



December 2018

TREASURY JUDGMENT FUND

Transparency and Reliability Needed in Reporting Fund Balances and Activities

GAO Highlights

Highlights of [GAO-19-44](#), a report to congressional requesters

Why GAO Did This Study

The Treasury Judgment Fund, managed by Fiscal Service, annually pays billions of dollars of claims on behalf of federal agencies. Transparent and reliable information is important for Congress to provide effective oversight of the Judgment Fund. In May 2017, the Committee requested that Treasury provide (1) Schedules of the Judgment Fund for fiscal years 2010 to 2016 prepared in accordance with U.S. GAAP, including appropriate disclosures to answer nine questions, and (2) information on processes and procedures used when paying claims.

GAO was asked to review the information that Treasury provided to the Committee. This report (1) evaluates the extent to which the Treasury-prepared information responds to the Committee's request and reconciles to financial information included in annual, audited financial reports and other reports and (2) describes Fiscal Service's documented procedures and related control activities for processing agency claims. To address these objectives, GAO compared the information provided by Treasury to other Treasury reports, conducted interviews with agency officials, and reviewed documented procedures for processing claims.

What GAO Recommends

GAO recommends that Fiscal Service take steps to ensure that information provided to Congress undergoes a documented review to ensure the quality and responsiveness of the information provided. Fiscal Service did not concur or nonconcur with the recommendation but agreed with GAO concerns regarding the reliability of information provided to the Committee.

View [GAO-19-44](#). For more information, contact Paula M. Rascona at (202) 512-9816 or rasconap@gao.gov.

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What GAO Found

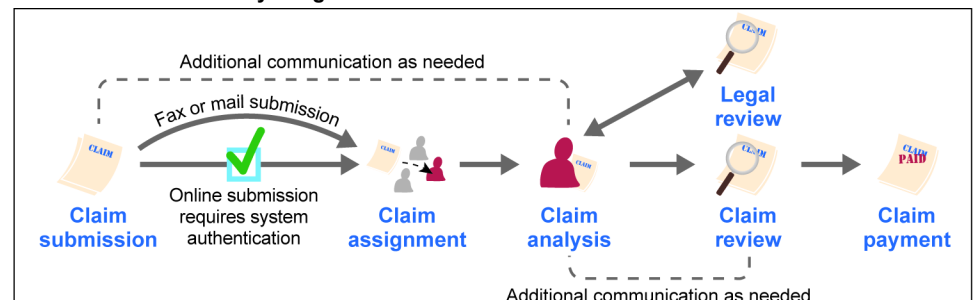
The Department of the Treasury (Treasury) did not provide the House Committee on the Judiciary (Committee) with the information the Committee requested on the Treasury Judgment Fund. Specifically, Treasury did not provide the Committee the Schedules of the Judgment Fund Non-Entity Assets, Non-Entity Costs, and Custodial Revenues that were prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Treasury also did not include appropriate note disclosures or Management's Discussion and Analysis, as requested by the Committee. Rather, Treasury provided nine exhibits containing selected Judgment Fund information to answer nine questions included in the Committee's request.

In addition, GAO identified numerous differences between amounts included in Treasury's exhibits and its annual Judgment Fund transparency reports to Congress and certain audited financial reports. GAO requested explanations for these differences, and Treasury provided explanations for some of them. Subsequently, Treasury officials discovered and explained that the exhibits were created in a faulty manner, resulting in an increased risk that they may contain unreliable information. Treasury officials stated that rather than expending resources to further explain differences and reconcile the exhibits with the other information, Bureau of the Fiscal Service (Fiscal Service) staff planned to submit new exhibits to the Committee; however, they did not provide a date by which they would do so.

GAO found that Treasury did not take appropriate steps consistent with its existing guidance for disseminating information to the public, such as performing appropriate reviews of information in the exhibits prior to providing them to the Committee, to ensure the quality and responsiveness of the information provided. The lack of reliable information on the Judgment Fund impairs the Committee's ability to provide effective oversight, including considering whether enacting new legislation would benefit the American people by ensuring better management of the Judgment Fund.

Fiscal Service has policies and procedures to help ensure that it only certifies payments for awards, judgments, and compromise settlements (claims) from the Judgment Fund that meet the following four tests: (1) claims are final, (2) claims are monetary, (3) one of the authorities specified in the Judgment Fund statute permits payment, and (4) payment is not legally available from any other source of funds (e.g., claims are only paid from the Judgment Fund when payment is not otherwise provided for in a specific appropriation or by another statutory provision).

