

2010 BUDGET SUMMARY

The 2010 Budget addresses the President's and Attorney General's key priorities, including protecting our national security and reinvigorating the Department of Justice's traditional missions like fighting crime, protecting our marketplace, enforcing our civil rights laws, and preserving our environment. The Budget provides critical funding for the Department's national security and intelligence programs, as well as resources for the Federal Bureau of Investigation (FBI), federal prosecutors, civil litigators, and bankruptcy attorneys to prevent, investigate, and prosecute mortgage fraud and other economic crimes. The Budget also funds efforts to combat the Mexican drug cartels and safeguard the Southwest Border, ensure that prison and detention programs are adequately funded and re-entry programs are developed, and expand the Community Oriented Policing Services (COPS) hiring program.

In FY 2009, a total of \$25.7 billion was provided to continue DOJ's existing mission. The Department's 2010 Budget request totals \$26.7 billion in discretionary funding and 111,464 authorized positions. The request represents a 3.8 percent increase in budget authority and an increase of 3,977 positions over the FY 2009 enacted appropriation. Of the FY 2010 requested amount, overall enhancements total over \$1.9 billion to fund National Security (\$721.5 million), Traditional Missions (\$313.5 million), Prisons/Detention (\$410.3 million) and Grants (\$496.8 million).

The Budget does not provide funding for earmarks, as they bypass the competitive and formula grant processes designed to ensure that those States, communities, and organizations most in need of assistance will receive it.

| | (\$ in thousands) |
|-------------------------------------|---------------------|
| FY 2009 Enacted | \$25,732,088 |
| Continue DOJ's Existing Mission | 117,294 |
| Technical Adjustments | 101,788 |
| Adjustments to Base — Increases | 620,441 |
| Adjustments to Base — Decreases | (604,935) |
| FY 2010 Current Services | 25,849,392 |
| FY 2010 Enhancements | 1,941,995 |
| <i>National Security</i> | 721,480 |
| <i>Traditional Missions</i> | 313,456 |
| <i>Prisons/Detention</i> | 410,262 |
| <i>Grants</i> | 496,797 |
| <i>Subtotal</i> | 27,841,220 |
| FY 2010 Offsets | (1,092,600) |
| FY 2010 REQUEST | \$26,698,777 |
| Percent over FY 2009 Enacted | 3.8% |
| Scorekeeping Offsets | (2,668,000) |
| TOTAL | \$24,030,677 |

The table below compares the Department's funding levels prior to the terror attacks of September 11, 2001, (FY 2001) to the FY 2009 Enacted and FY 2010 President's request, as well as the percent change between the FY 2009 level and FY 2010 request. Program increases are requested for Law Enforcement components of \$971 million (5.1 percent), Litigating components of \$123 million (or 4.4 percent), and Administrative, Technology and Other efforts of \$179 million (22.3 percent) when compared with the FY 2009 level. While a decrease of \$307 million (or -10.5 percent) is presented for State and Local partners compared to the FY 2009 level. However, when combined with the Recovery Act, an additional \$4 billion will be available to be spent by FYs 2009 and 2010.

| | (\$ in millions) | | | |
|---------------------------------------|-----------------------|--------------------|-----------------------------------|-------------------------------------|
| | FY 2001 (pre 9/11) | FY 2009 Enacted | FY 2010 President's Request | % Change FY 2010 over FY 2009 |
| Law Enforcement Components | \$10,651 | \$19,231 | \$20,202 | 5.1% |
| Litigating Components | \$2,357 | \$2,777 | \$2,900 | 4.4% |
| State and Local Assistance Funding | \$4,637 | \$2,917 | \$2,610 | -10.5% |
| Admin/Technology/Other | \$208 | \$807 | \$986 | 22.3% |
| Total DOJ Discretionary Budget | \$17,853 | \$25,732 | \$26,699 | 3.8% |

Note: Totals in this table do not include scorekeeping offsets or Immigration and Naturalization Service, which transferred 3.3 million to DHS in FY 2003. ATF was transferred to DOJ in FY 2003.

