferred from the Executive Office of the President to OJP. Per *OMB A-136*, USMS and OJP report all activity relative to these allocation transfers in the respective financial statements. The activity related to these transfers, included as part of these financial statements, is highlighted below:

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

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

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

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.

Y. 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.

Note 1. Summary of Significant Accounting Policies (continued)

Z. 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.

AA. Reclassifications

The FY 2022 financial statements were reclassified to conform to the FY 2023 Departmental financial statement presentation requirements. These reclassifications have no material effect on total assets, liabilities, net cost, net position, change in net position, budgetary resources, or custodial activity as previously reported.

AB. Subsequent Events

Subsequent events and transactions occurring after September 30, 2023 through the date of the auditors' opinion have been evaluated for potential recognition or disclosure in the financial statements. The date of the auditors' opinion also represents the date that the financial statements were available to be issued.

AC. Classified Activities

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

AD. Public-Private Partnerships

SFFAS No. 49, Public-Private Partnerships: Disclosure Requirements establishes principles to ensure that disclosures about public-private partnerships (P3) are presented in the reporting entity's general purpose Federal financial reports (GPFFR). The principles guide financial reporting by establishing a P3 definition and identifying risk-based characteristics that need to exist before considering the P3 arrangement or transaction for disclosure. *SFFAS No. 49* exempts certain arrangements or transactions from the P3 disclosure requirements. Such exempt arrangements or transactions are subject to existing disclosure requirements in other FASAB standards applicable to such arrangements or transactions. For FYs 2023 and 2022, 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.

AE. Changes in Presentation

In FY 2023, DOJ elected to follow *OMB A-136* and the prescribed presentation for the statement of net cost. As a result, the current year and prior year presentation no longer disaggregates cost and earned revenue between intragovernmental and other than intragovernmental.

(Dollars in Thousands, Except as Noted)

Note 2. Non-Entity Assets

As of September 30, 2023 and 2022

	2023	2022
Intragovernmental		
Fund Balance with Treasury	$ 439,985	$ 732,003
Investments	1,580,000	1,580,000
Accounts Receivable, Net	60	—
Other Assets	14,660	2,614
Total Intragovernmental	$ 2,034,705	$ 2,314,617
Other than Intragovernmental		
Cash and Other Monetary Assets	$ 3,224,387	$ 1,344,069
Accounts Receivable, Net	1,068,900	2,092,826
Total Other than Intragovernmental	4,293,287	3,436,895
Total Non-Entity Assets	6,327,992	5,751,512
Total Entity Assets	51,073,531	45,130,632
Total Assets	$ 57,401,523	$ 50,882,144

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, 2023 and 2022

	2023	2022
Status of Fund Balances With Treasury		
Unobligated Balance - Available	$ 12,335,534	$ 8,242,189
Unobligated Balance - Unavailable	1,363,591	1,548,167
Obligated Balance not yet Disbursed	26,111,727	23,420,035
Non-Budgetary Fund Balance with Treasury	1,655,695	2,455,950
Budgetary Resources from Invested Balances	(4,616,921)	(1,435,949)
Total Status of Fund Balances with Treasury	$ 36,849,626	$ 34,230,392

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.

(Dollars in Thousands, Except as Noted)

Note 3. Fund Balance with Treasury (continued)

Unobligated Balance – Available includes amounts restricted for use in future fiscal years (apportioned as Category C), and available for obligation in subsequent periods. For the fiscal years ended September 30, 2023 and 2022, the amounts restricted for future use are $161,576 and $217,163, 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, 2023 and 2022, the respective immaterial variances of $4,047 and $4,047 between Fund Balance with Treasury line item on the Balance Sheet and Total Status of Fund Balances on the note represent sequestered BOP balances, respectively.

Note 4. Cash and Other Monetary Assets

As of September 30, 2023 and 2022

	2023	2022
Cash		
Undeposited Collections	$ 7	$ 10
Imprest Funds	57,185	68,241
Seized Cash Deposited	3,086,171	1,227,755
Other	46,699	37,781
Total Cash	3,190,062	1,333,787
Other Monetary Assets		
Seized Monetary Instruments	91,511	78,523
Total Other Monetary Assets	91,511	78,523
Total Cash and Other Monetary Assets	$ 3,281,573	$ 1,412,310

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

(Dollars in Thousands, Except as Noted)

Note 5. Investments, Net

	Cost/ Acquisition Value	Amortization Method	Amortized (Premium) Discount	Interest Receivable	Investments, Net	Market Value/Fair Value
As of September 30, 2023						
Intragovernmental Securities and Investments:						
Non-Marketable: Market Based	$ 6,386,207	Straight-Line	$ 65,113	$ 104	$ 6,451,424	$ 6,434,615
As of September 30, 2022						
Intragovernmental Securities and Investments:						
Non-Marketable: Market Based	$ 3,113,919	Straight-Line	$ 22,534	$ 106	$ 3,136,559	$ 3,105,667

Note 6. Accounts Receivable, Net

As of September 30, 2023 and 2022

	2023	2022
Intragovernmental		
Accounts Receivable	$ 656,923	$ 671,969
Total Intragovernmental	$ 656,923	$ 671,969
Other than Intragovernmental		
Accounts Receivable	$ 8,818,791	$ 5,035,046
Allowance for Uncollectible Accounts	(7,367,658)	(2,809,253)
Total Other than Intragovernmental	1,451,133	2,225,793
Total Accounts Receivable, Net	$ 2,108,056	$ 2,897,762

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

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

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

(Dollars in Thousands, Except as Noted)

Note 7. Inventory and Related Property, Net

As of September 30, 2023 and 2022

	2023	2022
Inventory		
Raw Materials	$ 53,082	$ 52,925
Work in Process	13,868	12,176
Finished Goods	15,769	16,595
Inventory Purchased for Resale	28,112	23,952
Excess, Obsolete, and Unserviceable	1,193	984
Inventory Allowance	(5,864)	(4,224)
Operating Materials and Supplies		
Held for Current Use	22,055	17,953
Total Inventory and Related Property, Net	$ 128,215	$ 120,361

Note 8. Forfeited and Seized Property, Net

Analysis of Change in Forfeited Property:

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

Method of Disposition of Forfeited Property:

For the fiscal years ended September 30, 2023 and 2022, $155,218 and $198,461 of forfeited property were sold, $35,169 and $2,346 were destroyed or donated, $1,777 and $1,987 were returned to owners, $66,225 and $199,648 were converted to cash, and $4,181 and $3,004 were disposed of by other means. Other means of disposition include property transferred to other federal agencies for official use or equitable sharing, or property distributed to a state or local agency. As of September 30, 2023, the top three forfeited digital assets were Waves, Bitcoin, and Monero.

(Dollars in Thousands, Except as Noted)

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

As of September 30, 2023

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

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

As of September 30, 2022

Forfeited Property Category		Beginning Balance	Adjustments (1)	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	189	384	826	(1,184)	215	—	215
	Value	$ 1,202	$ 2,069	$ 199,447	$ (200,935)	$ 1,783	$ —	$ 1,783
Digital Assets	Number	47	1	87	(77)	58	—	58
	Value	$ 9,645	$ 33,959	$ 17,437	$ (52,914)	$ 8,127	$ —	$ 8,127
Real Property	Number	156	9	171	(223)	113	—	113
	Value	$ 48,285	$ 3,385	$ 117,176	$ (118,301)	$ 50,545	$ (1,243)	$ 49,302
Personal Property	Number	3,726	(176)	3,065	(2,580)	4,035	—	4,035
	Value	$ 25,858	$ (1,187)	$ 45,196	$ (33,296)	$ 36,571	$ (721)	$ 35,850
Non-Valued Firearms	Number	50,803	(456)	23,489	(17,778)	56,058	—	56,058
Total	Number	54,921	(238)	27,638	(21,842)	60,479	—	60,479
	Value	$ 84,990	$ 38,226	$ 379,256	$ (405,446)	$ 97,026	$ (1,964)	$ 95,062

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

Analysis of Change in Seized Property:

A seizure is the act of taking possession of goods in consequence of a violation of public law. Seized property consists of seized cash, monetary instruments, digital assets, real property and tangible personal property in the actual or constructive possession of the seizing and the custodial agencies. The Department, until judicially or administratively forfeited, does not legally own such property. Seized evidence includes cash, financial instruments, non-monetary valuables, digital assets, firearms, and drugs. The AFF/SADF reports property seized for forfeiture and the FBI, DEA, and ATF report property seized for evidence. As of September 30, 2023, the top three digital assets seized for forfeiture were Bitcoin, Tether, and Ether. As of September 30, 2023, the top digital assets seized for evidence were Bitcoin and Ether.

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

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

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

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

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

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

Method of Disposition of Seized Property:

For the fiscal years ended September 30, 2023 and 2022, $2,124,047 and $1,122,025 of seized property were forfeited, $190,079 and $318,987 were returned to parties with a bona fide interest, and $11,408 and $14,257 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.

(Dollars in Thousands, Except as Noted)

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

As of September 30, 2023

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

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

As of September 30, 2022

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash	Number	22,256	(122)	10,431	(10,987)	21,578	—	21,578
& Monetary Instruments	Value	$ 2,791,275	$ 78,336	$ 1,242,168	$ (1,286,531)	$ 2,825,248	$ (440,158)	$ 2,385,090
Financial	Number	585	(199)	586	(493)	479	—	479
Instruments	Value	$ 203,136	$ (22,478)	$ 82,061	$ (29,064)	$ 233,655	$ (13,775)	$ 219,880
Digital Assets	Number	480	(12)	386	(101)	753	—	753
	Value	$ 262,727	$ (25,523)	$ 68,164	$ (17,461)	$ 287,907	$ (9,417)	$ 278,490
Real	Number	48	(10)	49	(40)	47	—	47
Property	Value	$ 91,143	$ (8,919)	$ 18,220	$ (52,120)	$ 48,324	$ (30,481)	$ 17,843
Personal	Number	8,610	(397)	3,900	(3,785)	8,328	—	8,328
Property	Value	$ 169,028	$ (5,811)	$ 335,423	$ (60,581)	$ 438,059	$ (60,913)	$ 377,146
Non-Valued Firearms	Number	37,991	2,365	26,426	(26,076)	40,706	—	40,706
Total	Number	69,970	1,625	41,778	(41,482)	71,891	—	71,891
	Value	$ 3,517,309	$ 15,605	$ 1,746,036	$ (1,445,757)	$ 3,833,193	$ (554,744)	$ 3,278,449

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

(Dollars in Thousands, Except as Noted)

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

As of September 30, 2023

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

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

As of September 30, 2022

Seized Property Category		Beginning Balance	Adjustments (1)	Seizures	Disposals	Ending Balance
Seized for Evidence						
Seized Monetary Instruments	Value	$ 68,160	$ (12,443)	$ 12,607	$ (7,294)	$ 61,030
Digital Assets	Number	2	18	44	(3)	61
	Value	$ 2,850	$ 13,328	$ 425,133	$ (180)	$ 441,131
Personal Property	Number	433	(15)	69	(101)	386
	Value	$ 7,162	$ (1,188)	$ 2,432	$ (2,038)	$ 6,368
Non-Valued						
Firearms	Number	75,631	(4,701)	20,067	(12,165)	78,832
Drug Evidence						
Cocaine	KG	119,218	(6,203)	135,525	(110,734)	137,806
Heroin	KG	8,829	74	1,303	(1,371)	8,835
Marijuana	KG	7,340	32	900	(906)	7,366
Bulk Drug Evidence	KG	128,934	1,081	85,721	(104,942)	110,794
Methamphetamine	KG	64,101	1,464	27,273	(20,194)	72,644
Other	KG	13,777	17	6,981	(2,569)	18,206
Total Drug Evidence	KG	342,199	(3,535)	257,703	(240,716)	355,651

(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.

(Dollars in Thousands, Except as Noted)

Note 9. General Property, Plant and Equipment, Net

As of September 30, 2023

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

As of September 30, 2022

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	$ 186,123	$ —	$ 186,123	N/A
Construction in Progress	596,229	—	596,229	N/A
Buildings, Improvements and Renovations	12,823,264	(7,965,133)	4,858,131	2-50 yrs
Other Structures and Facilities	1,418,248	(911,535)	506,713	10-50 yrs
Equipment & Vehicles	2,367,510	(1,426,957)	940,553	5-30 yrs
Assets Under Capital Lease	250	(250)	—	2-30 yrs
Leasehold Improvements	1,937,661	(1,306,678)	630,983	2-20 yrs
Internal Use Software	2,678,694	(2,273,107)	405,587	2-10 yrs
Internal Use Software in Development	139,171	—	139,171	N/A
Other General Property, Plant and Equipment	2,589	(300)	2,289	10-20 yrs
Total	$ 22,149,739	$ (13,883,960)	$ 8,265,779	

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

[1] Vehicles and equipment include passenger vehicles, boats, aircraft, and general equipment

(Dollars in Thousands, Except as Noted)

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

As of September 30, 2023 and 2022

	2023	2022
Balance beginning of year	$ 8,265,779	$ 8,769,704
Capitalized acquisition	662,344	742,589
Dispositions	(346,940)	(18,284)
Transfers in/(out) without reimbursements	(1,790)	37
Revaluations	(5,530)	9,541
Depreciation expense	(807,182)	(826,724)
Other	108	(411,084)
Balance at end of year	$ 7,766,789	$ 8,265,779

Note 10. Other Assets

As of September 30, 2023 and 2022

	2023	2022
Intragovernmental		
Other Assets Intragovernmental	$ 55,914	$ 58,161
Total Intragovernmental	$ 55,914	$ 58,161
Other than Intragovernmental		
Other Assets Other than Intragovernmental	$ 337	$ 598
Total Other Assets	$ 56,251	$ 58,759

(Dollars in Thousands, Except as Noted)

Note 11. Liabilities not Covered by Budgetary Resources

As of September 30, 2023 and 2022

	2023	2022
Intragovernmental		
Other Liabilities		
Accrued FECA Liabilities	$ 295,613	$ 277,285
Other Unfunded Employment Related Liabilities	2,313	2,685
Other	2,744	17,111
Total Intragovernmental	$ 300,670	$ 297,081
Other than Intragovernmental		
Federal Employee Benefits Payable	$ 2,721,650	$ 2,640,087
Environmental and Disposal Liabilities (Note 12)	86,017	83,390
Advances from Others and Deferred Revenue	861,916	817,714
Other Liabilities		
Contingent Liabilities (Note 16)	161,905	93,070
Radiation Exposure Compensation Act Liabilities (Note 25)	48,779	155,437
September 11th Victim Compensation Fund Liabilities (Note 25)	2,981,356	3,580,103
Other	362,450	391,438
Total Other than Intragovernmental	$ 7,224,073	$ 7,761,239
Total Liabilities Not Covered by Budgetary Resources	$ 7,524,743	$ 8,058,320
Total Liabilities Covered by Budgetary Resources	8,911,514	5,508,700
Total Liabilities Not Requiring Budgetary Resources	6,291,744	5,776,127
Total Liabilities	$ 22,728,001	$ 19,343,147

Federal Employee Benefits Payable primarily includes Unfunded Leave Liability and Actuarial FECA Liability. As of September 30, 2023 and 2022, the Department total Unfunded Leave Liability was $1,066,989 and $1,052,711, and the Actuarial FECA Liability was $1,650,154 and $1,586,835, respectively.

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.

(Dollars in Thousands, Except as Noted)

Note 12. Environmental and Disposal Liabilities

As of September 30, 2023 and 2022

	2023	2022
Firing Ranges		
Beginning Balance, Brought Forward	$ 34,338	$ 34,952
Future Funded Expenses	—	(960)
Inflation Adjustment	336	346
Total Firing Range Liability	$ 34,674	$ 34,338
Asbestos		
Beginning Balance, Brought Forward	$ 49,052	$ 44,662
New Asbestos	—	483
Abatements	(42)	(63)
Inflation Adjustment	2,285	3,922
Future Funded Expenses	48	48
Total Asbestos Liability	$ 51,343	$ 49,052
Total Environmental and Disposal Liabilities	$ 86,017	$ 83,390

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

Firing Ranges

The BOP operates firing ranges on 66 of the sites where its institutions are located. Use of these firing ranges generates waste consisting primarily of lead shot and spent rounds from rifles, shotguns, pistols, and automatic weapons. At operational firing ranges, lead-containing bullets are fired and eventually fall to the ground at or near the range. As of September 30, 2023 and 2022, BOP Management determined their estimated clean-up liability to be $32,371 and $32,035 respectively.