Overview of the Treasury Judgment Fund Claims Process



Source: GAO analysis of the Department of the Treasury (Treasury) Judgment Fund Internet Claims System standard operating procedures. | GAO-19-44

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Abbreviations

Committee	House Committee on the Judiciary
EAJA	Equal Access to Justice Act
Fiscal Service	Bureau of the Fiscal Service
IPA	independent public accountant
JFICS	Judgment Fund Internet Claims System
MD&A	Management's Discussion and Analysis
OIG	Office of Inspector General
PII	personally identifiable information
Treasury	U.S. Department of the Treasury
U.S. GAAP	U.S. generally accepted accounting principles

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December 7, 2018

The Honorable Bob Goodlatte
Chairman
Committee on the Judiciary
House of Representatives

The Honorable Steve King
Chairman
Subcommittee on the Constitution and Civil Justice
Committee on the Judiciary
House of Representatives

The Treasury Judgment Fund, managed by the U.S. Department of the Treasury's (Treasury) Bureau of the Fiscal Service (Fiscal Service), annually pays billions of dollars for eligible judicially or administratively ordered monetary awards, judgments, and compromise settlements against the U.S. government (collectively referred to in this report as claims) on behalf of federal agencies.¹ Transparent and reliable information concerning these payments and other financial activities is important in order for Congress to provide effective oversight of the Judgment Fund. The Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues, which were prepared and audited until fiscal year 2013, included Judgment Fund balances and activities along with other Treasury-managed accounts.² Subsequently, the Judgment Fund balances and activities have been subjected to audit through the annual audit of Treasury's department-wide financial statements.

In May 2017, the House Committee on the Judiciary (Committee) requested that Treasury provide the Committee with (1) Schedules of the Judgment Fund Non-Entity Assets, Non-Entity Costs, and Custodial Revenues, prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), for fiscal years 2010 through 2016; (2) appropriate disclosures in the notes to the Schedules or

¹Treasury established the Bureau of the Fiscal Service on October 7, 2012, by consolidating two Treasury bureaus: the Bureau of the Public Debt and the Financial Management Service.

²No legal requirement exists for Treasury to have these schedules prepared or audited, and Treasury elected to discontinue the audit of the Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues in fiscal year 2014.

Management's Discussion and Analysis (MD&A) of sufficient detail to answer nine specific questions regarding annual payments made by the Judgment Fund and related costs and other information; and (3) information about the processes and procedures used when paying Judgment Fund claims. Upon receipt of Treasury's response to this request, you asked GAO to review the information Treasury provided to the Committee and to describe the procedures and controls that Fiscal Service follows when processing agency requests for payments from the Judgment Fund. This report (1) evaluates the extent to which the Treasury-prepared information responds to the Committee's request for information about the Judgment Fund balances and activities and reconciles to financial information included in annual, audited financial reports and other selected reports and (2) describes Fiscal Service's documented procedures and related control activities for processing agency requests for payments from the Judgment Fund, including how Fiscal Service ensures that appropriate agency officials approve claims, and what reviews are required, if any, to ensure receipt of required documentation.

To determine the extent to which the Treasury-prepared information responded to the Committee's request for information about the Judgment Fund balances and activities, we compared the information that Treasury provided to the Committee with the Committee's request to Treasury. For each item requested by the Committee, we reviewed the information provided by Treasury and determined the extent to which it was responsive to the request.

To determine the extent to which the Treasury-prepared exhibits reconciled to information included in annual, audited financial reports and other selected reports, we compared, and identified any differences between, the Treasury-prepared exhibits with information included in Treasury's (1) unaudited Judgment Fund transparency reports to Congress (transparency reports) for fiscal years 2010 through 2016; (2) audited Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues (Schedules) for fiscal years 2010 through 2013; and (3) audited department-wide financial statements (Financial Statements) for fiscal years 2010 through 2016. We determined the information contained in these reports to be sufficiently reliable for the purpose of our reporting objective. In addition, we interviewed Fiscal Service staff to obtain explanations for and reconcile differences that we identified.

To describe Fiscal Service's documented procedures and related control activities for processing agency requests for payments from the Judgment

Fund, we reviewed Treasury's standard operating procedures and external user manuals for the Judgment Fund Internet Claims System (JFICS), the application Fiscal Service uses to process claims, and observed Fiscal Service staff entering and reviewing Judgment Fund claims in JFICS. In addition, we obtained and reviewed selected independent public accountant (IPA) audit documentation related to the Judgment Fund supporting the IPA's fiscal year 2017 audit of Treasury's Financial Statements. Additional details about our scope and methodology are discussed in appendix I.

We conducted this performance audit from February 2018 to December 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Judgment Fund is a permanent, indefinite appropriation, statutorily created in 1956, available to pay many types of eligible monetary claims that may be judicially or administratively ordered against the U.S. government. The Judgment Fund is also available to pay interest and costs on claims in certain circumstances. Administration of the Judgment Fund has changed substantially since its inception, with varying degrees of control and oversight by Congress, GAO, and Treasury. Originally, the Judgment Fund was limited to paying judgments of less than \$100,000, as certified by the Comptroller General and entered by the U.S. Court of Claims (the predecessor to the current U.S. Court of Federal Claims) or a U.S. District Court, as well as authorized interest and costs. In the 1960s, new laws extended the Judgment Fund's availability to awards and compromise settlements.³ In the next decade, the Supplemental Appropriations Act, 1977, eliminated the Judgment Fund's \$100,000 payment ceiling, resulting in no upper limit on the amount that could be paid from the Judgment Fund on any particular claim. The General Accounting Office Act of 1996 transferred certification of payments from the Judgment Fund from GAO to Treasury. Since 1996, Treasury has managed the Judgment Fund, including certifying payments. Treasury

³Compromise settlements are agreements that the U.S. Department of Justice negotiates in connection with actual or imminent litigation.

established Fiscal Service in October 2012, and delegated key Judgment Fund functions to that bureau.