NATIONAL SECURITY

The FY 2010 Budget will help strengthen national security and counter the threat of terrorism. The request provides \$7.9 billion for the FBI, including \$480 million in enhancements and \$101 million for continued support of overseas contingency operations, and \$88 million for the National Security Division (NSD), to address the President's highest priority: protecting the American people from terrorist attacks. In total, the Budget requests a \$721.5 million increase, including 366 agents, to strengthen DOJ's counterterrorism investigative capabilities. These funds are needed to allow the Department to identify, track and defeat terrorists operating in the United States and overseas, and to fortify our intelligence analysis capabilities.

Over the past several years, DOJ has significantly improved its intelligence and investigative programs. As a result, since September 11, 2001, DOJ has had considerable success in identifying, prosecuting, and incarcerating terrorists and their supporters. Additionally, our prosecutions have produced cooperating witnesses who have provided intelligence information leading to further investigation, disruption and prosecution of terrorist activity. Indeed, the FBI has had important operational successes through its Joint Terrorism Task Forces (JTTFs), which serve as the coordinated "action arm" for federal, state, and local government response to terrorist threats. As of January 2009, there were over 100 JTTFs, with almost 4,500 task force members. NSD prosecutors, working closely with the FBI and in coordination with prosecutors in United States Attorneys' Offices all across the country, engage in robust efforts to coordinate multi-district terrorism investigations, allowing the government to act against terror threats as soon as the law, evidence, and unique circumstances of each case permit.

However, more needs to be done to enable the Department to handle new and emerging national security threats—from the proliferation of weapons of mass destruction to cyber security challenges. Growing dependence on and continued advances in high speed telecommunications, computers, and other technologies are creating new opportunities for terrorists and criminals, new vulnerabilities, and new challenges for law enforcement that require substantial investment in technology and people to keep pace with those changes.

Finally, the Administration has requested an additional \$30 million in the FY 2009 supplemental request to implement the President's Executive Orders related to the review of detainees currently held at the Guantanamo Bay Naval Base and reviews of interrogation and detention policies. Because some detainees may be prosecuted in the federal courts, the FY 2010 Budget includes \$60 million for post Guantanamo Bay detainee review-related prosecution, security and detention/incarceration requirements.

STATE & LOCAL LAW ENFORCEMENT INCLUDING THE SECOND CHANCE ACT

The FY 2010 Budget requests a total of \$2.6 billion for state and local law enforcement assistance programs. This funding is in addition to amounts included in the American Recovery and Reinvestment Act (Recovery Act) of 2009, which provides \$4 billion in grant funds. Together, these funds will allow DOJ to substantially increase the support we provide our state and local partners who fight violent crime and help protect our national security. The request includes a \$510.6 million increase for state and local law enforcement, including funds to implement the Second Chance Act of 2007.

The Department is committed to helping state and local communities hire 50,000 police officers through COPS grants. These grants enable state and local police agencies to increase the number of officers available for targeted patrols and other strategies designed to prevent and reduce crime during the economic downturn. The budget request provides an additional \$298 million for the COPS Hiring program, which is in addition to the \$1 billion included for COPS in the Recovery Act. When combined with the Recovery Act funds, the COPS program will fund over 7,000 additional officers through grants awarded by the end of FY 2010.

In addition, the most recent national-level recidivism study shows that two-thirds of ex-offenders released in 1994 came back into contact with the criminal justice system within three years of their release. To address America's post-incarceration crisis, the budget requests funds to implement the Second Chance Act, which attempts to break the cycle of criminal recidivism. The budget request makes a significant down payment on the Second Chance Act by funding \$114 million in Prisoner Reentry programming in DOJ in 2010, including an additional \$75 million in grant program and research funding, as well as \$14 million for federal inmate skills development. Increased funding will be used to provide drug treatment, mentoring and other transitional services to help ex-offenders successfully integrate into society and lead productive lives.