The FBI-owned ranges in Quantico, VA and El Toro, CA that contain possible contamination issues based on the Federal Financial Accounting and Auditing TR No. 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, and *EPA-902-B-01-001*, *Best Management Practices for Lead at Outdoor Shooting Ranges*. The FBI completed a remedial investigation/feasibility study (RI/FS) for the Quantico ranges in March 2015 which is used to estimate the cost of cleanup for the Quantico ranges. The FBI has not conducted a RI/FS for the El Toro ranges. *TR No. 2* then requires the agency to recognize the anticipated cost of conducting a future study, plus any other identifiable costs, as a future environmental and disposal liability. The FBI has estimated the cost of the RI/FS for El Toro based on the cost of the Quantico study, adjusted for range size. The estimated total firing range liability is based on the estimated costs for contamination remediation. As of September 30, 2023 and 2022, the FBI reported the estimated firing range cleanup liability of $2,303 and $2,303, respectively.

Note 12. Environmental and Disposal Liabilities (continued)

Asbestos

BOP conducted a review of 46 institutions that were built prior to 1980; the review provided an estimate of the extent of friable and non-friable asbestos containing materials remaining in each of the institutions as of October 30, 2009. In FY 2023, BOP Management increased clean-up liability in the amount of $2,240 by the U.S. inflation rate of 4.82 percent as determined by Treasury. As of September 30, 2023 and 2022, BOP Management recorded a clean-up liability in the amount of $48,720 and $46,480, respectively.

The FBI has identified FBI-owned facilities in Quantico, VA that contain hazardous friable and non-friable asbestos. The facilities have a useful life of 70 years. The total estimated asbestos liability of is based on an environmental survey of the facilities that may be contaminated. The current estimated asbestos cleanup liability is the total estimated asbestos liability divided by the useful life and multiplied by the number of years in service, less any current year abatements, and adjusted for inflation. The estimated asbestos cleanup liability is adjusted each quarter by recording future funded expenses for the asbestos cleanup costs. As of September 30, 2023 and 2022, the FBI reported the estimated asbestos cleanup liability of $2,623 and $2,572, respectively.

Note 13. Leases

Operating Leases

The Department acquires functional use of various buildings/facilities, equipment, and other assets via operating lease instruments. 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 Consumer Price Index (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 majority of space occupied by the FBI is leased from the GSA. The rental cost is based on the area occupied at the commercial rate per square foot, negotiated by the GSA along with appropriate GSA fees. The majority of the leases are cancellable; however, if tenant improvement (TI) costs are amortized in the lease and the FBI terminates prior to the end of the amortized period, the FBI will be responsible for the unpaid TI costs.

When field offices relocate, often from space leased for 20 years or longer, the rental rates may increase. The field offices that relocate will accommodate the FBI’s growth in workforce, space needs, and increased security requirements.

(Dollars in Thousands, Except as Noted)

Note 13. Leases (continued)

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, 2023.

As of September 30, 2023

Intragovernmental

Future Noncancelable Operating Lease Payments Due

Fiscal Year	Land and Buildings	Total
2024	$ 452,357	$ 452,357
2025	458,143	458,143
2026	452,840	452,840
2027	441,820	441,820
2028	437,275	437,275
After 2028	3,730,915	3,730,915
Total Future Noncancelable Operating Lease Payments	$ 5,973,350	$ 5,973,350

Other than Intragovernmental

Future Noncancelable Operating Lease Payments Due

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2024	$ 4,747	$ 4,301	$ 9,048
2025	2,572	—	2,572
2026	1,920	—	1,920
2027	1,428	—	1,428
2028	948	—	948
After 2028	1,131	—	1,131
Total Future Noncancelable Operating Lease Payments	$ 12,746	$ 4,301	$ 17,047

(Dollars in Thousands, Except as Noted)

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, 2023 and 2022

	2023	2022
Investments, Net	$ 1,580,000	$ 1,580,000
Seized Cash Deposited	3,086,171	1,227,755
Seized Monetary Instruments	91,511	78,523
Cash in Transit to (AFF)/SADF	(5,581)	(9,045)
Total Seized Cash and Monetary Instruments	$ 4,752,101	$ 2,877,233

Note 15. Other Liabilities

As of September 30, 2023 and 2022

	2023	2022
Intragovernmental		
Benefit Program Contributions Payable	$ 571,710	$ 542,575
Employer Contributions and Payroll Taxes Payable	59,938	55,912
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	536	536
Liability for Clearing Accounts	5	(398)
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	16,790	4,591
Other Liabilities	3,617	4,253
Total Intragovernmental	$ 652,596	$ 607,469
Other than Intragovernmental		
Accrued Funded Payroll and Leave	$ 818,773	$ 774,532
Other Liabilities without Related Budgetary Obligations	409,150	429,220
Other Liabilities with Related Budgetary Obligations	46,113	1,542
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	111,075	149,101
Liability for Clearing Accounts	1,120	1,078
Custodial Liabilities	19,260	99,723
Contingent Liabilities	161,905	93,070
Other Liabilities	6,258	2,406
Total Other than Intragovernmental	$ 1,573,654	$ 1,550,672
Total Other Liabilities	$ 2,226,250	$ 2,158,141

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.

(Dollars in Thousands, Except as Noted)

Note 15. Other Liabilities (continued)

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.

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

Note 16. Commitments and Contingencies

As of September 30, 2023	Accrued Liabilities	Estimated Range of Loss: Lower	Estimated Range of Loss: Upper
Legal Contingencies:			
Probable	$ 161,905	$ 161,905	$ 835,777
Reasonably Possible		$ 63,238	$ 235,943

As of September 30, 2022	Accrued Liabilities	Estimated Range of Loss: Lower	Estimated Range of Loss: Upper
Legal Contingencies:			
Probable	$ 93,070	$ 93,070	$ 358,107
Reasonably Possible		$ 2,137,262	$ 2,366,657

(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, 2023	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Balance Sheet										
ASSETS										
Intragovernmental Assets:										
Fund Balance with Treasury	$ 2,647,870	$ 208,760	$ 303,255	$ 121,025	$ 143,215	$ 32,656	$6,183,342	$ 5,418	$ —	$ 9,645,541
Investments, Net	1,055,482	—	—	—	200,670	3,291,328	—	—	—	4,547,480
Accounts Receivable	11,929	—	—	792	4	—	—	—	—	12,725
Advances and Prepayments	2,713	—	171	—	281	—	(39,694)	—	—	(36,529)
Other Intragovernmental Assets	—	—	—	—	—	—	—	—	—	—
Total Intragovernmental Assets	$ 3,717,994	$ 208,760	$ 303,426	$ 121,817	$ 344,170	$3,323,984	$6,143,648	$ 5,418	$ —	$ 14,169,217
Other than Intragovernmental Assets:										
Cash and Other Monetary Assets	$ —	$ —	$ —	$ (758)	$ —	$ —	$ —	$ —	$ —	$ (758)
Accounts Receivable, Net	48	8,536	59	—	76,171	—	224,328	—	—	309,142
Inventory and Related Property, Net	105,996	28,112	—	—	—	—	—	—	—	134,108
General Property, Plant, and Equip.	973	2,297	17,828	124	7,466	—	—	—	—	28,688
Advances and Prepayments	—	142	—	—	—	—	632	—	—	774
Other Assets	143	—	—	10	10	—	—	—	—	163
Total Other than Intragovernmental	$ 107,160	$ 39,087	$ 17,887	$ (624)	$ 83,647	$ —	$ 224,960	$ —	$ —	$ 472,117
Total Assets	$ 3,825,154	$ 247,847	$ 321,313	$ 121,193	$ 427,817	$3,323,984	$6,368,608	$ 5,418	$ —	$ 14,641,334
LIABILITIES										
Intragovernmental Liabilities:										
Accounts Payable	$ 41,970	$ 1,262	$ 7,624	$ 2,803	$ 10,603	$ —	$ 3,901	$ —	$ —	$ 68,163
Other Liabilities	1,536	4,614	5,559	1,916	2,632	14	—	—	—	16,271
Total Intragovernmental Liabilities	$ 43,506	$ 5,876	$ 13,183	$ 4,719	$ 13,235	$ 14	$ 3,901	$ —	$ —	$ 84,434
Other than Intragovernmental:										
Accounts Payable	$ 744,619	$ 24,341	$ 10,077	$ 463	$ 1,620	$ 788	$ 4,265	$ —	$ —	$ 786,173
Federal Employee Benefits Payable	4,599	7,296	20,641	—	11,520	39	—	—	—	44,095
Advances and Deferred Revenue	105,996	—	856,284	—	—	—	—	—	—	962,280
Other Liabilities	(2,540)	3,253	10,765	6,767	7,551	3,321,394	174,727	381	—	3,522,298
Total Other than Intragovernmental	$ 852,674	$ 34,890	$ 897,767	$ 7,230	$ 20,691	$3,322,221	$ 178,992	$ 381	$ —	$ 5,314,846
Total Liabilities	$ 896,180	$ 40,766	$ 910,950	$ 11,949	$ 33,926	$3,322,235	$ 182,893	$ 381	$ —	$ 5,399,280
Net Position										
Unexpended Appropriations	$ —	$ —	$ —	$ (821)	$ (263)	$3,038,138	$ —	$ —	$ —	$ 3,037,054
Cumulative Results of Operations	2,928,974	207,081	(589,637)	110,065	394,154	(3,036,389)	6,185,715	5,037	—	6,205,000
Total Net Position	$ 2,928,974	$ 207,081	$ (589,637)	$ 109,244	$ 393,891	$ 1,749	$6,185,715	$ 5,037	$ —	$ 9,242,054
Total Liabilities and Net Position	$ 3,825,154	$ 247,847	$ 321,313	$ 121,193	$ 427,817	$3,323,984	$6,368,608	$ 5,418	$ —	$ 14,641,334

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

For the Fiscal Year Ended September 30, 2023

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

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

For the fiscal year ended September 30, 2023

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

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

As of September 30, 2022

	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Balance Sheet										
ASSETS										
Intragovernmental Assets										
Fund Balance with Treasury	$ 1,350,658	$ 166,477	$ 236,782	$ 111,504	$ 208,146	$ 82,935	$7,042,571	$ 4,639	$ —	$ 9,203,712
Investments, Net	946,048	—	—	—	162,283	168,629	—	—	—	1,276,960
Accounts Receivable	6,010	6,500	—	—	—	—	—	—	—	12,510
Advances and Prepayments	—	—	278	—	—	—	(7,139)	—	—	(6,861)
Other Intragovernmental Assets	—	—	—	—	10	—	—	—	—	10
Total Intragovernmental Assets	$ 2,302,716	$ 172,977	$ 237,060	$ 111,504	$ 370,439	$ 251,564	$7,035,432	$ 4,639	$ —	$ 10,486,331
Other than Intragovernmental Assets										
Accounts Receivable, Net	$ 42	$ 1,295	$ 65	$ 28	$ 58,095	$ —	$ 854	$ —	$ —	$ 60,379
Inventory and Related Property, Net	95,062	23,952	—	—	—	—	—	—	—	119,014
General Property, Plant, and Equip.	1,099	2,814	18,948	166	5,202	—	—	—	—	28,229
Advances and Prepayments	1,000	234	—	—	—	—	42	—	—	1,276
Other Assets	2	—	—	—	—	—	—	—	—	2
Total Other than Intragovernmental Assets	$ 97,205	$ 28,295	$ 19,013	$ 194	$ 63,297	$ —	$ 896	$ —	$ —	$ 208,900
Total Assets	$ 2,399,921	$ 201,272	$ 256,073	$ 111,698	$ 433,736	$ 251,564	$7,036,328	$ 4,639	$ —	$ 10,695,231
LIABILITIES										
Intragovernmental Liabilities										
Accounts Payable	$ 104,297	$ 2,101	$ 6,172	$ 5,469	$ 10,934	$ —	$ 34,965	$ —	$ —	$ 163,938
Other Liabilities	929	3,565	5,301	1,700	2,562	12	—	—	—	14,069
Total Intragovernmental Liabilities	$ 105,226	$ 5,666	$ 11,473	$ 7,169	$ 13,496	$ 12	$ 34,965	$ —	$ —	$ 178,007
Other than Intragovernmental Liabilities										
Accounts Payable	$ 630,705	$ 14,809	$ 8,898	$ 120	$ (659)	$ 868	$ 2,413	$ —	$ —	$ 657,154
Federal Employee Benefits Payable	4,541	7,036	22,748	—	11,676	42	—	—	—	46,043
Advances and deferred revenue	95,062	589	817,714	—	—	—	—	—	—	913,365
Other Liabilities	(6,105)	3,090	10,741	5,966	7,412	208,845	233,146	118	—	463,213
Total Other than Intragovernmental Liabilities	$ 724,203	$ 25,524	$ 860,101	$ 6,086	$ 18,429	$ 209,755	$ 235,559	$ 118	$ —	$ 2,079,775
Total Liabilities	$ 829,429	$ 31,190	$ 871,574	$ 13,255	$ 31,925	$ 209,767	$ 270,524	$ 118	$ —	$ 2,257,782
Net Position										
Unexpended Appropriations	$ —	$ —	$ —	$ (1,444)	$ —	$ —	$ —	$ —	$ —	$ (1,444)
Cumulative Results of Operations	1,570,492	170,082	(615,501)	99,887	401,811	41,797	6,765,804	4,521	—	8,438,893
Total Net Position	$ 1,570,492	$ 170,082	$ (615,501)	$ 98,443	$ 401,811	$ 41,797	$6,765,804	$ 4,521	$ —	$ 8,437,449
Total Liabilities and Net Position	$ 2,399,921	$ 201,272	$ 256,073	$ 111,698	$ 433,736	$ 251,564	$7,036,328	$ 4,639	$ —	$ 10,695,231

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

For the fiscal year ended September 30, 2022

	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Statement of Net Cost										
Gross Cost of Operations	$ 1,399,275	$ 374,692	$ 531,738	$ 192,464	$ 262,890	$ 36,085	$2,510,090	$ 770	$ —	$ 5,308,004
Less: Earned Revenues	15,732	388,596	493,711	191,420	180,233	—	—	—	—	1,269,692
Net Cost of Operations	$ 1,383,543	$ (13,904)	$ 38,027	$ 1,044	$ 82,657	$ 36,085	$2,510,090	$ 770	$ —	$ 4,038,312

(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

For the fiscal year ended September 30, 2022

	Assets Forfeiture Fund (AFF)	Federal Prison Commissary Account (BOP)	Diversion Control Fee Account (DEA)	Antitrust Division (OBD)	U.S. Trustee System Fund (OBD)	United States VSST (OBD)	Crimes Victims Fund (OJP)	Domestic Trafficking Victims Fund (OJP)	Eliminations Between Dedicated Funds	Total Funds from Dedicated Collections (Consolidated)
Statement of Changes in Net Position										
Unexpended Appropriations										
Beginning Balance	$ —	$ —	$ —	$ 2,877	$ —	$ —	$ —	$ —	$ —	$ 2,877
Appropriations Received	—	—	—	1,356	—	—	—	—	—	1,356
Appropriations Used	—	—	—	(5,677)	—	—	—	—	—	(5,677)
Total Unexpended Appropriations	$ —	$ —	$ —	$ (1,444)	$ —	$ —	$ —	$ —	$ —	$ (1,444)
Cumulative Results of Operations										
Beginning Balance	$ 1,290,935	$ 149,948	$ (593,705)	$ 95,254	$ 483,038	$ 40,157	$9,038,742	$ 3,738	$ —	$ 10,508,107
Appropriations Used	—	—	—	5,677	—	—	—	—	—	5,677
Other than Intragovernmental non-exchange revenue										
Misc. Receipts: Fines and Fees	—	—	—	—	—	—	822,152	1,553	—	823,705
Intragovernmental non-exchange revenue	40,254	—	—	—	963	1,496	—	—	—	42,713
Donations and forfeitures of cash and Property	1,749,488	—	—	—	—	36,229	—	—	—	1,785,717
Transfers in/out without reimbursement	(2,450)	—	—	—	(13,583)	—	(585,000)	—	—	(601,033)
Imputed Financing	2,808	6,230	16,231	—	14,058	—	—	—	—	39,327
Other	(127,000)	—	—	—	(8)	—	—	—	—	(127,008)
Net cost of operations	(1,383,543)	13,904	(38,027)	(1,044)	(82,657)	(36,085)	(2,510,090)	(770)	—	(4,038,312)
Net Change in Cumulative Results of Operations	279,557	20,134	(21,796)	4,633	(81,227)	1,640	(2,272,938)	783	—	(2,069,214)
Cumulative Results of Operations	$ 1,570,492	$ 170,082	$ (615,501)	$ 99,887	$ 401,811	$ 41,797	$6,765,804	$ 4,521	$ —	$ 8,438,893
Net Position End of Period	$ 1,570,492	$ 170,082	$ (615,501)	$ 98,443	$ 401,811	$ 41,797	$6,765,804	$ 4,521	$ —	$ 8,437,449

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

The *Victims of State Sponsored Terrorism Act* (*USVSST Act*) provides for the establishment and administration of the USVSSTF to provide compensation to certain U.S. persons who were injured in acts of international state sponsored terrorism. In FY 2023, the USVSSTF received an additional $5.6 billion in appropriated funds as lump sum catch-up payments for eligible 9/11 related claimants, the 1983 Beirut barracks bombing victims, and the 1996 Khobar Towers bombing victims. Although for FY 2023, the predominant funding source of the USVSSTF program is appropriated funds, the long term expectation of the USVSSTF program is that it will continue to be financed by non-federal sources.