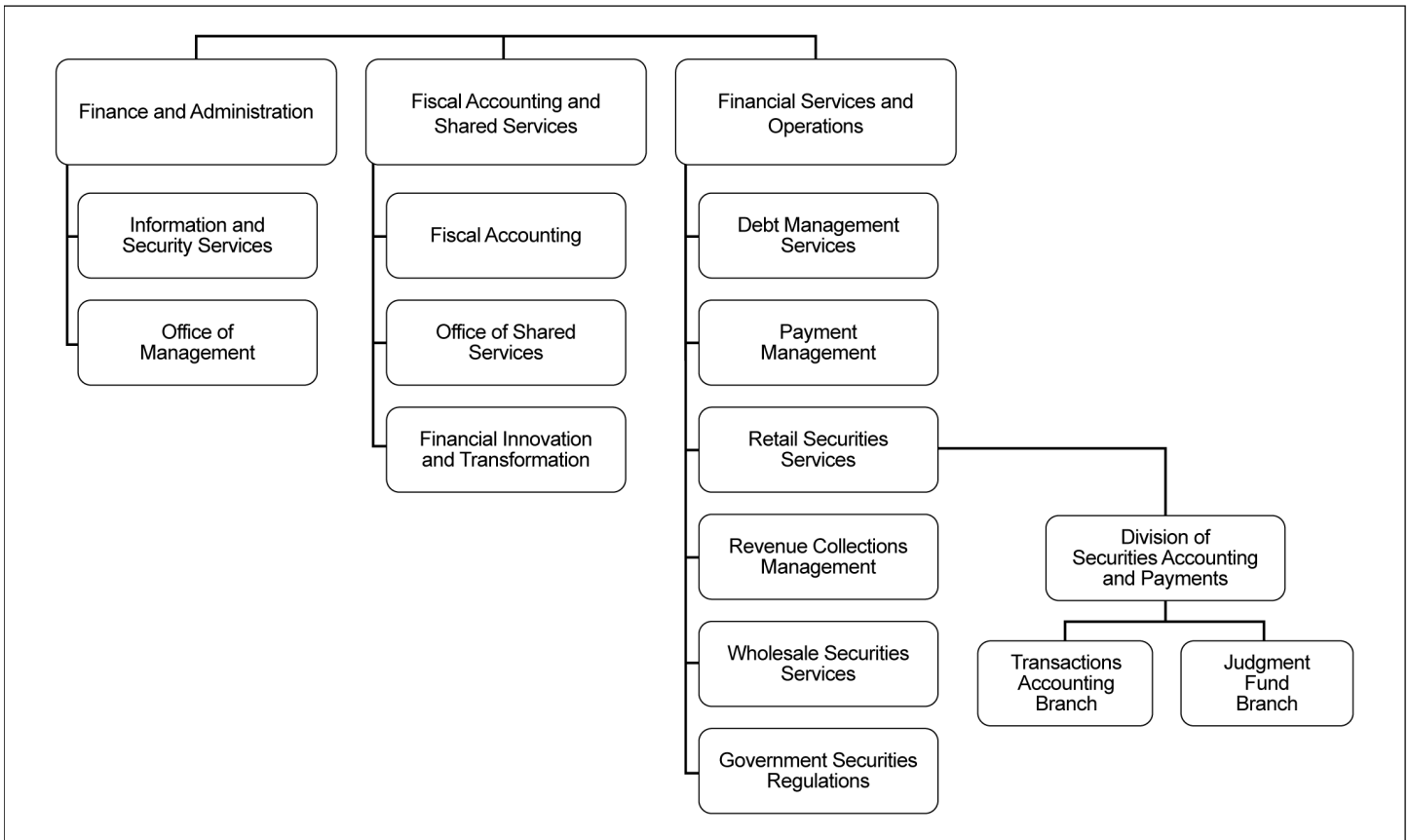
Fiscal Service is responsible for, among other things, providing central payment services to federal agencies. Fiscal Service is the primary disburser of payments to individuals and businesses on behalf of federal agencies, including benefit payments made by the U.S. Social Security Administration and the U.S. Department of Veterans Affairs, federal income tax refund payments, and payments to businesses for goods and services provided to the federal government. Annually, Fiscal Service disburses more than a billion payments, with an associated total dollar value of more than \$2.4 trillion.⁴

Administering the Judgment Fund is among the services that Fiscal Service provides. A federal agency may request payment of a claim from the Fund on its behalf only in instances where funds are not legally available to pay the claim from the agency's own appropriations or other funding source. Amounts paid from the Fund vary from year to year. Treasury reported that the Fund paid about \$3 billion and \$4 billion for administrative and litigative claims in fiscal years 2015 and 2016, respectively.