COMBAT FINANCIAL FRAUD AND PROTECT THE FEDERAL FISC

The FY 2010 Budget requests a \$62.6 million increase, including 54 agents and 165 attorneys, to aggressively pursue mortgage fraud, corporate fraud, and other economic crimes. DOJ continues to play a crucial role in the federal financial recovery effort through criminal and civil litigation. To do so, the Department needs additional FBI agents, federal prosecutors, civil litigators, and bankruptcy attorneys to address the problems that contributed to—and that are caused by—the current financial crisis.

The Department's efforts in this regard will not only protect American investors and markets, but they are also likely to have high rates of return on the federal government's initial investment of resources. Investments in debt collection activities, tax law enforcement, and fraud enforcement lead to the recoupment of funds to the federal fisc.

The increase in mortgage fraud and related corporate fraud activity has stretched the FBI's white collar investigative resources. For example, FBI data show a more than 500 percent increase in mortgage fraud-related Suspicious Activity Reports over the last five years and an annual increase of 36 percent to 63,173 during FY 2008. FBI data also reflect a 300 percent increase in mortgage fraud investigations over the past five years. As of April 2009, the FBI was investigating more than 2,100 mortgage fraud cases and 44 corporate fraud matters related to the mortgage industry, up from 881 mortgage fraud cases in 2006. In addition, the FBI has more than 530 corporate fraud cases, which equates to approximately six investigations per agent and corporate fraud investigations take up to four years to complete. These troubling data do not even capture the anticipated investigations related to the allocation of funds via the Troubled Asset Relief Program (TARP), the Recovery Act, and other efforts connected to the current financial rescue.

This increase in fraud-related activity also places great strains on other DOJ components as well. For example, the demands on the Criminal Division's Fraud Section and U.S. Attorney's Offices around the country will greatly increase as more fraud cases are investigated and referred for criminal prosecution. The Civil Division's litigation also will increase through the aggressive pursuit of fraud under the False Claims Act. The U.S. Trustee Program is experiencing similar resource pressures in their bankruptcy caseload. In short, substantial resources are required throughout the Department to adequately address past and ongoing fraud related to the recent financial situation and the disbursement of federal funds in the current financial recovery effort.

At the same time, one advantage of these programs is that they have the prospect of returning resources to the federal fisc through litigation awards; they will also be critical to protecting the taxpayers' investments. Thus, not only does this budget request address civil and criminal violations related to the current financial crisis, but it also includes programs that have high rates of return on the federal investment.

CIVIL RIGHTS LAW ENFORCEMENT

The FY 2010 Budget requests a \$15.7 million increase, including 60 attorneys, to reinvigorate federal civil rights enforcement. New and additional staff will allow for the vigorous pursuit of human trafficking crimes and unsolved Civil Rights Era crimes. The FY 2010 Budget also provides for the increased enforcement of fair housing and fair lending laws; disability laws; and

institutionalized persons. In total, the budget requests an 18 percent increase in funding for the Civil Rights Division over FY 2009.

Our nation's civil rights law prohibits discriminatory conduct in a vast array of avenues, including voting, housing, access by the disabled to services and facilities, public accommodations, employment, education, activities that receive financial assistance, and the treatment of juvenile and adult detainees, as well as residents of public institutions. The federal civil rights laws also provide safeguards against criminal actions such as trafficking in persons, official misconduct by law enforcement personnel, and bias motivated crimes. Historically, the Civil Rights Division has been the primary protector of the nation's anti-discrimination laws and has helped transform our nation by leading the fight against racial, ethnic, religious, and gender discrimination. This funding will restore the Civil Rights Division to its historic role in leading the enforcement of our civil rights laws.

SAFEGUARDING OUR SOUTHWEST BORDER

The FY 2010 Budget requests a \$231.6 million increase, including 632 agents and 110 attorneys, to strengthen immigration enforcement and border security. Illegal immigration and border security continue to be paramount concerns for the United States. The Southwest Border in particular is a vulnerable area for illegal immigration, drug trafficking, and the smuggling of firearms.