Therefore, in accordance with *SFFAS No. 43*, which states, “Funds that are financed by specifically identified revenues, provided to the government by non-federal sources, which remain available over time, are considered funds from dedicated collections”, the Department reported the USVSSTF activity as Funds from Dedicated Collections. In FY 2022, the program was funded solely by revenue collected from Non-federal sources.

Note 17. Funds from Dedicated Collections (continued)

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

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

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

The Federal Prison Commissary Fund was created in the early 1930s to allow inmates 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.

Note 18. Suborganization Program Costs

For the fiscal year ended September 30, 2023

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

Note 18. Suborganization Program Costs (continued)

For the fiscal year ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Major Program 1: Law Enforcement											
Gross Cost	$ 1,399,275	$ 1,579,803	$ —	$ 3,066,877	$ 12,018,304	$ —	$ 550,991	$ —	$ 2,194,114	$ (771,623)	$ 20,037,741
Less: Earned Revenues	15,732	50,142	—	515,899	1,034,941	—	884	—	56,694	(771,623)	902,669
Net Cost of Operations	$ 1,383,543	$ 1,529,661	$ —	$ 2,550,978	$ 10,983,363	$ —	$ 550,107	$ —	$ 2,137,420	$ —	$ 19,135,072
Major Program 2: Litigation and Compensation											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,573,989	$ —	$ —	$ (40,740)	$ 6,533,249
Less: Earned Revenues	—	—	—	—	—	—	413,302	—	—	(40,740)	372,562
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,160,687	$ —	$ —	$ —	$ 6,160,687
Major Program 3: Prisons and Detention											
Gross Cost	$ —	$ —	$ 8,643,621	$ —	$ —	$ 685,770	$ 11,426	$ —	$ 2,218,984	$ (338,194)	$ 11,221,607
Less: Earned Revenues	—	—	338,889	—	—	656,613	—	—	380	(322,396)	673,486
Net Cost of Operations	$ —	$ —	$ 8,304,732	$ —	$ —	$ 29,157	$ 11,426	$ —	$ 2,218,604	$ (15,798)	$ 10,548,121
Major Program 4: Grants											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 686,812	$ 4,745,812	$ —	$ (13,794)	$ 5,418,830
Less: Earned Revenue	—	—	—	—	—	—	5,429	22,463	—	(13,794)	14,098
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 681,383	$ 4,723,349	$ —	$ —	$ 5,404,732
Major Program 5: Executive Oversight and Enterprise Technology											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,196,226	$ —	$ —	$ (27,887)	$ 2,168,339
Less: Earned Revenues	—	—	—	—	—	—	1,002,188	—	—	(27,887)	974,301
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,194,038	$ —	$ —	$ —	$ 1,194,038
Net Cost of Operations	$ 1,383,543	$ 1,529,661	$ 8,304,732	$ 2,550,978	$ 10,983,363	$ 29,157	$ 8,597,641	$ 4,723,349	$ 4,356,024	$ (15,798)	$ 42,442,650

(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. *Federal Financial Accounting Standards Interpretation* No. 2*, Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5,* requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable, and the amount can be estimated and will be paid by the Treasury Judgment Fund.

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

	Category	Cost Factor (%)
Civil Service Retirement System (CSRS)	Regular Employees	50.4
	Regular Employees Offset	36.9
	Law Enforcement Officers	83.8
	Law Enforcement Officers Offset	70.9

Federal Employees Retirement System (FERS)	Regular Employees	22.4
	Regular Employees - Revised Annuity Employees (RAE)	22.9
	Regular Employees - Further Revised Annuity Employees (FRAE)	23.2
	Law Enforcement Officers	47.4
	Law Enforcement Officers - RAE	48.1
	Law Enforcement Officers - FRAE	48.4

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.

(Dollars in Thousands, Except as Noted)

Note 19. Imputed Financing (continued)

For the fiscal years ended September 30, 2023 and 2022

	2023	2022
Imputed Inter-Departmental Financing		
U.S. Treasury Judgement Fund	$ 32,668	$ 245,552
Health Insurance	962,325	883,103
Life Insurance	2,542	2,438
Pension	714,678	143,151
Total Imputed Inter-Departmental Financing	$ 1,712,213	$ 1,274,244

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, 2023 and 2022, the FPI imputed costs were $16,515 and $15,798, 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, 2023 and 2022

	2023	2022
Unobligated balance brought forward from prior year	$ 9,790,365	$ 10,439,918
Adjustments to Budgetary Resources made during current year		
Downward Adjustments of prior year undelivered orders	1,448,168	1,279,190
Downward adjustments of prior year delivered orders	120,219	154,203
Other Adjustments	607,025	18,126
Total Adjustments	$ 2,175,412	$ 1,451,519
Unobligated balance brought forward from prior year budget authority, net (discretionary and mandatory)	$ 11,965,777	$ 11,891,437

(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.

As of September 30, 2023 and 2022

	2023	2022
Intragovernmental		
UDO Obligations Unpaid	$ 2,278,157	$ 1,844,738
UDO Obligations Prepaid/Advanced	282,947	285,605
Total Intragovernmental	2,561,104	2,130,343
Other than Intragovernmental		
UDO Obligations Unpaid	19,859,291	17,804,554
UDO Obligations Prepaid/Advanced	515,308	506,999
Total Other than Intragovernmental	20,374,599	18,311,553
Total UDO	$ 22,935,703	$ 20,441,896

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 Ac*t (*RECA*, *Public Law 101-426*), providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the DOJ and published in the *Federal Register* on April 10, 1992. These regulations established procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the *Federal Register* on March 22, 1999, served to greater assist claimants in establishing entitlement to an award. On July 10, 2000, the *RECA Amendments of 2000* (*the 2000 Amendments*, *Public Law 106-245*) were passed. On November 2, 2002, the President signed the *21st Century Department of Justice Appropriation Authorization Act* (*Public Law 107-273*). Contained in the law were several provisions relating to RECA. While most of these amendments were technical in nature, some affected eligibility criteria and revised claims adjudication procedures. The *Consolidated Appropriations Act, 2005* provides a permanent indefinite appropriation for the OBDs' RECA program beginning FY 2006. The *RECA Extension Act of 2022,* (*Public Law 117-139*) extends the RECA Trust Fund and the filing deadline for new claims for two years from its date of enactment (June 7, 2022).

Note 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* (*PSOB Act*, *42 U.S.C §46 Subchapter XII*).

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

- *Public Law 100-202, §101 (a) [title II], 101 Statute 1329, 1329-9*, as amended by *Public Law 111-68, Division A, title I, §1501(d), 123 Statute 2041,* provided that a permanent indefinite appropriation is established within the Department of Justice to pay all necessary expenses of investigations and prosecutions by independent counsel appointed pursuant to provisions of *28 U.S.C. § 591.*

- On July 29, 2019, the President signed into law the *Never Forget the Heroes: James Zadroga, Ray Pfeifer, and Luis Alvarez Permanent Authorization* of the *September 11th Victim Compensation Fund Act* (*VCF Permanent Authorization Act, Public Law 116-34*). The *VCF Permanent Authorization Act* extends the VCF's claim filing deadline to October 1, 2090 and appropriates such funds as may be necessary to pay all approved claims in each fiscal year from fiscal year 2019 through fiscal year 2092.

Note 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, 2022 is presented below. The reconciliation as of September 30, 2023 is not presented because the submission of the *Budget of the United States (Budget)* for FY 2025, which presents the execution of the FY 2023 Budget, occurs after publication of these financial statements. The *DOJ Budget Appendix* can be found on the OMB website and will be published at a later date in 2024.

For the Fiscal Year Ended September 30, 2022
(Dollars in Millions)

	Total Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Agency Outlays, Net
Statement of Budgetary Resources (SBR)	$ 59,936	$ 50,146	$ 883	$ 40,034
Funds not Reported in the Budget				
Expired Funds: ATF, BOP, DEA, FBI, OBDs, OJP, & USMS	(1,497)	(312)	—	1
USMS Court Security Funds	(669)	(599)	—	(573)
Distributed Offsetting Receipts	—	—	(15)	36
Special and Trust Fund Receipts	—	—	—	842
Other	(2)	20	(5)	6
Budget of the United States Government	$ 57,768	$ 49,255	$ 863	$ 40,346

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

Note 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). 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.

(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, 2023 and 2022, the Department reported total custodial revenue on the SCA in the amounts of $5,842,262 and $6,586,732, respectively. The custodial revenue represented $6,866,226 and $4,504,829 in custodial collections and ($1,023,964) and $2,081,903 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, 2023 and 2022, the assets and liabilities related to custodial activities were $1,386,492 and $2,677,864, respectively. As of September 30, 2023 and 2022, the total funds returned to the Treasury General Fund were ($1,796,590) and ($306,674), respectively.

The table below shows collection activity by revenue type.

For the year ended September 30, 2023 and 2022

Custodial Non-Exchange Revenues	2023 Collections	2022 Collections
Excise Taxes	$ 111,371	$ 106,040
Fines, Penalties, Interest and Other Revenue	6,754,855	4,398,789
Less: Amount Collected for Non-Federal Agencies	630,973	277,574
Total Amount of Federal Revenue Collected	$ 6,235,253	$ 4,227,255
Refunds/Payments		
Excise Taxes	$ 8,296	$ 6,463
Total Amount of Refunds	$ 8,296	$ 6,463

Note 22. Reconciliation of Net Cost to Net Outlays

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

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

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

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

Note 22. Reconciliation of Net Cost to Net Outlays (continued)

For the year ended September 30, 2023

	Intra-governmental	Other than Intra-governmental	Total
NET COST	$ 9,648,719	$ 41,102,906	$ 50,751,625
Components of Net Cost That Are Not Part of the Budgetary Outlays:			
Property, plant, and equipment depreciation expense	$ —	$ (807,182)	$ (807,182)
Property, plant, and equipment disposal and revaluation	—	(359,512)	(359,512)
Costs of goods sold	—	(232,599)	(232,599)
Applied overhead /costs capitalization offset	—	9,044	9,044
Other	—	(22,749)	(22,749)
Increase/(decrease) in assets			
Accounts Receivable, Net	22,472	22,988	45,460
Securities and investments	(2,279)	—	(2,279)
Other Assets	(16,358)	23,744	7,386
(Increase)/decrease in liabilities			
Accounts Payable	(81,317)	(105,000)	(186,317)
Environmental and disposal liabilities	—	(2,627)	(2,627)
Federal employees and benefits payable	(941)	(79,371)	(80,312)
Other Liabilities	(53,388)	(2,600,114)	(2,653,502)
Financing Sources			
Imputed Costs	(1,712,213)	—	(1,712,213)
Total Components of Net Costs That Are Not Part of the Budgetary Outlays:	$ (1,844,024)	$ (4,153,378)	$ (5,997,402)
Component of Budgetary Outlays That Are Not Part of Net Operating Costs:			
Acquisition of capital assets	$ 47,550	$ 473,855	$ 521,405
Acquisition of inventory	9	238,910	238,919
Acquisition of other assets	1,232	144,738	145,970
Financing Sources			
Donated Revenue	—	(681)	(681)
Transfers out (in) without reimbursements	(320,469)	—	(320,469)
Total Component of Budget Outlays That Are Not Part of Net Operating Costs	$ (271,678)	$ 856,822	$ 585,144
Misc Items			
Distributed Offsetting Receipts	$ (292,776)	$ 480,913	$ 188,137
Custodial/Non-exchange revenue	(6,981)	12,724	5,743
Other temporary timing differences	2,170	(583,185)	(581,015)
Total Other Reconciling items	$ (297,587)	$ (89,548)	$ (387,135)
Total Net Outlays	$ 7,235,430	$ 37,716,802	$ 44,952,232
Budgetary Agency Outlays, net (SBR 4210)			
Budgetary Agency Outlays, Net			$ 44,952,232

(Dollars in Thousands, Except as Noted)

Note 22. Reconciliation of Net Cost to Net Outlays (continued)

For the year ended September 30, 2022

	Intra-governmental	Other than Intra-governmental	Total
NET COST	$ 9,153,685	$ 33,288,965	$ 42,442,650
Components of Net Cost That Are Not Part of the Budgetary Outlays:			
Property, Plant, and equipment depreciation expense	$ —	$ (826,724)	$ (826,724)
Property, plant, and equipment disposal and revaluation	—	(33,396)	(33,396)
Cost of goods sold	—	(213,615)	(213,615)
Applied overhead/costs capitalization offset	—	15,316	15,316
Other	—	(32,294)	(32,294)
Increase/(decrease) in assets			
Accounts Receivable, Net	66,112	5,268	71,380
Securities and investments	93	—	93
Other Assets	12,744	(86,610)	(73,866)
(Increase)/decrease in liabilities			
Accounts Payable	(130,781)	(11,167)	(141,948)
Environmental and disposal liabilities	—	(3,776)	(3,776)
Federal employees and benefits payable	—	144,591	144,591
Other Liabilities	(26,680)	(607,073)	(633,753)
Financing sources			
Imputed Costs	(1,274,244)	—	(1,274,244)
Total Components of Net Costs That Are Not Part of the Budgetary Outlays:	$ (1,352,756)	$ (1,649,480)	$ (3,002,236)
Component of Budgetary Outlays That Are Not Part of Net Operating Cost:			
Acquisition of capital assets	$ 35,617	$ 638,223	$ 673,840
Acquisition of inventory	22	216,008	216,030
Acquisition of other assets	8	89,761	89,769
Financing sources			
Donated revenue	—	(275)	(275)
Transfers out (in) without reimbursements	(284,864)	—	(284,864)
Total Component of Budgetary Outlays That Are Not Part of Net Operating Cost	$ (249,217)	$ 943,717	$ 694,500
Misc Items			
Distributed offsetting receipts	$ (95,541)	$ 557,727	$ 462,186
Custodial/Non-exchange revenue	—	11,845	11,845
Non-Entity Activity	(1)	—	(1)
Other temporary timing differences	(196)	(575,044)	(575,240)
Total Other Reconciling items	$ (95,738)	$ (5,472)	$ (101,210)
Total Net Outlays	$ 7,455,974	$ 32,577,730	$ 40,033,704
Budgetary Agency Outlays, net (SBR 4210)			
Budgetary Agency Outlays, Net			$ 40,033,704

(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, 2023 and 2022

	FY 2023	
	Actual Amount Paid in FY	Estimated Amount to be Paid over Expected Life
ESPCs	$ 35,196	$ 545,529
Estimated Total	$ 35,196	$ 545,529

	FY 2022	
	Actual Amount Paid in FY	Estimated Amount to be Paid over Expected Life
ESPCs	$ 21,720	$ 657,745
Estimated Total	$ 21,720	$ 657,745

Note 24. Reclassification of Financial Statement Line Items for Financial Report Compilation Process

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

(Dollars in Thousands, Except as Noted)

Note 24. Reclassification of Financial Statement Line Items for Financial Report Compilation Process (continued)