Fiscal Service carries out its mission through direct support from its three divisions. The primary focus of the Judgment Fund Branch is to receive and process claims for Judgment Fund payments. As shown in figure 1, the Judgment Fund Branch operates within Fiscal Service's Financial Services and Operations Division.

⁴The Judgment Fund's statute (31 U.S.C. § 1304) states that "Necessary amounts are appropriated to pay final judgments, awards, compromise settlements, and interest and costs specified in judgments or otherwise authorized by law," under specified circumstances. This statutory language results in the Judgment Fund being both a permanent appropriation (budget authority that is available, as the result of previously enacted law, and is available without further legislative action) and an indefinite appropriation (budget authority that at the time of enactment is for an unspecified amount). Treasury uses this permanent, indefinite appropriation, which is separate from its departmental operating resources, to make Judgment Fund payments on behalf of the U.S. government.

Figure 1: Organization Chart for the U.S. Department of the Treasury’s Bureau of the Fiscal Service, as of July 2018



Source: GAO prepared based on organization charts provided by Judgment Fund Branch officials. | GAO-19-44

Fiscal Service only certifies payments of claims from the Judgment Fund when the following four tests have been met: (1) claims are final, (2) claims are monetary, (3) one of the authorities specified in the Judgment Fund statute permits payment, and (4) payment is not legally available from any other source of funds (e.g., claims are only paid from the Judgment Fund when payment is not otherwise provided for in a specific appropriation or by another statutory provision). Generally, federal agencies are not required to reimburse the Judgment Fund. Two exceptions are Judgment Fund payments made pursuant to (1) the

Contract Disputes Act of 1978 (CDA)⁵ and (2) the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act).⁶

Currently, Treasury produces, and posts on its website, a voluminous spreadsheet—referred to as the *Judgment Fund Transparency Report to Congress*—when Congress requests it, but is not otherwise required to do so. The spreadsheets are data extracts from JFICS that provide information on the types and amounts of claims and the agencies for which the payments were made. Members of Congress introduced legislative proposals in the recent past related to the Judgment Fund. For example, in the 115th Congress, a bill entitled the Judgment Fund Transparency Act of 2017 (H.R. 1096), as reported (amended) by the Committee on the Judiciary on October 16, 2017, would amend the Judgment Fund statute to require Treasury to post on its website information related to claims on the Judgment Fund.

Treasury-Provided Information Was Not Fully Responsive and Not Fully Reconciled

In response to the Committee’s request for Schedules of the Judgment Fund Non-Entity Assets, Non-Entity Costs, and Custodial Revenues prepared in accordance with U.S. GAAP and related information, Treasury provided to the Committee nine “exhibits” that contained selected information on Judgment Fund payments and other related information to answer nine questions in the Committee’s request. We reviewed the Treasury-provided information and found that it did not provide the Schedules of Judgment Fund Non-Entity Assets, Non-Entity Costs, and Custodial Revenues for fiscal years 2010 through 2016, prepared in accordance with U.S. GAAP, and appropriate note disclosures or MD&A to the Committee, as requested.⁷

In addition, we identified numerous differences between amounts included in the exhibits provided to the Committee and those reported in Treasury’s (1) unaudited transparency reports, (2) audited Schedules, or (3) audited Financial Statements. For example, we identified differences

⁵Pub. L. No. 95-563, § 13(c), 92 Stat. 2383, 2390 (Nov. 1, 1978), *codified, as amended*, in 41 U.S.C. § 7108(c).

⁶Pub. L. No. 107-174, § 201, 116 Stat. 566, 568-69 (May 15, 2002), *reprinted in* 5 U.S.C. § 2301 note.

⁷See app. II for details on the information included in the nine Treasury-prepared exhibits and differences we identified when comparing them with the unaudited transparency reports and certain audited financial reports.

between administrative and litigative payments for fiscal years 2010 through 2016 reported on *Exhibits 1 and 2 - Judgment Fund Administrative and Litigative Payments by Defendant Agency and Fiscal Year* and those reported in Treasury's (1) unaudited transparency reports, (2) audited Schedules, and (3) audited Financial Statements, for all years presented (as shown in tables 1, 2, and 3).

Table 1: Differences between Judgment Fund Administrative and Litigative Payments in Treasury's Exhibits 1 and 2 and Transparency Reports for Fiscal Years 2010 through 2016

Fiscal year	Exhibits 1 and 2 (dollars)	Transparency reports (unaudited) (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	1,069,497,386	1,069,577,201	(79,815)	1,352,937
2011	2,390,231,042	2,299,220,852	91,010,190	342,395,078
2012	3,041,587,224	3,263,711,948	(222,124,724)	245,615,954
2013	5,540,808,407	5,540,830,154	(21,747)	2,726,751
2014	2,848,316,549	2,846,214,815	2,101,734	3,738,768
2015	3,105,999,411	3,104,946,494	1,052,918	11,748,294
2016	4,543,252,584	4,449,857,882	93,394,702	94,225,713
Total	22,539,692,603	22,574,359,346	(34,666,742)	701,803,495

Legend:

Exhibits 1 and 2 = *Exhibits 1 and 2 - Judgment Fund Administrative and Litigative Payments by Defendant Agency and Fiscal Year*

Transparency reports = Treasury's annual Judgment Fund transparency reports to Congress

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44.

