

**U.S. Department
of Justice**

**Special Counsel's Office
Statement of Expenditures
April 1, 2018 through September 30, 2018**



Dec. 14, 2018

The accompanying Statement of Expenditures summarizes the financial activity of the Special Counsel's Office (SCO) for the period April 1, 2018 through September 30, 2018. As an organization within the Department of Justice, the SCO is required to comply with the rules, regulations, procedures, practices, and policies of the Department of Justice.¹ SCO management is responsible for designing, operating, and maintaining a system of internal control to enable the SCO to accurately report its financial information to the Department and meet the requirements of applicable laws and regulations. In addition, SCO management is responsible for ensuring that controls exist to meet the requirements of DOJ Order 2030.4G, *Control of Funds under Apportionment*.

The Department recognizes the importance of maintaining adequate internal control and is committed to the continuous improvement and oversight of financial management controls. The Department has a network of internal review groups that provides assistance to components with their internal control programs. As part of the Department's annual assessment of internal control over financial reporting, the Justice Management Division, Internal Review and Evaluation Office conducted a review of SCO business processes related to budget, obligations, human resources, and financial reporting during the assessment period of April 1, 2018 through September 30, 2018. The review identified no material weaknesses or significant deficiencies in the design or operation of SCO controls.

The Department will continue to dedicate and leverage resources to maintain strong program and financial management controls. Management takes its program and financial accountability seriously and is dedicated to ensuring that funds are used in a responsible and transparent manner.

¹ 28 CFR 600.7 - Conduct and Accountability.

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Direct and Reimbursed Expenditures (note 1)	
Personnel Compensation and Benefits (note 2)	\$2,886,270
Travel and Transportation of Persons (note 3)	580,098
Transportation of Things	779
Rent, Communications, and Utilities	942,787
Printing and Reproduction	15,618
Contractual Services (note 4)	310,732
Supplies and Materials	43,334
Acquisition of Equipment (note 5)	(212,085)
<u>Total SCO Expenditures (note 6)</u>	<u>\$ 4,567,533</u>

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Notes to the Statement of Expenditures
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Note 1 – Summary of Significant Accounting Policies

- A. Reporting entity: On May 17, 2017, Robert S. Mueller III [was appointed](#) by then-acting Attorney General Rod J. Rosenstein to serve as Special Counsel to conduct the previously confirmed FBI investigation of the Russian government's efforts to interfere with the 2016 presidential election and related matters. The statement presents the expenditures of the Special Counsel's Office (SCO) for the period of April 1, 2018 to September 30, 2018, including direct-funded, reimbursed, and non-reimbursed expenditures. All amounts shown refer to the aforementioned reporting period only.
- B. Funding: SCO expenditures are funded by 1) the permanent, indefinite appropriation for independent counsels (IC Appropriation) (28 U.S.C. § 591 note), which the Department of Justice (DOJ) has determined is legally available to fund this SCO investigation (see also Government Accountability Office opinion agreeing with DOJ that this appropriation was legally available to fund special counsels (B-302582, Sept. 30, 2004)); and 2) the direct appropriations of DOJ components who have incurred non-reimbursed expenditures in support of the SCO. Expenditures funded through the IC Appropriation are a combination of expenses directly incurred by the SCO and expenses incurred by other components of DOJ and reimbursed by the IC Appropriation.
- C. DOJ component expenses: Although neither legally required nor reported in prior Special Counsels' Statements of Expenditures, DOJ components that support the SCO were asked to track expenditures attributable to the investigations. The expenditures for this period totaled \$3,906,000, which approximates expenditures the components would have incurred for the investigations irrespective of the existence of the SCO.
- D. Basis of accounting: The statement has been prepared on an accrual basis of accounting, in which expenses are recorded when incurred regardless of when cash is exchanged.

Note 2 – Personnel Compensation and Benefits

- IC Appropriation: \$2.9 million was expended for salaries and benefits, including:
 - \$1.0 million for SCO employees
 - \$1.9 million for reimbursable DOJ employees detailed to the SCO

Note 3 – Travel and Transportation of Persons

- IC Appropriation: \$580,098 was expended for travel, including:
 - \$48,375 for SCO direct-funded travel
 - \$531,723 for temporary duty relocation of DOJ employees detailed to the SCO

Note 4 – Contractual Services

- IC Appropriation: \$310,732 was expended for contractual services, primarily for IT services.

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Note 5 – Acquisition of Equipment

- IC Appropriation: As stated in Note 1D, the Statement of Expenditures is prepared on an accrual basis of accounting, which uses estimates to capture costs that are not available at the time of reporting. These estimates can vary from actual expenditures. The amount reported this period includes the difference between the original equipment estimates and actual expenditures. Actual expenditures to date total \$576,481, which is less than the previous estimate through March 31, 2018, of \$788,566. This difference is displayed as a negative amount this period.

Non-capitalized personal property equipment purchased using IC appropriation funds will remain the property of the federal government at the conclusion of the investigation and activities of the IC.

Note 6 – Total SCO Expenditures

- SCO expenditures represent expenditures incurred during the reporting period and standard closing adjustments.