The Department of Justice's Southwest Border initiative supports the efforts of U.S. Border States and Mexico to combat violence, stop the flow of illegal weapons and drug trafficking, bring dangerous criminals to justice, and share critical information, provide technical assistance and training to our law enforcement partners on both sides of the border. The initiative brings together the formidable law enforcement and prosecutorial components of the Department, including DEA, ATF, the U.S. Marshals, the Organized Crime and Drug Enforcement Task Force, the U.S. Attorneys, the Criminal and Civil Divisions, and the Executive Office of Immigration Review, to help secure the border and restore the rule of law to the region. The FY 2010 Budget request for the Department's Southwest Border effort represents an almost 18 percent increase over last year's funding and will follow through on the President's commitment to provide more funding, technology, and manpower to secure the Southwest Border and help Mexico battle the drug cartels.

The government must develop a comprehensive border strategy that considers all aspects of the challenges confronting law enforcement along the southwest border. The Attorney General and the Secretary of the Department of Homeland Security have already initiated greater cooperation between the two agencies to ensure that policy and funding decisions made by one agency consider the impact on the other.

In the past, lack of coordination has sometimes resulted in bottlenecks or less than optimal implementation. The AG and the Secretary recognize that a policy decision to add additional border patrol agents by DHS, for example, must be made in coordination with DOJ and should factor in the probable impact on detention and prosecutorial needs.

Moreover, the Southwest Border of the United States is the principal arrival zone for most illicit drugs smuggled into the United States, as well as the predominant staging area for the subsequent distribution of drugs throughout the country. Most of the cocaine, marijuana, and methamphetamine available in the United States are smuggled across the Southwest Border. Drug trafficking organizations along the Southwest Border dominate the illicit drug trade and are largely responsible for the violence that is plaguing many border communities. This critical funding will support DOJ's Mexican Drug Cartel Strategy, which uses intelligence-based, prosecutor-led approaches to defeat the Mexican criminal organizations.

In addition, DOJ has redirected resources to the Southwest Border to address the growing increase in firearms trafficking to Mexico, but cannot reallocate enough resources to address the threat. Recent trends have demonstrated an increase in the number of firearms recovered in Mexico. These firearms fuel the growing violence along the border, including the brutal murders of hundreds of law enforcement officers and government officials.

Finally, since the events of September 11, 2001, the Southwest Border has assumed even greater significance in the Department's activities. The threat of terrorism exists wherever criminals regularly exploit gaps in security. Terrorists could conceivably attempt to enter the United States or smuggle weapons of mass destruction across the Southwest Border by utilizing routes and methods established by drug and alien smugglers. Improved efforts to combat drug trafficking, illegal immigration, and violent crime will contribute to greater security against other homeland security threats.

PRISONS AND DETENTION

The FY 2010 Budget provides \$6.1 billion for the Bureau of Prisons (BOP) and \$1.4 billion for the Office of the Federal Detention Trustee (OFDT) to ensure that sentenced criminals and detainees are housed in facilities that are safe, humane, cost-efficient, and appropriately secure. The budget includes \$386.0 million in program increases for BOP and OFDT.

As a result of successful law enforcement policies targeting terrorism, immigration offenses, violent crime, drug crime, and other major crimes, the number of criminal suspects appearing in federal court continues to grow at a rapid pace, as does the number of individuals ordered detained and ultimately incarcerated. These trends have imposed substantial costs on BOP and

OFDT. These organizations have little flexibility how they perform these important tasks. Both agencies must accept and provide for all federal inmates and detainees. Nevertheless, both components should make appropriate hiring and other funding decisions to ensure that they operate within the funding provided.

The FY 2010 budget provides for an average daily detention population of nearly 61,000, increases detention bed space in the Southwest Border region, and provides for prisoner transportation and medical costs. The BOP operates 115 federal prisons and contracts for low security prison beds to confine approximately 205,000 inmates in FY 2009. BOP projects that the federal prison population will increase by approximately 4,500 in FY 2010. Therefore, the FY 2010 budget also expands federal prison capacity by funding the build-out and activation of two new medium security prisons (over 2,400 prison beds). It also provides for medical care and other operational increases, contract bed space, and over 1,000 additional correctional workers to help address overcrowding.