Note: Exhibits 1 and 2 were prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee's May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Table 2: Differences between Judgment Fund Administrative and Litigative Payments in Treasury’s Exhibits 1 and 2 and Audited Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues (Schedules) for Fiscal Years 2010 through 2013

Fiscal year	Exhibits 1 and 2 (dollars)	Schedules (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	1,069,497,386	1,118,786,000	(49,288,614)	49,288,614
2011	2,390,231,042	2,290,289,000	99,942,042	99,942,042
2012	3,041,587,224	3,479,634,000	(438,046,776)	438,046,776
2013	5,540,808,407	5,125,334,000	415,474,407	415,474,407
Total	12,042,124,059	12,014,043,000	28,081,059	1,002,751,838

Legend:

Exhibits 1 and 2 = Exhibits 1 and 2 - Judgment Fund Administrative and Litigative Payments by Defendant Agency and Fiscal Year

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44

Notes: Fiscal year 2013 is the last year that these Schedules were prepared and audited. Exhibits 1 and 2 were prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee’s May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Table 3: Differences between Judgment Fund Administrative and Litigative Payments in Treasury’s Exhibits 1 and 2 and Audited Department-Wide Financial Statements (Financial Statements) for Fiscal Years 2010 through 2016

Fiscal year	Exhibits 1 and 2 (dollars)	Financial statements (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	1,069,497,386	1,119,000,000	(49,502,614)	49,502,614
2011	2,390,231,042	2,290,000,000	100,231,041	100,231,042
2012	3,041,587,224	3,480,000,000	(438,412,77)	438,412,776
2013	5,540,808,407	5,125,000,000	415,808,407	415,808,407
2014	2,848,316,549	2,642,000,000	206,316,549	206,316,549
2015	3,105,999,411	1,885,000,000	1,220,999,411	1,220,999,411
2016	4,543,252,584	3,563,000,000	980,252,584	980,252,584
Total	22,539,692,603	20,104,000,000	2,435,692,604	3,411,523,383

Legend:

Exhibits 1 and 2 = Exhibits 1 and 2 - Judgment Fund Administrative and Litigative Payments by Defendant Agency and Fiscal Year

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44

Note: Exhibits 1 and 2 were prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee's May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Further, we identified numerous differences between financial and nonfinancial information in Treasury's exhibits and comparable information contained only in the transparency reports.⁸ For example, the Committee asked Treasury to disclose the amount of Judgment Fund payments for attorneys' fees pursuant to the Equal Access to Justice Act (EAJA) for fiscal years 2010 through 2016.⁹ In response, Treasury provided *Exhibit 8 - Amounts Paid from the Judgment Fund for EAJA Claims by Fiscal Year*.¹⁰ We compared total payments for each fiscal year reported in Exhibit 8 with those reported in the transparency reports for

⁸The exhibits that Treasury prepared contained financial information as well as nonfinancial information, including information Treasury has determined to be personally identifiable information (PII), such as claim recipient names and plaintiffs' counsel names, which is protected by the Privacy Act of 1974, which is *codified, as amended*, at 5 U.S.C. § 552a. The Privacy Act of 1974 provides certain safeguards for individuals against an invasion of privacy by establishing requirements that govern executive agencies' collection, maintenance, use, and dissemination of an individual's personal information. The requirements apply to PII, which OMB Circular No. A-130, *Managing Federal Information as a Strategic Resource* (July 28, 2016), defines as any information that can be used to distinguish or trace an individual's identity, either alone or when combined with other information that is linked or linkable to a specific individual. Thus, PII includes such information as an individual's name and aliases, date and place of birth, biometric data, mother's maiden name, Social Security number, and driver's license identification number. Disclosure of records protected by the Privacy Act of 1974 is prohibited unless prior written consent of the individual is obtained or unless a specified authorized disclosure applies. Accordingly, Treasury does not publish information it has determined to be PII on its website. The Privacy Act of 1974 permits the disclosure of such information to Congress, to congressional committees with jurisdiction, and to GAO, among other authorized disclosures.

⁹Equal Access to Justice Act, Pub. L. No. 96-481, tit. II, 94 Stat. 2321, 2325 (Oct. 21, 1980), which is *codified, as amended, in part*, at 5 U.S.C. § 504, 28 U.S.C. § 2412.