For the Year Ended September 30, 2023

FY 2023 Department of Justice Statement of Net Cost		**Line Items Used to Prepare FY 2023 Government-Wide Statement of Net Cost**			
Financial Statement Line	**Amounts**	**Dedicated Collections Consolidated**	**Other than Dedicated Collections (with Eliminations)**	**Total**	**Reclassified Financial Statement Line**
Gross Costs					***Non-Federal Costs***
	$ 42,949,666	$ 10,238,952	$ 32,710,714	$ 42,949,666	Non-federal Gross Costs
	$ 42,949,666	**$ 10,238,952**	**$ 32,710,714**	**$ 42,949,666**	***Total Non-federal Costs***
	11,113,315				***Intragovernmental Costs***
		177,353	4,586,847	4,764,200	Benefit Program Costs
		63,622	1,648,592	1,712,214	Imputed Costs
		488,220	3,167,046	3,655,266	Buy/Sell Costs
		(1)	48,792	48,791	Purchase of Assets
		—	13	13	Borrowing and Other Interest Expense
		22,590	959,032	981,622	Other Expenses (w/o Reciprocals)
		1	(48,792)	(48,791)	Purchase of Assets Offset
	$ 11,113,315	**$ 751,785**	**$ 10,361,530**	**$ 11,113,315**	***Total Intragovernmental Costs***
Total Gross Costs	54,062,981	10,990,737	43,072,244	54,062,981	*Total Reclassified Gross Costs*
Earned Revenue	1,846,762	1,309,989	536,773	1,846,762	Non-federal Earned Revenue
	1,464,594				***Intragovernmental Revenue***
		15,220	1,428,565	1,443,785	Buy/Sell Revenue
		9,097	11,712	20,809	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
	$ 1,464,594	**$ 24,317**	**$ 1,440,277**	**$ 1,464,594**	***Total Intragovernmental Earned Revenue***
Total Earned Revenue	**$ 3,311,356**	**$ 1,334,306**	**$ 1,977,050**	**$ 3,311,356**	*Total Reclassified Earned Revenue*
Net Cost	**$ 50,751,625**	**$ 9,656,431**	**$ 41,095,194**	**$ 50,751,625**	**Net Cost**
Exchange Statement of Custodial Activity					
Exchange Custodial Collections from SCA	15,000	—	15,000	15,000	Non-Federal Earned Revenue
Total Exchange Custodial Collections	15,000	—	15,000	15,000	*Total Reclassified Exchange Custodial Collections*
					Intragovernmental Earned Revenue
Disposition of Exchange Custodial Collections from SCA	(15,000)	—	(15,000)	(15,000)	Custodial Collections for Others Transferred to the General Fund
					Total Intragovernmental Earned Revenue
Total Disposition of Exchange Custodial Collections	(15,000)	—	(15,000)	(15,000)	*Total Reclassified Disposition of Custodial Collections*

(Dollars in Thousands, Except as Noted)

Note 24. Reclassification of Financial Statement Line Items for Financial Report Compilation Process (continued)

For the Year Ended September 30, 2023

FY 2023 Department of Justice Statement of Changes in Net Position		Line Items Used to Prepare FY 2023 Government-Wide Statement of Changes in Net Position			
Financial Statement Line	**Amounts**	**Dedicated Collections Consolidated**	**Other than Dedicated Collections (with Eliminations)**	**Total**	**Reclassified Financial Statement Line**
Unexpended Appropriations					
Unexpended Appropriations, Beginning Balance	$ 19,923,477	$ (1,444)	$ 19,924,921	$ 19,923,477	Unexpended Appropriations, Beginning Balance
Appropriations Received	46,884,455	5,707,596	41,176,859	46,884,455	Appropriations Received
Other Adjustments	(414,745)	(406)	(414,339)	(414,745)	Other Adjustments
Appropriations Transferred In/Out	433,693	—	433,693	433,693	Appropriations Transferred In/Out
Appropriations Used	(41,745,367)	(2,668,692)	(39,076,675)	(41,745,367)	Appropriations Used
Total Unexpended Appropriations	**$ 25,081,513**	**$ 3,037,054**	**$ 22,044,459**	**$ 25,081,513**	**Total Unexpended Appropriations**
Cumulative Results of Operations					
Cumulative Results, Beginning Balance	$ 11,615,520	$ 8,438,893	$ 3,176,627	$ 11,615,520	Cumulative Results, Beginning Balance, as adjusted
Other Adjustments	(600,086)	(500,000)	(100,086)	(600,086)	Other Adjustments
Appropriations Used	41,745,367	2,668,692	39,076,675	41,745,367	Appropriations Used
Non-Exchange Revenue					***Non-federal Non-Exchange Revenues***
		1,612,771	560	1,613,331	Miscellaneous Taxes and Receipts
	1,983,278	**$ 1,612,771**	**$ 560**	**$ 1,613,331**	***Total Non-Federal Non-Exchange Revenues***
					Federal Non-Exchange Revenue
		$ 369,947	**$ —**	**$ 369,947**	***Total Federal Non-Exchange Revenue***
Total Non-Exchange Revenues	*$ 1,983,278*	*$ 1,982,718*	*$ 560*	*$ 1,983,278*	*Total Non-Exchange Revenues*
Donations and Forfeitures of Property	224,397	224,397	—	224,397	Donations and Forfeitures of Property
Transfers In/Out w/o Reimbursement - Budgetary	668,600	(24,051)	692,651	668,600	Transfers In/Out w/o Reimbursement - Budgetary
Other	(13,493)	1	(13,494)	(13,493)	Other
Donations and Forfeitures of Cash and Equivalents	3,007,838	3,007,157	681	3,007,838	Donations and Forfeitures of Cash and Equivalents
Imputed Financing	1,712,213	63,624	1,648,589	1,712,213	Imputed Financing
Total Donations, Transfers, & Imputed	**$ 5,599,555**	**$ 3,271,128**	**$ 2,328,427**	**$ 5,599,555**	**Total Donations, Transfers, & Imputed**
Net Cost of Operations	**(50,751,625)**	**(9,656,431)**	**(41,095,194)**	**(50,751,625)**	**Net Cost of Operations**
Ending Balance - Cumulative Results of Operations	**$ 9,592,009**	**$ 6,205,000**	**$ 3,387,009**	**$ 9,592,009**	**Cumulative Results of Operations**
Total Net Position	**$ 34,673,522**	**$ 9,242,054**	**$ 25,431,468**	**$ 34,673,522**	**Net Position**
Non-Exchange Statement of Custodial Activity					
Non-Exchange Custodial Collections from the SCA	5,827,262	—	6,851,226	6,851,226	Other Cash Collections
		—	(1,023,964)	(1,023,964)	Accrual Adjustments
Total Non-Exchange Custodial Collections	5,827,262	—	5,827,262	5,827,262	Net Custodial Revenue
Disposition of Non-Exchange Custodial Collections from the SCA		—	(630,973)	(630,973)	Amounts Provided to Fund Non-federal Entities
		—	(6,290,794)	(6,290,794)	Amounts Provided to Fund the Federal Government
	(5,827,262)	—	1,285,699	1,285,699	Non-Cash Accrual Adjustment
		—	(191,194)	(191,194)	Retained by Reporting Entity
Total Disposition of Non-Exchange Custodial Collections	(5,827,262)	—	(5,827,262)	(5,827,262)	*Total Distribution of Collections*
	$ —	$ —	$ —	$ —	*Net Custodial Activity*

Note 25. Compensation Funds

The Department's Compensation Funds are classified as Other Liabilities, however *OMB A-136* allows agencies to disaggregate a required line title into two or more entity-specific line titles. DOJ elected to present the below compensation funds as separate line items on the balance sheet. In doing so, compensation funds are not presented in Note 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 *RECA (the Act, Public Law 101-426)*, providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the Department and published in the *Federal Register* on April 10, 1992, establishing procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the Federal Register on March 22, 1999, served to greater assist claimants in establishing entitlement to an award.

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

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

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

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

The OBDs recognized liabilities of $48,779 and $155,437 for estimated future benefits payable by the Department as of September 30, 2023 and 2022 respectively. The estimated liability is based on activity between FYs 2007-2011 and FYs 2015-2023. 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.

Note 25. Compensation Funds (continued)

The *RECA Extension Act* of 2022 (*Public Law 117-139*), extends the RECA Trust Fund and the filing deadline for new claims for two years from its date of enactment (June 2022). Therefore, the Department estimates that final payments will be made in FY 2025. 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 11th 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 11th 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 11th Victim Compensation Fund*. The *VCF Permanent Authorization Act* extends the VCF's claim filing deadline from December 18, 2020, to October 1, 2090, and appropriates such funds as may be necessary to pay all approved claims.

The VCF meets the criteria of a government-acknowledged event as defined by *SFFAS No.5*, *Accounting for Liabilities of the Federal Government*. The OBDs recognized liabilities of $2.98 billion and $3.58 billion for estimated future benefits payable by the Department as of September 30, 2023 and 2022 respectively. In accordance with *SFFAS No. 5*, the September 30, 2023 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, 2023. 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, 2023 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 11th 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

Note 25. Compensation Funds (continued)

- entirely new population of individuals or amendments from current claimants suffering from a new condition or a loss tied to a new condition.

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

United States Victims of State Sponsored Terrorism Fund

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

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

The *Consolidated Appropriations Act*, 2021, required the Comptroller General of the United States to conduct an audit and prepare a report on proposed lump sum catch-up payments to certain 9/11 victims, 9/11 spouses, and 9/11 dependents. The Comptroller General, Government Accountability Office (GAO) published its report on these estimated lump sum catch-up payments on August 11, 2021. The *Fairness for 9/11 Families Act*, enacted by Congress on December 29, 2022 *(Fairness Act, Public Law 117-328*), amended the *Consolidated Appropriations Act* to direct the Special Master to authorize these payments and to appropriate funds for use only as "such sums necessary" to pay these lump sum catch-up payments. The legislation directed the Special Master to make the payments in amounts equal to those calculated by the GAO. The GAO report establishes which claimants are eligible for these payments and how they are calculated. The statute did not include a deadline to issue these payments. See *34 U.S.C. § 20144(d)(4)(C)*.

The *Fairness Act* required the Comptroller General of the United States to conduct an audit to determine proposed lump sum catch-up payments to certain 1983 Beirut barracks bombing victims and certain 1996 Khobar Towers bombing victims. *The Fairness Act* also established a "lump sum catch-up payment reserve fund" within the USVSSTF, and appropriated $3.0 billion to that reserve fund. The Comptroller General must submit a report to Congress and the Special Master that includes determinations of the amount of the payments; this report is due by January 29, 2024. The Special Master shall authorize the lump sum catch-up payments specific to Beirut and Khobar Towers victims, with payments to begin 90 days after the Comptroller General's report is issued.

Note 25. Compensation Funds (continued)

The statute explicitly states "(bb) Remaining amounts: All amounts remaining in the lump sum catch-up payment reserve fund in excess of the amounts described in subclauses (i) and (ii) of clause (iii) shall be deposited into the Fund under this section." As of September 30, 2023, there are unpaid eligible claims that exceed the $3.0 billion in funding received through the Fairness Act.

As of September 30, 2023 and 2022, the USVSSTF recognized liabilities for future claims amounted to $3.32 billion and $208.80 million, respectively.

U.S. Department of Justice

Required Supplementary Information
(Unaudited)

Deferred Maintenance and Repairs

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

The Department and its components primarily utilize condition assessment surveys from industry professionals to measure maintenance and repairs necessary to keep fixed assets operating at acceptable levels. Also, computerized systems are used to report and monitor maintenance and repair needs as well as importance. Mission critical assets and non-capitalized property are those having significant impact to the health and safety of DOJ involved individuals, or assets and non-capitalized property critical to performing the mission of DOJ. Such items undergo routine assessments and maintenance schedules. Generally, necessary maintenance and repairs are not deferred for critical items. Due to the varying degrees *SFFAS 42* applies to components, DOJ allows for components to independently rank, prioritize, and determine acceptable condition standards based on impact to mission, location, importance, and type. When considering DM&R, DOJ and its components only consider capitalized G-PP&E regardless of the depreciation status.

However, certain asset types are specifically excluded from the DM&R assessment such as land, construction in progress (CIP), leasehold improvements, and internal use software (IUS). Land is acquired for operational purposes, predominately to construct physical assets and for training. Land does not have a useful life nor does it depreciate. Beyond general care necessary for the operational purpose for which it was acquired, land does not require maintenance and repairs as defined by *SFFAS 42*. CIP refers to on-going construction where any maintenance and repairs is remediated through the construction process. Leasehold improvements are improvements to non-DOJ owned assets and are amortized over the lease term. Leasehold improvements occur when modifications to leased spaces are required to accommodate operational activities in achievement of mission objectives. General maintenance and repair activities are accomplished through the terms of the lease and are generally at the expense of the lessor. IUS refers to purchased software that has been internally developed to meet critical operational needs. IUS is serviced through help desk initiatives and undergoes routine scheduled assessments. Maintenance and repairs are not deferred.

In FY 2023, the Department issued a data call to components to assess the department-wide DM&R. Based on the G-PP&E portfolio of the DOJ, other than BOP, the remaining components do not have a G-PP&E portfolio with significant DM&R.

With over 120 owned institutions, totaling over 66 million square feet, encompassing 46 thousand acres, the BOP is unlike other DOJ components. The BOP is solely responsible for managing and maintaining their aging infrastructure. Over 53 percent of BOP's prison facilities are over 30 years old, with approximately 30 percent over 50 years old. Prison facilities are subject to greater than normal wear and tear as they are continuously operated. Older facilities tend to require repairs to infrastructure systems pertaining to water, sewer, electrical, HVAC, alarm systems, fences, roofs, etc. These older facilities present higher needs for repair and renovation than newer facilities and consume a large portion of the BOP's maintenance and repair (M&R) resources to maintain an acceptable condition. BOP expects capital improvements are necessary in the near term to keep their aging facilities operational. In FY 2023, the BOP awarded a contract to address and prioritize infrastructure needs by developing a strategic framework for increasing the overall effectiveness of facilities management. While BOP acknowledges the existence of DM&R, an estimate was not available at the time of this report.

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

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

U.S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Budgetary Resources										
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory) (Note 20)	$ 1,157,312	$ 214,415	$ 1,821,357	$ 404,946	$ 2,747,365	$ 226,189	$ 2,719,265	$ 2,340,472	$ 260,116	$ 11,891,437
Appropriations (discretionary and mandatory)	1,587,082	1,531,367	8,044,000	3,017,645	11,005,926	—	8,426,634	4,998,548	4,401,162	43,012,364
Spending Authority from Offsetting Collections (discretionary and mandatory)	14,720	43,829	417,995	16,458	1,168,540	618,374	2,324,465	325,149	102,728	5,032,258
Total Budgetary Resources	**$ 2,759,114**	**$ 1,789,611**	**$ 10,283,352**	**$ 3,439,049**	**$ 14,921,831**	**$ 844,563**	**$ 13,470,364**	**$ 7,664,169**	**$ 4,764,006**	**$ 59,936,059**
Status of Budgetary Resources										
New Obligations and Upward Adjustments (Total)	$ 1,446,401	$ 1,613,308	$ 8,352,023	$ 3,180,627	$ 11,991,232	$ 681,598	$ 11,710,085	$ 6,623,091	$ 4,547,338	$ 50,145,703
Unobligated Balance, End of Year:										
Apportioned, Unexpired Accounts	1,131,045	150,624	1,212,221	221,177	2,618,151	—	1,444,421	1,018,391	141,009	7,937,039
Exempt from Apportionment, Unexpired Accounts	—	—	142,185	—	—	162,965	—	—	—	305,150
Unapportioned, Unexpired Accounts	181,668	6,642	10,463	1,151	8,821	—	89,758	22,687	1,979	323,169
Unexpired, Unobligated Balance, End of Year	1,312,713	157,266	1,364,869	222,328	2,626,972	162,965	1,534,179	1,041,078	142,988	8,565,358
Expired Unobligated Balance, End of Year	—	19,037	566,460	36,094	303,627	—	226,100	—	73,680	1,224,998
Unobligated Balance - End of Year (Total)	1,312,713	176,303	1,931,329	258,422	2,930,599	162,965	1,760,279	1,041,078	216,668	9,790,356
Total Status of Budgetary Resources	**$ 2,759,114**	**$ 1,789,611**	**$ 10,283,352**	**$ 3,439,049**	**$ 14,921,831**	**$ 844,563**	**$ 13,470,364**	**$ 7,664,169**	**$ 4,764,006**	**$ 59,936,059**
Outlays, Net										
Outlays, Net (Total) (discretionary and mandatory)	$ 1,594,790	$ 1,479,368	$ 7,530,966	$ 2,977,829	$ 10,275,897	$ 7,163	$ 8,025,373	$ 4,703,362	$ 4,322,388	$ 40,917,136
Less: Distributed Offsetting Receipts	21,162	283	361	575,044	175	—	282,110	—	4,297	883,432
Agency Outlays, Net (discretionary and mandatory)	**$ 1,573,628**	**$ 1,479,085**	**$ 7,530,605**	**$ 2,402,785**	**$ 10,275,722**	**$ 7,163**	**$ 7,743,263**	**$ 4,703,362**	**$ 4,318,091**	**$ 40,033,704**