PERFORMANCE AND ACCOUNTABILITY

The Department of Justice continues to seek ways to improve performance and accountability in our organization. As President Obama has stated, "we can no longer afford to sustain the old ways when we know there are new and more efficient ways of getting the job done." But while we certainly cannot afford to sustain the "old ways," further upfront investment is required to get the job done more efficiently and to improve transparency. To this end, the Department cannot continue to oversee an organization this vast without a unified, modern financial system that will allow us to exercise our mandated fiduciary responsibilities.

Identified by the Department's Inspector General as "one of the most important challenges for the Department," Unified Financial Management System (UFMS) will replace a disparate collection of "inadequate, outdated, and in some cases non-integrated financial management systems that do not provide certain automated financial transaction processing activities necessary to support management's need for timely and accurate financial information throughout the year."

The Department has already reduced its legacy systems from six to four. DOJ is requesting a reprogramming for additional UFMS funds in FY 2009 and the FY 2010 budget plan will reduce the number of remaining legacy systems to two.

The Department is requesting a total of \$21 million in appropriated resources for UFMS in FY 2010. This amount includes the restoration of base funding (\$14 million) that was reduced in the FY 2009 enacted appropriation. The \$21 million provides funding for program management, oversight and other fixed costs that are critical to the program's success.

Once fully implemented, UFMS will result in more accurate, timely and useful financial information that can better support management decisions and actions. UFMS will also enhance the Department's accountability, accuracy, and transparency as it relates to financial performance, internal controls, and standard business practices. UFMS is a critical element to the long-term health of the Department's financial operations and will improve the consistency of DOJ's oversight and controls of 40 component organizations.

e-GOVERNMENT INITIATIVES

The e-Government initiatives serve citizens, business, and federal employees by delivering high quality services more efficiently at a lower price. The Department is in varying stages of implementing e-Government solutions and services including initiatives focused on integrating government-wide transactions, processes, standards adoption, and consolidation of administrative systems that are necessary tools for agency administration, but are not core to DOJ's mission. To ensure that DOJ obtains value from the various initiatives, the Department actively participates in the governance bodies that direct the initiatives and we communicate regularly with the other federal agencies that are serving as the "Managing Partners" to ensure that the initiatives meet the needs of the Department and its customers. The Department is working with other agencies to implement common or consolidated solutions that will help DOJ to reduce the funding requirements for administrative and public-facing systems, thereby allowing DOJ focus more of its resources on higher priority, mission-related needs. DOJ's contributions to the Administration's e-Government projects will facilitate achievement of this objective.

Funding and Costs

The Department began making contributions to government-wide e-Government initiatives in FY 2003. The Department of Justice's e-Government expenses – i.e. DOJ's share of e-Gov current initiatives managed by other federal agencies – are paid from the Department's Working Capital Fund (WCF). These costs, along with other internal e-Government related expenses (oversight and administrative expenses such as salaries, rent, etc.) are reimbursed by the components to the WCF. Reimbursement amounts are based on the components anticipated or realized benefits from an e-Government initiative. The table below identifies the Department's actual or planned contributions to e-Government initiatives.

DOJ e-Government Contributions

The table on this page describes the Department contributions to the e-Government initiative. Overall, the Department estimates \$3.9 million will be used to enhance the management and promotion of electronic Government services and processes to enhance citizen

access to Government information and services, and for other purposes.

| E-Gov Initiative | FY 2009 (Estimate)* |
|---|----------------------------|
| Govbenefits.gov | \$51,000 |
| E-Rulemaking | 151,000 |
| Business Gateway | 78,000 |
| Grants.gov | 518,000 |
| E-Travel | 2,000,000 |
| Integrated Acquisition Environment (IAE) | 366,000 |
| Geo-Spatial One-Stop | 62,000 |
| Financial Management Consolidated Line of Business (LoB) | 75,000 |
| Human Resource LoB | 261,000 |
| Grants Management LoB | 59,000 |
| Budget Formulation and Execution LoB | 95,000 |
| IAE – Loans & Grants – Dunn & Bradstreet | 90,000 |
| Disaster Assistance Improvement Plan | 75,000 |
| Total | \$3,881,000 |

*FY 2010 contributions are identical to those of FY 2009, but are subject to change, as redistributions to meet changes in resource demands are assessed.