¹⁰*Exhibit 8 - Amounts Paid from the Judgment Fund for EAJA Claims by Fiscal Year* shows, by cost citation code, amounts paid for principal, attorneys' fees, costs, and interest for each fiscal year. Principal is the portion of the Judgment Fund payment that is not defined as attorneys' fees, costs, or interest.

the same years and identified differences in payments for principal, attorneys' fees, and costs, as shown in table 4.¹¹

Table 4: Differences between Judgment Fund Payments Related to EAJA Claims Reported in Treasury's Exhibit 8 and Transparency Reports for Fiscal Years 2010 through 2016

Fiscal year	Exhibit 8 (dollars)	Transparency reports (unaudited) (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
Principal				
2010	45,447	46,237	(790)	790
2011	12,257	13,303	(1,046)	1,046
2012	92,177	265,653	(173,476)	173,476
2013	199,276	199,276	0	0
2014	1,347,800	1,347,863	(63)	63
2015	192,411	192,840	(428)	428
2016	104,584	104,584	0	0
Total			(175,804)	175,804
Attorneys' fees				
2010	30,108	30,108	0	0
2011	103,499	23,618	79,880	79,880
2012	97,806	101,113	(3,308)	3,308
2013	10,444	10,444	0	0
2014	673,174	673,174	0	0
2015	58,149	58,149	0	0
2016	22,807	22,807	0	0
Total			76,572	83,188
Costs				
2010	980,809	982,696	(1,887)	1,887
2011	578,404	585,307	(6,903)	6,903
2012	719,760	697,359	22,402	22,402
2013	450,768	451,738	(970)	970
2014	641,304	642,646	(1,160)	1,160
2015	678,522	679,988	(1,466)	1,466

¹¹We only compared Exhibit 8 with the unaudited transparency reports and not with the audited financial information because this type of information (details on various types of costs) is not included in Treasury's Financial Statements or Schedules.

Fiscal year	Exhibit 8 (dollars)	Transparency reports (unaudited) (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
Costs				
2016	1,614,8367	1,618,042	(3,205)	3,205
Total			6,811	37,992

Legend:

EAJA = Equal Access to Justice Act

Exhibit 8 = *Exhibit 8 - Amounts Paid from the Judgment Fund for EAJA Claims by Fiscal Year*

Transparency reports = Treasury's annual Judgment Fund transparency reports to Congress

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44.

Note: Exhibit 8 was prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee's May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

We provided Treasury the results of our comparisons and requested explanations for the differences we identified, and Treasury provided explanations for some of them. Subsequently, Treasury officials informed us that they discovered that the exhibits were created in a faulty manner, and rather than expending resources to reconcile and explain the numerous differences we identified, they indicated that Fiscal Service staff would submit new exhibits to the Committee; however, they did not provide a date by which they would do so.

Judgment Fund Branch staff further explained that the Committee's request was a unique request for information that could not be fulfilled with existing standard reports and queries. To respond to the request, Fiscal Service created ad hoc queries of the JFICS database using different instructions for extracting data for the exhibits than those used for creating the transparency reports. The Judgment Fund Branch relied on these ad hoc queries, primarily from JFICS, to prepare the exhibits answering the nine questions included in the Committee's request. However, according to Judgment Fund Branch officials, the Judgment Fund Branch does not prepare financial statements, such as the Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues. Rather, its primary focus is receiving and processing claims for Judgment Fund payments. In addition, these officials told us that they could not confirm whether the Judgment Fund Branch worked with the

Fiscal Accounting Branch to respond to the Committee's request or prepare the exhibits provided to the Committee.¹²

Treasury's policy is to ensure and maximize the quality, objectivity, utility, and integrity of the information that it disseminates to the public.¹³ This policy directs Treasury bureaus and departmental offices to develop standards for information quality and ensure that the standards are used when disseminating information. The policy also directs that such information be accurate, clear, complete, and unbiased. In addition, policy guidelines specifically state that in situations where public access to data and methods will not occur, especially rigorous checks to analytic results should be applied and documented. According to Fiscal Service officials, this policy applies strictly to information disseminated to the public, and the related procedures in the policy do not apply to information transmitted to federal entities, including Congress. Fiscal Service officials did not provide evidence of a similar policy or procedures for ensuring the quality of the information disseminated to Congress and other federal entities. Fiscal Service officials also did not provide us with documentation indicating that any checks or reviews were performed on the exhibits—in a manner consistent with Treasury's written policy and review procedures for disseminating information to the public—before Treasury provided them to the Committee.

As a result, the exhibits that Treasury provided to the Committee were not responsive to the Committee's request and are at increased risk that they may contain unreliable information. Accordingly, the Committee lacks important, reliable information needed to effectively oversee Judgment Fund activities, including considering whether enacting new legislation would benefit the American people by ensuring better management of the Judgment Fund.

¹²The Judgment Fund Branch was staffed with new personnel in December 2017.

¹³U.S. Department of the Treasury, *Information Quality Guidelines*, accessed June 13, 2018, <https://www.treasury.gov/about/organizational-structure/offices/Mgt/Pages/infoguide.aspx>.