Estimated Land Acreage

Pursuant to *SFFAS No. 59, Accounting and Reporting of Government Land,* federal reporting entities are required to report estimated land acres to increase transparency, comparability, consistency, and reliability of land information. As such, components of the DOJ own and maintain land for operational purposes in accordance with their individual missions. As of September 30, 2023, estimated land acres by component is presented in the following table:

As of September 30, 2023	ATF	BOP	DEA	FBI	Total
PP&E Land					
Start of Prior Year	35	46,204	12	1,902	48,153
Start of Current Year	35	46,204	12	1,976	48,227
End of Current Year	35	45,283	12	1,976	47,306

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

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

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

U.S. Department of Justice

Other Information
(Unaudited)

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

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Assets (Note 2)											
Intragovernmental Assets:											
Fund Balance with Treasury (Note 3)	$ 2,647,870	$ 686,660	$ 3,568,627	$ 1,196,987	$ 6,603,222	$ 19,966	$ 6,960,912	$ 13,948,629	$ 1,220,800	$ —	$ 36,853,673
Investments, Net (Note 5)	2,635,482	—	—	—	—	323,944	3,491,998	—	—	—	6,451,424
Accounts Receivable (Note 6)	11,929	10,952	2,132	4,427	361,488	31,235	548,604	5,582	10,505	(329,931)	656,923
Advances and Prepayments	2,713	905	6,654	46,850	19,736	—	19,360	54,650	—	(2,771)	148,097
Other Assets (Note 10)	—	143	—	—	—	55,729	42	—	—	—	55,914
Total Intragovernmental Assets	$ 5,297,994	$ 698,660	$ 3,577,413	$ 1,248,264	$ 6,984,446	$ 430,874	$ 11,020,916	$ 14,008,861	$ 1,231,305	$ (332,702)	$ 44,166,031
Other than Intragovernmental Assets:											
Cash and Other Monetary Assets (Note 4)	$ 3,105,697	$ 15,084	$ 473	$ 18,861	$ 141,407	$ —	$ 51	$ —	$ —	$ —	$ 3,281,573
Accounts Receivable, Net (Note 6)	48	122	25,347	3,603	45,843	5,243	1,145,421	225,346	160	—	1,451,133
Inventory and Related Property, Net											
Forfeited Property, Net (Note 8)	105,996	—	—	—	—	—	—	—	—	—	105,996
Inventory and Related Property, Net (Note 7)	—	—	28,112	14,779	—	78,048	—	—	7,276	—	128,215
General Property, Plant and Equipment, Net (Note 9)	973	180,772	3,445,127	254,761	3,043,060	70,760	192,424	65,137	513,775	—	7,766,789
Advances and Prepayments	—	1,368	15,711	801	167,184	482	53	315,850	—	—	501,449
Other Assets (Note 10)	143	—	—	—	2	8	—	—	184	—	337
Total Other than Intragovernmental Assets	$ 3,212,857	$ 197,346	$ 3,514,770	$ 292,805	$ 3,397,496	$ 154,541	$ 1,337,949	$ 606,333	$ 521,395	$ —	$ 13,235,492
Total Assets	**$ 8,510,851**	**$ 896,006**	**$ 7,092,183**	**$ 1,541,069**	**$ 10,381,942**	**$ 585,415**	**$ 12,358,865**	**$ 14,615,194**	**$ 1,752,700**	**$ (332,702)**	**$ 57,401,523**
Liabilities (Note 11)											
Intragovernmental Liabilities:											
Accounts Payable	$ 41,970	$ 20,350	$ 141,367	$ 89,309	$ 160,311	$ 3,663	$ 167,432	$ 57,564	$ 59,213	$ (329,931)	$ 411,248
Advances from Others and Deferred Revenue	—	—	—	—	49,313	132,572	39,130	6,215	—	(2,771)	224,459
Other Liabilities											
Custodial Liabilities (Note 21)	—	—	518	3,367	2,453	—	1,360,884	—	10	—	1,367,232
Other (Note 15)	1,536	39,149	281,944	50,736	151,918	4,272	80,775	1,916	40,350	—	652,596
Total Intragovernmental Liabilities	$ 43,506	$ 59,499	$ 423,829	$ 143,412	$ 363,995	$ 140,507	$ 1,648,221	$ 65,695	$ 99,573	$ (332,702)	$ 2,655,535
Other than Intragovernmental Liabilities:											
Accounts Payable	$ 744,619	$ 35,771	$ 412,627	$ 70,879	$ 424,631	$ 50,258	$ 490,042	$ 142,094	$ 392,353	$ —	$ 2,763,274
Federal Employee Benefits Payable	4,599	183,504	1,238,877	244,628	599,544	14,746	281,888	10,013	174,959	—	2,752,758
Environmental and Disposal Liabilities (Note 12)	—	—	81,091	—	4,926	—	—	—	—	—	86,017
Advances from Others and Deferred Revenue	105,996	—	466	856,986	4,930	—	—	—	—	—	968,378
Other											
Accrued Grant Liabilities	—	—	—	—	—	—	212,164	613,264	—	—	825,428
Seized Cash and Monetary Instruments (Note 14)	4,680,116	6,210	—	653	65,122	—	—	—	—	—	4,752,101
Radiation Exposure Compensation Act Liabilities (Note 25)	—	—	—	—	—	—	48,779	—	—	—	48,779
September 11th Victim Compensation Fund Liabilities (Note 25)	—	—	—	—	—	—	2,981,356	—	—	—	2,981,356
United States Victims of State Sponsored Terrorism Act Liabilities (Note 25)	—	—	—	—	—	—	3,320,721	—	—	—	3,320,721
Other Liabilities (Note 15)	3,041	41,826	687,795	104,438	353,186	11,651	297,581	6,783	67,353	—	1,573,654
Total Other than Intragovernmental Liabilities	$ 5,538,371	$ 267,311	$ 2,420,856	$ 1,277,584	$ 1,452,339	$ 76,655	$ 7,632,531	$ 772,154	$ 634,665	$ —	$ 20,072,466
Total Liabilities	**$ 5,581,877**	**$ 326,810**	**$ 2,844,685**	**$ 1,420,996**	**$ 1,816,334**	**$ 217,162**	**$ 9,280,752**	**$ 837,849**	**$ 734,238**	**$ (332,702)**	**$ 22,728,001**
Commitments and Contingencies (Note 16)											
NET POSITION											
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,037,054	$ —	$ —	$ —	$ 3,037,054
Unexpended Appropriations - Funds from other than Dedicated Collections	—	472,419	2,453,506	653,791	5,326,313	—	4,982,726	7,528,290	627,414	—	22,044,459
Total Unexpended Appropriations	**$ —**	**$ 472,419**	**$ 2,453,506**	**$ 653,791**	**$ 5,326,313**	**$ —**	**$ 8,019,780**	**$ 7,528,290**	**$ 627,414**	**$ —**	**$ 25,081,513**
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	2,928,974	—	207,081	(589,637)	—	—	(2,532,170)	6,190,752	—	—	6,205,000
Cumulative Results of Operations - Funds other than those from Dedicated Collections	—	96,777	1,586,911	55,919	3,239,295	368,253	(2,409,497)	58,303	391,048	—	3,387,009
Total Cumulative Results of Operations	**$ 2,928,974**	**$ 96,777**	**$ 1,793,992**	**$ (533,718)**	**$ 3,239,295**	**$ 368,253**	**$ (4,941,667)**	**$ 6,249,055**	**$ 391,048**	**$ —**	**$ 9,592,009**
Total Net Position	**$ 2,928,974**	**$ 569,196**	**$ 4,247,498**	**$ 120,073**	**$ 8,565,608**	**$ 368,253**	**$ 3,078,113**	**$ 13,777,345**	**$ 1,018,462**	**$ —**	**$ 34,673,522**
Total Liabilities and Net Position	**$ 8,510,851**	**$ 896,006**	**$ 7,092,183**	**$ 1,541,069**	**$ 10,381,942**	**$ 585,415**	**$ 12,358,865**	**$ 14,615,194**	**$ 1,752,700**	**$ (332,702)**	**$ 57,401,523**

U.S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Assets (Note 2)											
Intragovernmental Assets:											
Fund Balance with Treasury (Note 3)	1,350,658	526,883	3,525,824	1,094,802	5,992,049	19,579	6,508,538	14,005,379	1,210,727	—	34,234,439
Investments, Net (Note 5)	2,526,048	—	—	—	—	279,599	330,912	—	—	—	3,136,559
Accounts Receivable (Note 6)	6,010	13,259	4,293	3,800	398,082	38,095	477,850	11,569	6,934	(287,923)	671,969
Advances and Prepayments	—	2	6,038	40,207	7,318	—	—	108,235	—	(2,980)	158,820
Other Assets (Note 10)	—	367	—	—	—	57,797	(3)	—	—	—	58,161
Total Intragovernmental Assets	3,882,716	540,511	3,536,155	1,138,809	6,397,449	395,070	7,317,297	14,125,183	1,217,661	(290,903)	38,259,948
Other than Intragovernmental Assets:											
Cash and Other Monetary Assets (Note 4)	1,245,248	12,487	470	19,259	134,795	—	51	—	—	—	1,412,310
Accounts Receivable, Net (Note 6)	42	133	24,098	3,540	43,653	4,899	2,147,222	2,062	144	—	2,225,793
Inventory and Related Property, Net											
Forfeited Property, Net (Note 8)	95,062	—	—	—	—	—	—	—	—	—	95,062
Inventory and Related Property, Net (Note 7)	—	—	23,952	12,715	—	78,456	—	—	5,238	—	120,361
General Property, Plant and Equipment, Net (Note 9)	1,099	166,075	4,081,826	275,160	2,945,310	77,078	189,781	55,590	473,860	—	8,265,779
Advances and Prepayments	1,000	1,154	16,115	248	141,979	1,302	5,857	334,638	—	—	502,293
Other Assets (Note 10)	2	—	—	—	1	411	—	—	184	—	598
Total Other than Intragovernmental Assets	1,342,453	179,849	4,146,461	310,922	3,265,738	162,146	2,342,911	392,290	479,426	—	12,622,196
Total Assets	**5,225,169**	**720,360**	**7,682,616**	**1,449,731**	**9,663,187**	**557,216**	**9,660,208**	**14,517,473**	**1,697,087**	**(290,903)**	**50,882,144**
Liabilities (Note 11)											
Intragovernmental Liabilities:											
Accounts Payable	104,297	26,832	110,395	79,860	122,021	5,021	164,884	35,322	63,416	(287,923)	424,125
Advances from Others and Deferred Revenue	—	—	—	13	67,156	106,047	25,965	5,873	—	(2,980)	202,074
Other											
Custodial Liabilities (Note 21)	—	—	414	3,341	3,401	—	2,570,987	—	—	—	2,578,143
Other Liabilities (Note 15)	929	36,073	268,610	48,716	142,494	4,084	67,319	1,673	37,571	—	607,469
Total Intragovernmental Liabilities	105,226	62,905	379,419	131,930	335,072	115,152	2,829,155	42,868	100,987	(290,903)	3,811,811
Other than Intragovernmental Liabilities:											
Accounts Payable	630,705	26,196	509,919	75,022	412,816	46,922	442,352	95,514	419,231	—	2,658,677
Federal Employee Benefits Payable	4,541	178,020	1,190,375	244,595	582,665	13,110	280,531	9,501	170,049	—	2,673,387
Environmental and Disposal Liabilities (Note 12)	—	—	78,515	—	4,875	—	—	—	—	—	83,390
Advances from Others and Deferred Revenue	95,062	—	1,060	818,840	7,433	—	—	—	—	—	922,395
Other											
Accrued Grant Liabilities	—	—	—	—	—	—	214,389	606,850	—	—	821,239
Seized Cash and Monetary Instruments (Note 14)	2,816,203	4,138	—	705	56,187	—	—	—	—	—	2,877,233
Radiation Exposure Compensation Act Liabilities (Note 25)	—	—	—	—	—	—	155,437	—	—	—	155,437
September 11th Victim Compensation Fund Liabilities (Note 25)	—	—	—	—	—	—	3,580,103	—	—	—	3,580,103
United States Victims of State Sponsored Terrorism Act Liabilities (Note 25)	—	—	—	—	—	—	208,803	—	—	—	208,803
Other Liabilities (Note 15)	2,940	39,915	725,940	101,080	330,854	12,061	273,591	7,644	56,647	—	1,550,672
Total Other than Intragovernmental Liabilities:	3,549,451	248,269	2,505,809	1,240,242	1,394,830	72,093	5,155,206	719,509	645,927	—	15,531,336
Total Liabilities	**3,654,677**	**311,174**	**2,885,228**	**1,372,172**	**1,729,902**	**187,245**	**7,984,361**	**762,377**	**746,914**	**(290,903)**	**19,343,147**
Commitments and Contingencies (Note 16)											
NET POSITION											
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	—	—	—	—	—	—	(1,444)	—	—	—	(1,444)
Unexpended Appropriations - Funds from other than Dedicated Collections	—	313,325	2,373,249	575,032	4,840,987	—	4,293,022	6,934,118	595,188	—	19,924,921
Total Unexpended Appropriations	**—**	**313,325**	**2,373,249**	**575,032**	**4,840,987**	**—**	**4,291,578**	**6,934,118**	**595,188**	**—**	**19,923,477**
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)	1,570,492	—	170,082	(615,501)	—	—	543,495	6,770,325	—	—	8,438,893
Cumulative Results of Operations - Funds other than those from Dedicated Collections		95,861	2,254,057	118,028	3,092,298	369,971	(3,159,226)	50,653	354,985	—	3,176,627
Total Cumulative Results of Operations	**1,570,492**	**95,861**	**2,424,139**	**(497,473)**	**3,092,298**	**369,971**	**(2,615,731)**	**6,820,978**	**354,985**	**—**	**11,615,520**
Total Net Position	**1,570,492**	**409,186**	**4,797,388**	**77,559**	**7,933,285**	**369,971**	**1,675,847**	**13,755,096**	**950,173**	**—**	**31,538,997**
Total Liabilities and Net Position	**5,225,169**	**720,360**	**7,682,616**	**1,449,731**	**9,663,187**	**557,216**	**9,660,208**	**14,517,473**	**1,697,087**	**(290,903)**	**50,882,144**

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

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated (Note 18)
Major Program 1: Law Enforcement											
Gross Cost	$ 1,613,032	$ 1,721,096	$ —	$ 3,267,444	$ 12,534,515	$ —	$ 541,939	$ —	$ 2,449,373	$ (797,171)	$ 21,330,228
Less: Earned Revenues	15,220	48,924	—	573,658	1,125,236	—	(13,837)	—	57,805	(360,274)	1,446,732
Net Cost of Operations	$ 1,597,812	$ 1,672,172	$ —	$ 2,693,786	$ 11,409,279	$ —	$ 555,776	$ —	$ 2,391,568	$ (436,897)	$ 19,883,496
Major Program 2: Litigation and Compensation											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 11,813,658	$ —	$ —	$ (27,162)	$ 11,786,496
Less: Earned Revenues	—	—	—	—	—	—	457,129	—	—	(45,098)	412,031
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 11,356,529	$ —	$ —	$ 17,936	$ 11,374,465
Major Program 3: Prisons and Detention											
Gross Cost	$ —	$ —	$ 9,943,664	$ —	$ —	$ 708,192	$ 10,567	$ —	$ 2,194,267	$ (322,329)	$ 12,534,361
Less: Earned Revenues	—	—	376,769	—	—	677,536	—	—	305	(107,090)	947,520
Net Cost of Operations	$ —	$ —	$ 9,566,895	$ —	$ —	$ 30,656	$ 10,567	$ —	$ 2,193,962	$ (215,239)	$ 11,586,841
Major Program 4: Grants											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 865,606	$ 5,051,382	$ —	$ (106,079)	$ 5,810,909
Less: Earned Revenues	—		—	—	—	—	4,434	38,599	—	(21,885)	21,148
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 861,172	$ 5,012,783	$ —	$ (84,194)	$ 5,789,761
Major Program 5: Executive Oversight and Enterprise Technology											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,639,190	$ —	$ —	$ (38,203)	$ 2,600,987
Less: Earned Revenues	—	—	—	—	—	—	1,224,007	—	—	(740,082)	483,925
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,415,183	$ —	$ —	$ 701,879	$ 2,117,062
Net Cost of Operations	$ 1,597,812	$ 1,672,172	$ 9,566,895	$ 2,693,786	$ 11,409,279	$ 30,656	$ 14,199,227	$ 5,012,783	$ 4,585,530	$ (16,515)	$ 50,751,625

