DEPARTMENT OF JUSTICE

Alternative Sources of Funding Are a Key Source of Budgetary Resources and Could Be Better Managed

What GAO Found

Alternatives of funding—collections by the Department of Justice (DOJ) from sources such as fines, fees, and penalties—made up about 15 percent of DOJ’s total budgetary resources in fiscal year 2013. Specifically, DOJ collected about $4.3 billion from seven major alternative sources of funding—including the Assets Forfeiture Fund, the Crime Victims Fund (CVF), and noncriminal fingerprint checks fees, among others—which were available to DOJ. Agency flexibility regarding the use of the seven funding sources varied with laws specifying funding purposes, amounts, and availability by, for instance, limiting obligations from a source or limiting the period in which funds may be obligated.

DOJ can improve management of two alternative sources of funding. Specifically:

- DOJ has the authority to deposit up to 3 percent of amounts collected from civil debt collection activities in the Three Percent Fund. Collections are used to defray the costs of DOJs’s civil debt collection activities. DOJ does not analyze its unobligated balances by, for example, estimating projected collections or developing future year fund reserves to conduct Three Percent Fund activities. As a result, DOJ consistently had end-of-year unobligated balances that were at least twice as large as the amount DOJ reported was required to remain in the fund at the end of the year. Moreover, DOJ asserted that the Three Percent Fund could not support more activities during the fiscal years than what had been obligated.

- The Federal Bureau of Investigation’s (FBI) Criminal Justice Information Services (CJIS) Division collected $396 million in fees for providing non-criminal fingerprint checks during fiscal year 2013. The fee is made up of a cost recovery and automation portion but the breakout between the two portions of the fee is not explicitly communicated to stakeholders. As a result, stakeholders do not have complete information for providing meaningful feedback. Additionally, CJIS sets fees, in part, based on projected volume of transactions. Actual volumes have exceeded projected volumes, resulting in CJIS bringing in more than anticipated in automation fees and contributing to an unobligated balance of $284 million at the end of fiscal year 2013. CJIS officials stated that they are aware of growing unobligated balances but have not evaluated what an appropriate amount should be. As a result, CJIS does not know if it is carrying over a suitable amount to meet future needs.

In addition, unobligated balances in the CVF grew to nearly $9 billion by the end of fiscal year 2013. Statutory provisions annually limit DOJ’s ability to obligate collections in the fund. For example, during fiscal year 2013, DOJ received about $1.5 billion in deposits to the fund, from sources such as criminal fines, and had statutory authority to obligate $730 million from the fund for crime victim assistance programs. Consistent with scorekeeping guidelines used during the congressional budget process, DOJ reported funds not available for obligation as a credit or offset to its annual discretionary budget authority. From fiscal years 2009 through 2013, DOJ reported $32 billion in offsets provided primarily by the CVF. As a result, DOJ’s reported net discretionary budget authority decreased about 36 percent from 2009 to 2013, while DOJ’s actual total discretionary budget authority remained relatively constant during these years.