Treasury Has Documented Procedures and Control Activities for Processing Payments

According to Fiscal Service's documented policies and procedures, payments from the Judgment Fund may be made only upon certification by Fiscal Service. An important step in the claims payment certification process is for the Fiscal Service claims analyst and claims reviewer to confirm that an agency's claim for payment from the Judgment Fund is not otherwise provided for by another source of funds. This confirmation is necessary to make sure that the Judgment Fund is not used for payments that should be paid directly by the involved agency or another funding source. Another important step in the claims payment certification process is to confirm that the claim is final, meaning that the applicable federal officials have fully resolved the claim's underlying dispute and the only outstanding issue is payment of the claim. Additionally, Fiscal Service calculates the amount of any interest that may be authorized and initiates action under federal debt collection law to offset any known indebtedness to the United States by the claimant. In the actual "certification" step, Fiscal Service does not review or evaluate the merits of the underlying claim.

Payments made by the Treasury Judgment Fund on behalf of agencies are initiated upon the receipt of claim requests that agencies submit to Fiscal Service. These requests must be submitted online through JFICS or by sending completed payment request forms to the Judgment Fund Branch via fax or mail.

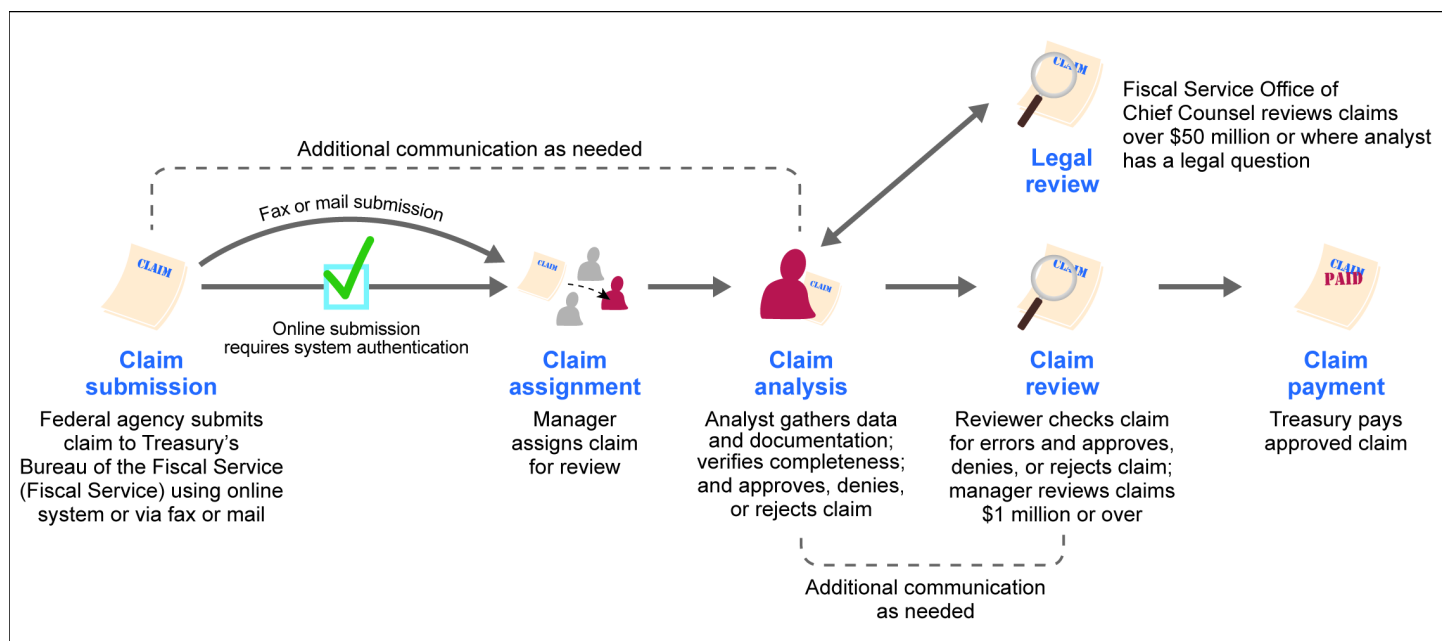
Claims submitted through JFICS must be accompanied by a FS Form 197, Voucher for Payment, page 2, signed by the claimant, and either a (1) settlement agreement or (2) court order. Claims submitted via fax or mail must contain a (1) FS Form 194, Judgment Fund Transmittal Form; (2) FS Form 196, Judgment Fund Award Data Sheet; and (3) FS Form 197, Voucher for Payment, page 1, and a document that authorizes payment.¹⁴

Upon receipt of mailed or faxed forms, Fiscal Service staff manually enter the data from the submitted forms into JFICS. Fiscal Service staff review the forms for completeness and ensure that each FS Form 194 has been signed by the agency authorizing official. Fiscal Service relies on this signature and the presence of a U.S. government email address on the

¹⁴The document that authorizes payment could be a (1) FS Form 197, Voucher for Payment, page 2, signed by the claimant; (2) settlement agreement; or (3) court order.