U.S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated (Note 18)
Major Program 1: Law Enforcement											
Gross Cost	$ 1,399,275	$ 1,579,803	$ —	$ 3,066,877	$ 12,018,304	$ —	$ 550,991	$ —	$ 2,194,114	$ (771,623)	$ 20,037,741
Less: Earned Revenues	15,732	50,142	—	515,899	1,034,941	—	884	—	56,694	(771,623)	902,669
Net Cost of Operations	$ 1,383,543	$ 1,529,661	$ —	$ 2,550,978	$ 10,983,363	$ —	$ 550,107	$ —	$ 2,137,420	$ —	$ 19,135,072
Major Program 2: Litigation and Compensation											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,573,989	$ —	$ —	$ (40,740)	$ 6,533,249
Less: Earned Revenues	—	—	—	—	—	—	413,302	—	—	(40,740)	372,562
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,160,687	$ —	$ —		$ 6,160,687
Major Program 3: Prisons and Detention											
Gross Cost	$ —	$ —	$ 8,643,621	$ —	$ —	$ 685,770	$ 11,426	$ —	$ 2,218,984	$ (338,194)	$ 11,221,607
Less: Earned Revenues	—	—	338,889	—	—	656,613	—	—	380	(322,396)	673,486
Net Cost of Operations	$ —	$ —	$ 8,304,732	$ —	$ —	$ 29,157	$ 11,426	$ —	$ 2,218,604	$ (15,798)	$ 10,548,121
Major Program 4: Grants											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 686,812	$ 4,745,812	$ —	$ (13,794)	$ 5,418,830
Less: Earned Revenues	—	—	—	—	—	—	5,429	22,463	—	(13,794)	14,098
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 681,383	$ 4,723,349	$ —	$ —	$ 5,404,732
Major Program 5: Executive Oversight and Enterprise Technology											
Gross Cost	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,196,226	$ —	$ —	$ (27,887)	$ 2,168,339
Less: Earned Revenues	—	—	—	—	—	—	1,002,188	—	—	(27,887)	974,301
Net Cost of Operations	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,194,038	$ —	$ —	$ —	$ 1,194,038
Net Cost of Operations	$ 1,383,543	$ 1,529,661	$ 8,304,732	$ 2,550,978	$ 10,983,363	$ 29,157	$ 8,597,641	$ 4,723,349	$ 4,356,024	$ (15,798)	$ 42,442,650

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

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

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

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Funds from Dedicated Collections	**$ 1,570,492**	**$ —**	**$ 170,082**	**$ (615,501)**	**$ —**	**$ —**	**$ 543,495**	**$ 6,770,325**	**$ —**	**$ —**	**$ 8,438,893**
Funds from other than Dedicated Collections	**$ —**	**$ 95,861**	**$ 2,254,057**	**$ 118,028**	**$ 3,092,298**	**$ 369,971**	**$ (3,159,226)**	**$ 50,653**	**$ 354,985**	**$ —**	**$ 3,176,627**
Other Adjustments											
Funds from Dedicated Collections	$ (500,000)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ (500,000)
Funds from other than Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ (100,000)		$ (86)	$ —	$ (100,086)
Appropriations Used											
Funds from Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,668,692	$ —	$ —	$ —	$ 2,668,692
Funds from other than Dedicated Collections	$ —	$ 1,587,750	$ 8,417,010	$ 2,495,263	$ 10,808,739	$ —	$ 8,416,329	$ 2,833,351	$ 4,518,233	$ —	$ 39,076,675
Nonexchange Revenues											
Funds from Dedicated Collections	$ 276,467	$ —	$ —	$ —	$ —	$ —	$ 93,480	$ 1,612,771	$ —	$ —	$ 1,982,718
Funds from other than Dedicated Collections	$ —	$ —	$ 104	$ —	$ —	$ —	$ 35	$ 421	$ —	$ —	$ 560
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections	$ 2,960,474	$ —	$ —	$ —	$ —	$ —	$ 46,683	$ —	$ —	$ —	$ 3,007,157
Funds from other than Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ 681	$ —	$ —	$ —	$ 681
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	$ (9,696)	$ —	$ —	$ —	$ —	$ —	$ —	$ (14,355)	$ —	$ —	$ (24,051)
Funds from other than Dedicated Collections	$ —	$ 1,056	$ (108)	$ 14,255	$ 206,598	$ —	$ 462,733	$ —	$ 8,117	$ —	$ 692,651
Donations and Forfeitures of Property											
Funds from Dedicated Collections	$ 224,397	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 224,397
Imputed Financing (Note 19)											
Funds from Dedicated Collections	$ 4,652	$ —	$ 10,123	$ 27,398	$ —	$ —	$ 21,451	$ —	$ —	$ —	$ 63,624
Funds from other than Dedicated Collections	$ —	$ 84,282	$ 509,627	$ 120,625	$ 554,386	$ 28,938	$ 263,245	$ 8,672	$ 95,329	$ (16,515)	$ 1,648,589
Other											
Funds from Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ 1	$ —	$ —	$ —	$ 1
Funds from other than Dedicated Collections	$ —	$ —	$ (8)	$ —	$ (13,447)	$ —	$ (39)	$ —	$ —	$ —	$ (13,494)
Net Cost of Operations											
Funds from Dedicated Collections	**$ (1,597,812)**	**$ —**	**$ 26,876**	**$ (1,534)**	**$ —**	**$ —**	**$ (5,905,972)**	**$ (2,177,989)**	**$ —**	**$ —**	**$ (9,656,431)**
Funds from other than Dedicated Collections	**$ —**	**$ (1,672,172)**	**$ (9,593,771)**	**$ (2,692,252)**	**$ (11,409,279)**	**$ (30,656)**	**$ (8,293,255)**	**$ (2,834,794)**	**$ (4,585,530)**	**$ 16,515**	**$ (41,095,194)**
Net Change in Cumulative Results of Operations											
Funds from Dedicated Collections	**$ 1,358,482**	**$ —**	**$ 36,999**	**$ 25,864**	**$ —**	**$ —**	**$ (3,075,665)**	**$ (579,573)**	**$ —**	**$ —**	**$ (2,233,893)**
Funds from other than Dedicated Collections	**$ —**	**$ 916**	**$ (667,146)**	**$ (62,109)**	**$ 146,997**	**$ (1,718)**	**$ 749,729**	**$ 7,650**	**$ 36,063**	**$ —**	**$ 210,382**
Cumulative Results of Operations: Ending											
Funds from Dedicated Collections	$ 2,928,974	$ —	$ 207,081	$ (589,637)	$ —	$ —	$ (2,532,170)	$ 6,190,752	$ —	$ —	$ 6,205,000
Funds from other than Dedicated Collections	$ —	$ 96,777	$ 1,586,911	$ 55,919	$ 3,239,295	$ 368,253	$ (2,409,497)	$ 58,303	$ 391,048	$ —	$ 3,387,009
Total All Funds	**$ 2,928,974**	**$ 96,777**	**$ 1,793,992**	**$ (533,718)**	**$ 3,239,295**	**$ 368,253**	**$ (4,941,667)**	**$ 6,249,055**	**$ 391,048**	**$ —**	**$ 9,592,009**
Net Position											
Funds from Dedicated Collections	**$ 2,928,974**	**$ —**	**$ 207,081**	**$ (589,637)**	**$ —**	**$ —**	**$ 504,884**	**$ 6,190,752**	**$ —**	**$ —**	**$ 9,242,054**
Funds from other than Dedicated Collections	**$ —**	**$ 569,196**	**$ 4,040,417**	**$ 709,710**	**$ 8,565,608**	**$ 368,253**	**$ 2,573,229**	**$ 7,586,593**	**$ 1,018,462**	**$ —**	**$ 25,431,468**
Net Position - Total	**$ 2,928,974**	**$ 569,196**	**$ 4,247,498**	**$ 120,073**	**$ 8,565,608**	**$ 368,253**	**$ 3,078,113**	**$ 13,777,345**	**$ 1,018,462**	**$ —**	**$ 34,673,522**

U.S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
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**
Appropriations Received											
Funds from Dedicated Collections	—	—	—	—	—	—	1,356	—	—	—	1,356
Funds from other than Dedicated Collections	—	1,531,071	8,100,000	2,421,522	10,961,895	—	8,186,720	3,142,000	3,728,315	—	38,071,523
Appropriations Transferred-In/Out											
Funds from other than Dedicated Collections	—	(353)	(146,621)	15,318	2,630	—	512,141	34,800	674,198	—	1,092,113
Other Adjustments											
Funds from other than Dedicated Collections	—	—	(94)	(82)	(273)	—	(664,978)	(106,086)	(12)	—	(771,525)
Appropriations Used											
Funds from Dedicated Collections	—	—	—	—	—	—	(5,677)	—	—	—	(5,677)
Funds from other than Dedicated Collections	—	(1,483,891)	(7,815,419)	(2,473,051)	(10,359,149)	—	(7,633,809)	(2,222,535)	(4,369,049)	—	(36,356,903)
Net Change in Unexpended Appropriations											
Funds from Dedicated Collections	**—**	**—**	**—**	**—**	**—**	**—**	**(4,321)**	**—**	**—**	**—**	**(4,321)**
Funds from other than Dedicated Collections	**—**	**46,827**	**137,866**	**(36,293)**	**605,103**	**—**	**400,074**	**848,179**	**33,452**	**—**	**2,035,208**
Total Unexpended Appropriations: Ending											
Funds from Dedicated Collections	—	—	—	—	—	—	(1,444)	—	—	—	(1,444)
Funds from other than Dedicated Collections	—	313,325	2,373,249	575,032	4,840,987	—	4,293,022	6,934,118	595,188	—	19,924,921
Total All Funds	**—**	**313,325**	**2,373,249**	**575,032**	**4,840,987**	**—**	**4,291,578**	**6,934,118**	**595,188**	**—**	**19,923,477**

U.S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2022 - (continued)

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Funds from Dedicated Collections	**$ 1,290,935**	**$ —**	**$ 149,948**	**$ (593,705)**	**$ —**	**$ —**	**$ 618,449**	**$ 9,042,480**	**$ —**	**$ —**	**$ 10,508,107**
Funds from other than Dedicated Collections	**$ —**	**$ 84,013**	**$ 2,430,139**	**$ 73,752**	**$ 2,974,468**	**$ 376,200**	**$ (2,546,635)**	**$ 35,171**	**$ 285,223**	**$ —**	**$ 3,712,331**
Other Adjustments											
Funds from Dedicated Collections	$ (127,000)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ (127,000)
Funds from other than Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ (234,839)	$ —	$ —	$ —	$ (234,839)
Appropriations Used											
Funds from Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ 5,677	$ —	$ —	$ —	$ 5,677
Funds from other than Dedicated Collections	$ —	$ 1,483,891	$ 7,815,419	$ 2,473,051	$ 10,359,149	$ —	$ 7,633,809	$ 2,222,535	$ 4,369,049	$ —	$ 36,356,903
Nonexchange Revenues											
Funds from Dedicated Collections	$ 40,254	$ —	$ —	$ —	$ —	$ —	$ 2,459	$ 823,705	$ —	$ —	$ 866,418
Funds from other than Dedicated Collections	$ —	$ —	$ 420	$ —	$ —	$ —	$ 82	$ 119	$ —	$ —	$ 621
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections	$ 1,328,670	$ —	$ —	$ —	$ —	$ —	$ 36,229	$ —	$ —	$ —	$ 1,364,899
Funds from other than Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ 275	$ —	$ —	$ —	$ 275
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	$ (2,450)	$ —	$ —	$ —	$ —	$ —	$ (13,583)	$ (585,000)	$ —	$ —	$ (601,033)
Funds from other than Dedicated Collections	$ —	$ 8,722	$ —	$ 12,719	$ 201,125	$ —	$ 296,040	$ —	$ 4,187	$ —	$ 522,793
Donations and Forfeitures of Property											
Funds from Dedicated Collections	$ 420,818	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 420,818
Imputed Financing (Note 19)											
Funds from Dedicated Collections	$ 2,808	$ —	$ 6,230	$ 16,231	$ —	$ —	$ 14,058	$ —	$ —		$ 39,327
Funds from other than Dedicated Collections	$ —	$ 48,896	$ 326,765	$ 71,457	$ 552,821	$ 22,928	$ 169,981	$ 5,317	$ 52,550	$ (15,798)	$ 1,234,917
Other											
Funds from Dedicated Collections	$ —	$ —	$ —	$ —	$ —	$ —	$ (8)	$ —	$ —	$ —	$ (8)
Funds from other than Dedicated Collections	$ —	$ —	$ (50)	$ —	$ (11,902)	$ —	$ (84)	$ —	$ —	$ —	$ (12,036)
Net Cost of Operations											
Funds from Dedicated Collections	**$ (1,383,543)**	**$ —**	**$ 13,904**	**$ (38,027)**	**$ —**	**$ —**	**$ (119,786)**	**$ (2,510,860)**	**$ —**		**$ (4,038,312)**
Funds from other than Dedicated Collections	**$ —**	**$ (1,529,661)**	**$ (8,318,636)**	**$ (2,512,951)**	**$ (10,983,363)**	**$ (29,157)**	**$ (8,477,855)**	**$ (2,212,489)**	**$ (4,356,024)**	**$ 15,798**	**$ (38,404,338)**
Net Change in Cumulative Results of Operations											
Funds from Dedicated Collections	**$ 279,557**	**$ —**	**$ 20,134**	**$ (21,796)**	**$ —**	**$ —**	**$ (74,954)**	**$ (2,272,155)**	**$ —**	**$ —**	**$ (2,069,214)**
Funds from other than Dedicated Collections	**$ —**	**$ 11,848**	**$ (176,082)**	**$ 44,276**	**$ 117,830**	**$ (6,229)**	**$ (612,591)**	**$ 15,482**	**$ 69,762**	**$ —**	**$ (535,704)**
Cumulative Results of Operations: Ending											
Funds from Dedicated Collections	$ 1,570,492	$ —	$ 170,082	$ (615,501)	$ —	$ —	$ 543,495	$ 6,770,325	$ —	$ —	$ 8,438,893
Funds from other than Dedicated Collections	$ —	$ 95,861	$ 2,254,057	$ 118,028	$ 3,092,298	$ 369,971	$ (3,159,226)	$ 50,653	$ 354,985	$ —	$ 3,176,627
Total All Funds	**$ 1,570,492**	**$ 95,861**	**$ 2,424,139**	**$ (497,473)**	**$ 3,092,298**	**$ 369,971**	**$ (2,615,731)**	**$ 6,820,978**	**$ 354,985**	**$ —**	**$ 11,615,520**
Net Position											
Funds from Dedicated Collections	**$ 1,570,492**	**$ —**	**$ 170,082**	**$ (615,501)**	**$ —**	**$ —**	**$ 542,051**	**$ 6,770,325**	**$ —**	**$ —**	**$ 8,437,449**
Funds from other than Dedicated Collections	**$ —**	**$ 409,186**	**$ 4,627,306**	**$ 693,060**	**$ 7,933,285**	**$ 369,971**	**$ 1,133,796**	**$ 6,984,771**	**$ 950,173**	**$ —**	**$ 23,101,548**
Net Position - Total	**$ 1,570,492**	**$ 409,186**	**$ 4,797,388**	**$ 77,559**	**$ 7,933,285**	**$ 369,971**	**$ 1,675,847**	**$ 13,755,096**	**$ 950,173**	**$ —**	**$ 31,538,997**