2010 Budget Request by Strategic Goal

While our mission is statutorily defined, the Department's core values stem from the strategic and annual planning process and are outlined in the Department of Justice FY 2007-2012 Strategic Plan (available on the Internet at <http://www.usdoj.gov/jmd/mps/strategic2007-2012/toc.htm>). This Plan sets forth strategic goals and long-term objectives and strategies, identifies crosscutting programs, and describes external factors that may affect goal achievement. Additionally, the Department established 25 key indicators addressing its highest priorities toward achieving these long-term outcome goals. Long-term, annual performance planning and measurement has become part of the culture at the Department.

The Department demonstrates a clear commitment to performance management through the reliance of formal quarterly status reviews. Additionally, Departmental components have worked to improve the quality and timeliness of financial and performance information that inform quarterly status reporting and operating plan.

The Department achieved 67 percent of its key indicators in FY 2008, which is slightly higher than FY 2007 overall success. Much of the Department's success can be attributed to increased emphasis on long-term and annual performance measures, placement of key performance indicators on cascading employee work plans beginning in December 2004, and the Department-wide quarterly status reporting implemented in the second quarter of FY 2005.

In addition to its annual progress, the Department will continue to monitor progress made against its FY 2012 long-term performance goals for each of the 25 key performance measures. As of the close of FY 2008, 94 percent of the Department's long-term key measures are on-track for full achievement against FY 2012 targets. This is 52 percent improvement over the FY 2007 status. A number of mechanisms are in place to ensure that they current progress is maintained, including quarterly status reporting and performance-informed budget submissions to request necessary/additional resources. In total, the FY 2010 budget request of \$29.6 billion in discretionary and mandatory funding represents an increase of \$1.1 billion over the FY 2009 level.

STRATEGIC GOAL 1: Prevent Terrorism and Promote the Nation's Security

Preventing terrorist acts and ensuring the security of the American people continues to be the Department's primary goal. The objective of this goal is to prevent, disrupt and defeat terrorist operations before they occur; strengthen partnerships to prevent, deter, and respond to terrorist acts in the United States; and combat espionage against the United States. To support this goal, the FY 2010 budget requests funding of

\$5.4 billion, an increase of \$589 million over the FY 2009 level.

STRATEGIC GOAL 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People

The Department will continue to vigorously enforce all federal laws to reduce the threat and prevalence of violent crime, gun related crime, illegal drug trafficking, and white collar crime, and to uphold the civil and constitutional rights of all Americans. To support this goal, the FY 2010 budget requests funding of \$14.7 billion, an increase of \$173 million above the FY 2009 level.

STRATEGIC GOAL 3: Ensure the Fair and Efficient Administration of Justice

The Department is responsible for the administration of our federal justice system by protecting judges, witnesses, and other participants in federal proceedings; ensuring the apprehension of fugitives from justice; providing safe, secure, and humane confinement of defendants and those convicted and sentenced to prison; and providing services and programs to facilitate inmates' successful reintegration into society. To support this goal, the FY 2010 budget requests funding of \$9.5 billion, an increase of \$358 million over the FY 2009 level.

2010 Budget Request by Strategic Goal (Discretionary and Mandatory Resources)

| Strategic Goal | FY 2008 Enacted | | FY 2009 Enacted | | FY 2010 President's Budget Request | |
|----------------|-----------------|-----------------|-----------------|---------------|------------------------------------|-----------------|
| | FTE | \$ Millions | FTE | \$ Millions | FTE | \$ Millions |
| Goal 1 | 19,884 | \$4,803 | 21,442 | \$4,853 | 22,640 | \$5,442 |
| Goal 2 | 49,925 | \$13,191 | 50,049 | \$14,511 | 50,886 | \$14,684 |
| Goal 3 | 43,918 | \$8,355 | 44,628 | 9,104 | 45,659 | \$9,462 |
| TOTAL | 113,727 | \$26,349 | 116,119 | 28,468 | 119,186 | \$29,588 |