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

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Total Custodial Revenue										
Sources of Cash Collections										
Federal Debts, Fines, Penalties and Restitution	$ —	$ 36	$ —	$ 10,770	$ 1,616	$ —	$ 6,722,240	$ —	$ —	$ 6,734,662
Fees and Licenses	—	111,371	—	15,000	—	—	—	—	—	126,371
Miscellaneous	—	305	518	—	—	—	—	—	4,370	5,193
Total Cash Collections	**$ —**	**$ 111,712**	**$ 518**	**$ 25,770**	**$ 1,616**	**$ —**	**$ 6,722,240**	**$ —**	**$ 4,370**	**$ 6,866,226**
Accrual Adjustments	—	224	—	26	(948)	—	(1,023,276)	—	10	(1,023,964)
Total Custodial Revenue (Note 21)	**$ —**	**$ 111,936**	**$ 518**	**$ 25,796**	**$ 668**	**$ —**	**$ 5,698,964**	**$ —**	**$ 4,380**	**$ 5,842,262**
Disposition of Collections										
Transferred to Federal Agencies										
Government Printing Office	—	—	—	—	—	—	(5)	—	—	(5)
The Judiciary	—	—	—	—	—	—	(84,738)	—	—	(84,738)
U.S. Department of Agriculture	—	—	—	—	—	—	(169,756)	—	—	(169,756)
U.S. Department of Commerce	—	—	—	—	—	—	(17,047)	—	—	(17,047)
U.S. Department of the Interior	—	—	—	—	—	—	(550,361)	—	—	(550,361)
U.S. Department of Justice	—	—	—	—	—	—	(273,757)	—	—	(273,757)
U.S. Department of Labor	—	—	—	—	—	—	(10,747)	—	—	(10,747)
U.S. Postal Service	—	—	—	—	—	—	(2,940)	—	—	(2,940)
U.S. Department of State	—	—	—	—	—	—	(367)	—	—	(367)
U.S. Department of the Treasury	—	—	—	—	—	—	(585,251)	—	—	(585,251)
Office of Personnel Management	—	—	—	—	—	—	(2,931)	—	—	(2,931)
Federal Communications Commission	—	—	—	—	—	—	(1,258)	—	—	(1,258)
Social Security Administration	—	—	—	—	—	—	(316)	—	—	(316)
Federal Trade Commission	—	—	—	—	—	—	(318,566)	—	—	(318,566)
International Trade Commission	—	—	—	—	—	—	(5,147)	—	—	(5,147)
U.S. Department of Veterans Affairs	—	—	—	—	—	—	(25,314)	—	—	(25,314)
Equal Employment Opportunity Commission	—	—	—	—	—	—	(1)	—	—	(1)
General Services Administration	—	—	—	—	—	—	(2,628)	—	—	(2,628)
National Science Foundation	—	—	—	—	—	—	(62)	—	—	(62)
Federal Deposit Insurance Corporation	—	—	—	—	—	—	(125)	—	—	(125)
National Endowment For the Humanities	—	—	—	—	—	—	(34)	—	—	(34)
Railroad Retirement Board	—	—	—	—	—	—	(172)	—	—	(172)
Tennessee Valley Authority	—	—	—	—	—	—	(937)	—	—	(937)
Environmental Protection Agency	—	—	—	—	—	—	(182,519)	—	—	(182,519)
U.S. Department of Transportation	—	—	—	—	—	—	(18,457)	—	—	(18,457)
U.S. Department of Homeland Security	—	—	—	—	—	—	(163,867)	—	—	(163,867)
Small Business Administration	—	—	—	—	—	—	(8,770)	—	—	(8,770)
U.S. Department of Health and Human Services	—	—	—	—	—	—	(1,647,589)	—	—	(1,647,589)
United States Intl Development Finance Corporation	—	—	—	—	—	—	(33)	—	—	(33)
National Aeronautics and Space Administration	—	—	—	—	—	—	(5,386)	—	—	(5,386)
Export-Import Bank of the United States	—	—	—	—	—	—	(1,074)	—	—	(1,074)
U.S. Department of Housing and Urban Development	—	—	—	—	—	—	(36,161)	—	—	(36,161)
U.S. Department of Energy	—	—	—	—	—	—	(1,530)	—	—	(1,530)
U.S. Department of Education	—	—	—	—	—	—	(2,857)	—	—	(2,857)
Commodities Futures Trading Commission	—	—	—	—	—	—	(115)	—	—	(115)
Corporation of National & Community Services	—	—	—	—	—	—	(316)	—	—	(316)
Federal Reserve Board	—	—	—	—	—	—	(3)	—	—	(3)
Treasury General Fund	—	(103,640)	—	(25,770)	(1,616)	—	(1,661,194)	—	(4,370)	(1,796,590)
U.S. Department of Defense	—	—	—	—	—	—	(373,067)	—	—	(373,067)
Transferred to the Public	—	—	—	—	—	—	(630,973)	—	—	(630,973)
(Increase)/Decrease in Amounts Yet to be Transferred	—	—	(518)	(26)	948	—	1,278,601	—	(10)	1,278,995
(Increase)/Decrease in Refunds Payable and Other Liabilities	—	(8,296)	—	—	—	—	—	—	—	(8,296)
Retained by the Reporting Entity	—	—	—	—	—	—	(191,194)	—	—	(191,194)
Total Disposition Of Collections	**$ —**	**$ (111,936)**	**$ (518)**	**$ (25,796)**	**$ (668)**	**$ —**	**$ (5,698,964)**	**$ —**	**$ (4,380)**	**$ (5,842,262)**
Net Custodial Activity	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

U.S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2022

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Total Custodial Revenue										
Sources of Cash Collections										
Federal Debts, Fines, Penalties and Restitution	$ —	$ 94	$ —	$ 19,825	$ 3,082	$ —	$ 4,355,794	$ —	$ —	$ 4,378,795
Fees and Licenses	—	106,040	—	15,000	—	—	—	—	—	121,040
Miscellaneous	—	283	414	—	—	—	—	—	4,297	4,994
Total Cash Collections	**$ —**	**$ 106,417**	**$ 414**	**$ 34,825**	**$ 3,082**	**$ —**	**$ 4,355,794**	**$ —**	**$ 4,297**	**$ 4,504,829**
Accrual Adjustments	—	(266)	—	(510)	(966)	—	2,083,645	—	—	2,081,903
Total Custodial Revenue (Note 21)	**$ —**	**$ 106,151**	**$ 414**	**$ 34,315**	**$ 2,116**	**$ —**	**$ 6,439,439**	**$ —**	**$ 4,297**	**$ 6,586,732**
Disposition of Collections										
Transferred to Federal Agencies										
Government Printing Office	—	—	—	—	—	—	(7)	—	—	(7)
The Judiciary	—	—	—	—	—	—	(109,186)	—	—	(109,186)
U.S. Department of Agriculture	—	—	—	—	—	—	(45,948)	—	—	(45,948)
U.S. Department of Commerce	—	—	—	—	—	—	(10,720)	—	—	(10,720)
U.S. Department of the Interior	—	—	—	—	—	—	(585,035)	—	—	(585,035)
U.S. Department of Justice	—	—	—	—	—	—	(554,680)	—	—	(554,680)
U.S. Department of Labor	—	—	—	—	—	—	(31,242)	—	—	(31,242)
Pension Benefit Guaranty Corporation	—	—	—	—	—	—	(106)	—	—	(106)
U.S. Postal Service	—	—	—	—	—	—	(13,327)	—	—	(13,327)
U.S. Department of State	—	—	—	—	—	—	(2,802)	—	—	(2,802)
U.S. Department of the Treasury	—	—	—	—	—	—	(563,964)	—	—	(563,964)
Office of Personnel Management	—	—	—	—	—	—	(35,568)	—	—	(35,568)
Federal Communications Commission	—	—	—	—	—	—	(420)	—	—	(420)
Social Security Administration	—	—	—	—	—	—	(567)	—	—	(567)
Federal Trade Commission	—	—	—	—	—	—	(162,373)	—	—	(162,373)
Smithsonian Institution	—	—	—	—	—	—	(2)	—	—	(2)
U.S. Department of Veterans Affairs	—	—	—	—	—	—	(25,435)		—	(25,435)
General Services Administration	—	—	—	—	—	—	(1,435)	—	—	(1,435)
National Science Foundation	—	—	—	—	—	—	(1,755)	—	—	(1,755)
Federal Deposit Insurance Corporation	—	—	—	—	—	—	(128)	—	—	(128)
National Endowment For the Humanities	—	—	—	—	—	—	(14)	—	—	(14)
Railroad Retirement Board	—	—	—	—	—	—	(452)	—	—	(452)
Environmental Protection Agency	—	—	—	—	—	—	(314,173)	—	—	(314,173)
U.S. Department of Transportation	—	—	—	—	—	—	(4,496)	—	—	(4,496)
U.S. Department of Homeland Security	—	—	—	—	—	—	(244,157)	—	—	(244,157)
Agency for International Development	—	—	—	—	—	—	(312)	—	—	(312)
Small Business Administration	—	—	—	—	—	—	(8,270)	—	—	(8,270)
U.S. Department of Health and Human Services	—	—	—	—	—	—	(1,202,178)	—	—	(1,202,178)
United States Intl Development Finance Corporation	—	—	—	—	—	—	(33)	—	—	(33)
National Aeronautics and Space Administration	—	—	—	—	—	—	(4,070)	—	—	(4,070)
Export-Import Bank of the United States	—	—	—	—	—	—	(1,411)	—	—	(1,411)
U.S. Department of Housing and Urban Development	—	—	—	—	—	—	(26,952)	—	—	(26,952)
U.S. Department of Energy	—	—	—	—	—	—	(7,109)	—	—	(7,109)
U.S. Department of Education	—	—	—	—	—	—	(21,526)	—	—	(21,526)
Commodities Futures Trading Commission	—	—	—	—	—	—	(88)	—	—	(88)
Corporation of National & Community Services	—	—	—	—	—	—	(2,205)	—	—	(2,205)
Federal Reserve Board	—	—	—	—	—	—	(6)	—	—	(6)
Treasury General Fund	—	(99,688)	—	(34,825)	(3,082)	—	(164,782)	—	(4,297)	(306,674)
U.S. Department of Defense	—	—	—	—	—	—	(94,339)	—	—	(94,339)
Transferred to the Public	—	—	—	—	—	—	(277,574)	—	—	(277,574)
(Increase)/Decrease in Amounts Yet to be Transferred	—	—	(414)	510	966	—	(1,809,334)	—	—	(1,808,272)
(Increase)/Decrease in Refunds Payable and Other Liabilities	—	(6,463)	—	—	—	—	—	—	—	(6,463)
Retained by the Reporting Entity	—	—	—	—	—	—	(111,258)	—	—	(111,258)
Total Disposition Of Collections	**$ —**	**$ (106,151)**	**$ (414)**	**$ (34,315)**	**$ (2,116)**	**$ —**	**$ (6,439,439)**	**$ —**	**$ (4,297)**	**$ (6,586,732)**
Net Custodial Activity	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	—

Payment Integrity Information Act Reporting

The *Payment Integrity Information Act of 2019 requires* agencies to annually report certain information on improper payments in their Agency Financial Report (AFR), such as actions taken to address recovery auditor recommendations. In recent years, OMB has been collecting improper payments data not required to be reported in the AFR, such as data on recovery activities, fraud, and risk assessment, through an annual data call and publishing the data on *PaymentAccuracy.gov*. The Department's FY 2023 data can be found on DOJ Payment Integrity.[1]

[1] https://paymentaccuracy.gov

Civil Monetary Penalty Adjustment for Inflation

As required by the *Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015*, the Department presents the most recent information available as of FY 2023.

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	2023	$10,226	Alcohol Tobacco, Firearms, and Explosives (ATF)	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
18 U.S.C. 924(p)	*Child Safety Lock Act, PL 109-92, sec. 5(c)(2)(B) Secure gun storage or safety device, violation*	2005	2023	$3,740	Alcohol, Tobacco, Firearms, and Explosives (ATF)	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*

Civil Division

Statutory Authority (U.S.C. Citation)	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty Level ($ Amount or Range)	Sub-Agency / Bureau / Unit	Location for Penalty Update Details
12 U.S.C. 1833a(b)(1)	*Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Violation*	1989	2023	$2,372,677	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
12 U.S.C. 1833a(b)(2)	*FIRREA Violation (continuing)*	1989	2023	$2,372,677	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
12 U.S.C. 1833a(b)(2)	*FIRREA Violation (continuing)*	1989	2023	$11,863,393	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
22 U.S.C. 2399b(a)(3)(A)	*Foreign Assistance Act Fraudulent Claim for Assistance*	1968	2023	$6,891	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
31 U.S.C. 3729(a)	*False Claims Act Violations*	1986	2023	Min. $13,508, Max $27,018	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
31 U.S.C 3802(a)(1)	*Program Fraud Civil Remedies Act Violations Involving False Claim (per claim)*	1986	2023	$13,508	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
31 U.S.C 3802(a)(2)	*Program Fraud Civil Remedies Act Violation Involving False Statement (per statement)*	1986	2023	$13,508	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
40 U.S.C. 123(a)(1)(A)	*Federal Property and Administrative Services Act Violation Involving Surplus Government Property*	1949	2023	$6,891	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
41 U.S.C. 8706(a)(1)(B)	*Anti-Kickback Act Violation Involving Kickbacks (per occurrence)*	1986	2023	$27,018	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
18 U.S.C 2723(b)	*Driver's Privacy Protection Act of 1994; Prohibition on release and use of certain personal information from state motor vehicle records*	1994	2023	$9,966	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
18 U.S.C. 216(b)	*Ethics Reform Act of 1989 Penalties for Conflict of Interest Crimes*	1989	2023	$118,635	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
41 U.S.C. 2105(b)(1)	*Office of Federal Procurement Policy Act Violation by an organization*	1988	2023	$123,965	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*

Civil Division (continued)

Civil Division						
Statutory Authority (U.S.C. Citation)	**Penalty (Name or Description)**	**Year Enacted**	**Latest year of adjustment (via statute or regulation)**	**Current Penalty Level ($ Amount or Range)**	**Sub-Agency / Bureau / Unit**	**Location for Penalty Update Details**
41 U.S.C. 2105(b)(2)	*Office of Federal Procurement Policy Act Violation by an organization*	1988	2023	$1,239,642	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
42 U.S.C. 5157(d)	*Disaster Relief Act Violation*	1974	2023	$15,662	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
18 U.S.C. 248(c)(2)(B)(i)	*Freedom of Access to Clinic Entrances Act of 1994 Nonviolent physical obstruction, first order*	1994	2023	$19,872	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
18 U.S.C. 248(c)(2)(B)(ii)	*Freedom of Access to Clinic Entrances Act of 1994 Nonviolent physical obstruction, subsequent order*	1994	2023	$29,899	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
18 U.S.C. 248(c)(2)(B)(i)	*Freedom of Access to Clinic Entrances Act of 1994 Other violation, first order*	1994	2023	$29,899	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
18 U.S.C. 248(c)(2)(B)(ii)	*Freedom of Access to Clinic Entrances Act of 1994 Other violation, subsequent order*	1994	2023	$49,834	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
42 U.S.C. 3614(d)(1)(C)(i)	*Fair Housing Act of 1968, as amended in 1988. PL 100-430 First violation*	1988	2023	$123,965	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
42 U.S.C. 3614(d)(1)(C)(ii)	*Fair Housing Act of 1968, as amended in 1988; PL 100-430 Subsequent violation*	1988	2023	$247,929	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
42 U.S.C. 12188(b)(C)(i)	*Americans With Disabilities Act; PL 101-336 Public accommodations for individuals with disabilities, first order*	1990	2023	$111,614	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
42 U.S.C. 12188(b)(C)(ii)	*Americans With Disabilities Act; PL 101-336 Public accommodations for individuals with disabilities, subsequent order*	1990	2023	$223,229	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
50 U.S.C. App. 597(b)(3)	*Service members Civil Relief Act First violation*	2010	2023	$74,941	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
50 U.S.C. App. 597(b)(3)	*Service members Civil Relief Act Subsequent violation*	2010	2023	$149,883	Civil Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*

Criminal Division

Civil Division						
Statutory Authority (U.S.C. Citation)	**Penalty (Name or Description)**	**Year Enacted**	**Latest year of adjustment (via statute or regulation)**	**Current Penalty Level ($ Amount or Range)**	**Sub-Agency / Bureau / Unit**	**Location for Penalty Update Details**
18 U.S.C. 983(h)H1)	*Civil Asset Forfeiture Reform Act of 2000; PL 106-105 Frivolous Assertion of Claim*	2000	2023	Min. $428 Max. $7,948	Criminal Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
18 U.S.C. 1956(b)	*Money Laundering Control Act of 1986; PL 99-570, Title I, Subtitle H*	1986	2023	$27,018	Criminal Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*

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	2023	$24,793	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 961(1)	*Controlled Substance Import Export Act Drug abuse, import or export*	1970	2023	$86,142	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 842(c)(1)(A)	*Controlled Substances Act, PL 90-513 Violations of 842(a) - other than (5), (10), (16), and (17) - Prohibited acts re: controlled substances (per violation)*	1970	2023	$78,312	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 842(c)(1)(B)(i)	*Controlled Substances Act, PL 90-513 Violations of 842(a)(5), (10), and (17) - Prohibited acts re: controlled substances*	1998	2023	$18,170	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 842(c)(1)(B)(ii)	*Support for Patients and Communities Act, PL 115-211 Violations of 842(b)(ii) - Failures re: opioids to report suspicious orders; maintain effective controls; review most recent information provided by*	2018	2023	$117,845	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 842(c)(1)(C)	*Controlled Substances Act, PL 90-513 Violation of 825(e) by importer, exporter, manufacturer, or distributor - False labeling of anabolic steroids; PL 113-260*	2014	2023	$627,568	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 842(c)(1)(D)	*Controlled Substances Act, PL 90-513 Violation of 825(e) at the retail level - False labeling of anabolic steroids; PL 113-260*	2014	2023	$1,255	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 842(c)(2)(C)	*Controlled Substances Act, PL 90-513 Violation of 842(a)(11) by a business - Distribution of laboratory supply with reckless disregard; PL 104-237*	1996	2023	$470,640	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 842(c)(2)(D)	*Support for Patients and Communities Act, PL 115-211 Violations of 842(a)(5), (10) and (17) by a registered manufacturer or distributor of opioids. Failures re: opioids to report suspicious orders; maintain effective controls; review most recent information provided by Atty Gen.*	2018	2023	$589,222	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
21 U.S.C. 856(d)	*Illicit Drug Anti-Proliferation Act of 2003 Maintaining drug-involved premises; PL 108-21*	2003	2023	$433,982	Drug Enforcement Administration	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*

Executive Office for Immigration Review

Immigration-Related Penalties						
Statutory Authority (U.S.C. Citation)	**Penalty (Name or Description)**	**Year Enacted**	**Latest year of adjustment (via statute or regulation)**	**Current Penalty Level ($ Amount or Range)**	**Sub-Agency / Bureau / Unit**	**Location for Penalty Update Details**
8 U.S.C. 1324a(e)(4)(A)(i)	*Immigration Reform and Control Act of 1986 Unlawful employment of aliens, first order*	1986	2023	Min. $676, Max. $5,404	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324a(e)(4)(A)(ii)	*Immigration Reform and Control Act of 1986 Unlawful employment of aliens, second order*	1986	2023	Min. $5,404, Max. $13,508	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324a(e)(4)(A)(iii)	*Immigration Reform and Control Act of 1986 Unlawful employment of aliens, subsequent order*	1986	2023	Min. $8,106, Max. 27,018	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324a(e)(5)	*Immigration Reform and Control Act of 1986 Paperwork violation*	1986	2023	Min. $272, Max. $2,701	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324a (note)	*Immigration Reform and Control Act of 1986; PL 104-208, sec. 403(a)(4)(C)(ii) Failure to notify DHS of employee's employment eligibility*	1996	2023	Min. $942, Max. $1,881	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324a(g)(2)	*Immigration Reform and Control Act of 1986; PL 99-603 Violation/prohibition of indemnity bonds*	1986	2023	$2,701	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324b(g)(2)(B)(iv)(I)	*Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, first order*	1990	2023	Min. $557, Max. $4,465	Civil Rights Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324b(g)(2)(B)(iv)(II)	*Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, second order*	1990	2023	Min. $4,465, Max. $11,162	Civil Rights Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324b(g)(2)(B)(iv)(III)	*Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices*	1990	2023	Min. $6,696, Max. $22,324	Civil Rights Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324b(g)(2)(B)(iv)(IV)	*Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Unfair immigration-related employment practices, document abuse*	1990	2023	Min. $223, Max. $2,232	Civil Rights Division	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324c(d)(3)(A)	*Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Document fraud, first order -- for violations described in USC 1324c(a)(1)-(4)*	1990	2023	Min. $557, Max. $4,465	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324c(d)(3)(B)	*Immigration Reform and Control Act of 1986; PL 101-649, sec. 536(a) Document fraud, subsequent order -- for violations described in USC 1324c(a)(1)-(4)*	1990	2023	Min. $4,465, Max. $11,162	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324c(d)(3)(A)	*Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5) Document fraud, first order -- for violations described in USC 1324c(a)(5)-(6)*	1996	2023	Min. $472, Max. $3,765	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*
8 U.S.C. 1324c(d)(3)(B)	*Immigration Reform and Control Act of 1986; PL 104-208, sec. 212(a)(5) Document fraud, subsequent order -- for violations described in USC 1324c(a)(5)-(6)*	1996	2023	Min. $3,765, Max. $9,413	Executive Office for Immigration Review	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*

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	2023	$1,993	Federal Bureau of Investigation	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*

Office of Justice Programs

Immigration-Related Penalties						
Statutory Authority (U.S.C. Citation)	**Penalty (Name or Description)**	**Year Enacted**	**Latest year of adjustment (via statute or regulation)**	**Current Penalty Level ($ Amount or Range)**	**Sub-Agency / Bureau / Unit**	**Location for Penalty Update Details**
34 U.S.C 10231(d)	*Omnibus Crime State and Local CHRI Systems - Right to Privacy Violation and Safe Streets Act State and Local CHRI Systems - Right to Privacy Violation*	1979	2023	$34,457	Office of Justice Programs	*Federal Register / Vol. 88, No. 19 /Monday, January 30, 2023 / Rules and Regulations*

Grants Programs

To promote the efficient administration of grants programs, *OMB A-136* requires agencies with Federal grants programs to submit a high-level summary of expired, but not closed, Federal grants and cooperative agreements (awards), including: 1) disclosure of the number of awards and balances for which closeout has not yet occurred, but for which the period of performance has elapsed by 2 years or more prior to September 30, 2023; and 2) a brief narrative of the progress made over the past year compared to the previous year's report, challenges preventing closeout of awards reported, and actions to be taken to close awards reported.

Three DOJ grant-making components report information under this guidance: Office of Justice Programs (OJP), Office of Community Oriented Policing Services (COPS), and Office on Violence Against Women (OVW).

1. The table below summarizes the total number of grant and cooperative agreement awards and balances as of September 30, 2023 for which closeout has not yet occurred but for which the period of performance has elapsed by two years or more. (i.e., on or before September 30, 2021).

Age and Balances for Expired Awards not Closed
For the Fiscal Year Ended September 30, 2023 (Dollars in Thousands)

		Period of Performance has Expired as of September 30, 2023		
DOJ Component	**Category**	**Closeout Lapse of 2-3 Years FYs 2020-2021**	**Closeout Lapse of 3-5 Years FYs 2019-2020**	**Closeout Lapse of More than 5 Years Before 2018**
OJP	Number of Grants/Cooperative Agreements with Zero Dollar Balances	12	—	—
	Number of Grants/Cooperative Agreements with Undisbursed Balances	212	19	—
	OJP Total Amount of Undisbursed Balances	**$16,225**	**$1,403**	**$603**
COPS	Number of Grants/Cooperative Agreements with Zero Dollar Balances	8	—	—
	Number of Grants/Cooperative Agreements with Undisbursed Balances	39	2	—
	COPS Total Amount of Undisbursed Balances	**$4,719**	**$25**	**$—**
OVW	Number of Grants/Cooperative Agreements with Zero Dollar Balances	109	11	5
	Number of Grants/Cooperative Agreements with Undisbursed Balances	302	46	18
	OVW Total Amount of Undisbursed Balances	**$25,261**	**$3,752**	**$2,927**
DOJ Total Amount of Undisbursed Balances		**$46,205**	**$5,180**	**$3,530**

2. Closeout Challenges

   OJP made significant progress of the past year closing more than half of the awards reported on the prior year's report and partially deobligating undisbursed funds for awards with a final Federal Financial Report. OJP continues to face challenges closing awards that are under review. OJP will continue to review expired awards and conduct outreach with grantees and program offices to close awards.

COPS has made significant progress of closeouts in FY 2023, closing 401 awards. Additionally, since last year's report, the COPS Office has resolved closeouts for 10 awards. Consistent with last year's submission regarding technical difficulties (internal/external) in the new grant management systems, a significant increase is reflected in the 2–3-year category. The COPS office continues to prioritize closeouts to include resolving financial reconciliation and compliance issues by implementing a process for bi-monthly reviews beginning in February 2024 for closeouts which lapsed by two years or more.

With the addition of new staff, OVW made significant progress by increasing the number of awards closed during FY 2023 (534 awards closed) over the previous fiscal year (66 awards closed). While progress has been made to resolve technical system issues, some issues persist, and new issues develop which delays processing of closeouts in a timely manner. Due to system challenges with making supplemental awards, OVW has issued awards with new award numbers which resulted in the significant increase in awards in the 2–3-year category. Also, OVW continues to work through issues with closeouts on hold due to unresolved monitoring reviews. For FY 2024, OVW plans to continue reviewing monthly closeout reports to prioritize closing the oldest awards and awards with undisbursed/unobligated balances.

Undisbursed Balances in Expired Grant Awards

Section 524 of *Division B-Commerce, Justice, Science, and Related Agencies Appropriations Act*, 2023, of the *Consolidated Appropriations Act, 2023* (*Public Law 117-328*) requires certain departments, agencies, and instrumentalities of the United States Government receiving appropriations under *the Act* to track undisbursed balances in expired grant accounts for FY 2023. At DOJ, grantees typically have 120 days after the grant expires to complete final drawdowns and expenditures. The data reported are based on the following definitions:

- An expired grant is a grant award that has reached the grant end date and is eligible for closeout. For DOJ, this means grants with an expired period of performance, and closeout has not yet occurred, but for which the period of performance has elapsed by two years or more prior to September 30, 2023 (i.e., on or before September 30, 2021).

- Undisbursed balances in expired grant accounts include budget authority that is no longer available for new obligations but is still available for disbursement. According to *Section 20.4(c)* of *OMB A-11*, *Preparation, Submission, and Execution of the Budget,* the expired phase "lasts five years after the last unexpired year unless the expiration period has been lengthened by legislation. Specifically, one may not incur new obligations against expired budget authority, but you may liquidate existing obligations by making disbursements."

For FY 2023, the below information is required to be reported in the Agency Annual Financial Reports with regard to undisbursed balances in expired grant accounts: 1) details on future action the department, agency, or instrumentality will take to resolve undisbursed balances in expired grant accounts; 2) the method that the department, agency, or instrumentality uses to track undisbursed balances in expired grant accounts; 3) identification of undisbursed balances in expired grant accounts that may be returned to the Treasury of the United States; and 4) in the preceding three fiscal years, details on the total number of expired grant accounts with undisbursed balances (on the first day of each fiscal year) for the department, agency, or instrumentality and the total finances that have not been obligated to a specific project remaining in the accounts. The data reported here reflects the amount of undisbursed balances in grant accounts that have reached their end date and are eligible for closeout and is provided in accordance with *Office of Management and Budget M-16-18*, *Financial and Performance Reporting on Undisbursed Balances in Expired Grant Accounts*.

The information provided here pertains to the DOJ's three grant making appropriation accounts: OJP, COPS, and OVW. Their responses are noted below:

1. In the preceding 3 fiscal years, the total number of expired grant awards (period of performance has elapsed by two years or more) with undisbursed balances (on the first day of each fiscal year) and the total finances that have not been obligated to a specific grant or project remaining in the accounts, are as follows (dollars in thousands):

Status of Undisbursed Balances in Expired Grants
For the Fiscal Year Ended September 30, 2023 (Dollars in Thousands)

DOJ Component	Category	FY 2023 (as of 9/30/2023)
OJP	Number of expired grant awards	243
	Undisbursed balances prior to closeout	$ 18,231
	Unobligated balances prior to closeout (based on the federal financial report submitted by grantee)	$ 30,127
COPS	Number of expired grant awards	49
	Undisbursed balances prior to closeout	$ 4,744
	Unobligated balances prior to closeout (based on the federal financial report submitted by grantee)	$ 2,513
OVW	Number of expired grant awards	491
	Undisbursed balances prior to closeout	$ 31,940
	Unobligated balances prior to closeout (based on the federal financial report submitted by grantee)	$ 35,152

FY 2023 is the first year the Department is reporting this information. Previous reports captured expired grants in expired appropriations only. Since the Department did not have any expired grants in expired appropriation accounts, the reports reflected zero in all categories for FYs 2022 and 2021. Beginning in FY 2023, the Department is reporting all expired grants regardless of the type of appropriation. For reporting periods FYs 2022 and 2021, some of the expired grants that were unclosed at that time have subsequently been closed. For that reason, we do not have the data to capture this information.

2. Details on future actions DOJ will be taken to resolve undisbursed balances in expired grant accounts:

   OJP will continue to monitor the expired awards with an undisbursed balance, quarterly and conduct outreach with the grantees and program office to close awards and deobligate available funds. In fourth quarter of the fiscal year, OJP will review the undisbursed balances and partially deobligate awards with an undisbursed balance, if the grantee has filed a final Federal Financial Report.

   COPS future action to resolve undisbursed balances include increased collaboration of with programmatic and financial teams for bi-monthly reviews of closeouts lapsed two or more years for tangible progress starting February 2024. Additionally, we will continue to enforce compliance and monitoring issues.

   For OVW, program and financial staff will continue to work with grant recipients to reconcile award balances, close out expired grants and deobligating undisbursed balances. Further, OVW will provide training to newly hired staff to increase the number of awards closed.

3. The method that DOJ uses to track undisbursed balances in expired grant accounts:

   OJP reviews a quarterly report for awards 120 days or more past the award end date to track the undisbursed balances for expired awards. COPS is developing a quarterly financial report to monitor undisbursed balances of expired grants. OVW reviews monthly closeout reports to track undisbursed and unobligated balances in expired grants.

4. Process for identification of undisbursed balances in expired grant accounts that may be returned to the Treasury:

   Currently, the three DOJ grant-making components operates with "no year" appropriation funds. For that reason, funds from undisbursed balances are not returned to Treasury. Undisbursed balances are recovered in the program for the same appropriated purpose.

Climate Related Financial Risk

In January 2021, the President signed *Executive Order 14008* requiring major Federal agencies to develop an adaptation plan to address their most significant climate risks and vulnerabilities. These climate adaptation and resilience plans were released in October 2021. The Department's *2021 Climate Adaptation and Resilience Plan* can be found here: DOJ Climate Adaptation and Resilience Plan.[1]

As outlined in *Executive Order 14057,* dated December 2021, major Federal agencies are required to implement the actions identified in their 2021 climate adaptation and resilience plans and provide annual updates on progress made. The Department's *Climate Adaptation Progress Report* can be found here: DOJ Climate Adaptation Progress Report.[2]

Additional information related to the Department's *Sustainability Plan* and the *FY 22 OMB Sustainability Scorecard* can be found here: DOJ Sustainability Plan [3] | DOJ Scorecard.[4]

[1] https://www.sustainability.gov/pdfs/doj-2021-cap.pdf

[2] https://www.sustainability.gov/pdfs/doj-2022-cap.pdf

[3] https://www.sustainability.gov/pdfs/doj-2022-sustainability-plan.pdf

[4] https://www.sustainability.gov/doj.html#omb

U.S. DEPARTMENT OF JUSTICE

APPENDIX
(UNAUDITED)

APPENDIX: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit 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 Exhibit I 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:

1. **The Department and BOP continue to recruit and retain individuals with relevant financial management and/or accounting skills, and train existing resources on financial management standards, concepts, policies, and procedures. (Repeat)**

   <u>Closed.</u> Management concurred with our recommendation. Because this is a repeat, we are closing this recommendation and tracking the status of corrective action through recommendation No. 1 of the Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2022 (OIG Report No. 23-037).

2. **The BOP continue to enhance the design and implementation of process level controls to be more specific in how the control should be performed, including standard criteria to consider in the performance of the control and sufficiently document the control so it can be consistently performed. Once controls are fully designed and implemented, the BOP should monitor the operating effectiveness of the controls. (Updated)**

   <u>Resolved</u>. Management concurred with this recommendation. Management stated in its response that BOP will continue to review the internal control environments to support design and implementation of an improved internal control system.

   This recommendation can be closed when subsequent annual financial statement audit testing verifies that management enhanced the design and implementation of process level controls to be more specific in how the control should be performed and sufficiently documented the control so it can be consistently performed.

3. **The Department design and implement a control for the Department and the components to monitor and evaluate significant changes to operations or financial reporting processes that will identify and respond to financial reporting risks, such as the adoption of new accounting policies and procedures, and implementations and conversions of financially relevant systems. (Repeat)**

Closed. Management concurred with our recommendation. Because this is a repeat, we are closing this recommendation and tracking the status of corrective action through recommendation No. 4 of the Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2022 (OIG Report No. 23-037).

4. **The Department assess reconciliation, financial reporting review, and other monitoring controls to increase the precision with which period end financial reporting is performed, including the identification and investigation of significant variances for all financial statements. (New)**

Resolved. Management concurred with this recommendation. Management stated in its response they will enhance their 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 designed and implemented a control to monitor and evaluate significant variances for period end financial statements.