FS Form 194 as its primary controls for ensuring that a mailed or faxed claim has been authorized by the agency. Fiscal Service also relies on this signature to confirm that the claim is appropriate and is eligible to be paid from the Judgment Fund.¹⁵ For claims entered directly in JFICS by an agency, the agency authorizing official must click on “I agree” on the JFICS certification page to affirm that the claim is authorized by the agency and appropriate for payment from the Judgment Fund. (See fig. 2 for a depiction of the Judgment Fund claims process.)

Figure 2: The Treasury Judgment Fund Claims Process



Source: GAO analysis of the Department of the Treasury (Treasury) Judgment Fund Internet Claims System standard operating procedures. | GAO-19-44

Depending on the claim amount, Fiscal Service staff perform a minimum of two levels of review on Judgment Fund claims, whether the claims are received by fax or mail or directly entered into the JFICS system by agencies. First, the claims analyst reviews the claim to ensure that the agency has provided all of the information necessary to process it. Once the claims analyst determines that all of the information has been provided, the claim is forwarded electronically to the claims reviewer. The

¹⁵See the Judgment Fund statute, *codified, as amended*, at 31 U.S.C. § 1304, and Treasury's implementing regulations, which are *codified, as amended*, at 31 C.F.R. part 256.

claims reviewer performs a secondary review to determine if all the information required has been provided, as well as to ensure that the claims analyst entered the mailed or faxed information into JFICS correctly. Claims for less than \$1 million do not require further review and are submitted to the Treasury Disbursing Office for payment.¹⁶ Claims for \$1 million or more are subject to management review, and claims for \$50 million or more are sent to the Fiscal Service Office of Chief Counsel for review.

Conclusions

In connection with its oversight efforts, the Committee requested certain information from Treasury about Judgment Fund financial balances, activities, and other information. However, the information that Treasury provided to the Committee in response to this request did not include Judgment Fund Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues prepared in accordance with U.S. GAAP, including appropriate note disclosures and MD&A, as requested. Further, Treasury officials stated that the exhibits provided to the Committee were created in a faulty manner, resulting in an increased risk that they may contain unreliable information. Although Treasury directs its bureaus and offices to take steps to ensure the quality of information disseminated to the public, Fiscal Service did not take appropriate steps to ensure that the information it provided to the Committee was responsive and complete. Without sufficient financial and other information, the Committee's ability to effectively oversee Judgment Fund activities, including considering whether enacting new legislation would benefit the American people by ensuring better management of the Judgment Fund, may be hampered.

Recommendation for Executive Action

We are making the following recommendation to Treasury:

The Commissioner of the Bureau of the Fiscal Service should take steps to ensure that information provided to Congress undergoes a documented review to ensure the quality and responsiveness of the information provided. (Recommendation 1)

¹⁶As part of this review process, claims in relation to a tort under the Federal Tort Claims Act for less than or equal to \$2,500 are not payable from the Treasury Judgment Fund and are rejected and returned to the applicable agency for payment out of the agency's appropriations. See the Federal Tort Claims Act, which is *codified, as amended, in part*, at 28 U.S.C. § 2672, and Treasury's implementing Judgment Fund statute regulations, which are *codified, as amended*, at 31 C.F.R. § 256.1(b).

Agency Comments and Our Evaluation

We provided a draft of this report to Treasury for review and comment. In written comments, reproduced in appendix IV, Fiscal Service did not concur or nonconcur with our recommendation, but stated that it agreed with our concerns regarding the reliability of information contained in the exhibits provided to the Committee and that a new set of data has been compiled and undergone a documented review to ensure its reliability. We are encouraged by the steps being taken to ensure the reliability of this information, but it is unclear to what extent steps have been, or will be, taken to ensure the quality and responsiveness of other information that may be provided to Congress in the future. We believe that such steps are necessary to help ensure that the Committee has sufficient financial and other information to effectively oversee Judgment Fund activities.

We are sending copies of this report to the appropriate congressional committees, the Secretary of the Treasury, the Inspector General of the Department of the Treasury, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-9816 or rasconap@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.



Paula M. Rascona
Director, Financial Management and Assurance

Appendix I: Objectives, Scope, and Methodology

The objectives of our audit were to (1) evaluate the extent to which the information the U.S. Department of the Treasury (Treasury) provided to the House Committee on the Judiciary (Committee) responds to the Committee's May 2017 request for information about Judgment Fund balances and activities and reconciles to financial information included in annual, audited financial reports and other selected reports and (2) describe the Bureau of the Fiscal Service's (Fiscal Service) documented procedures and related control activities for processing agency requests for payments from the Judgment Fund, including how Fiscal Service ensures that appropriate agency officials approve claims and what reviews are required, if any, to ensure receipt of required documentation.

To determine the extent to which the Treasury-prepared information responds to the Committee's request for information about the Judgment Fund balances and activities, we compared the information provided by Treasury to the Committee with the Committee's request letter to Treasury. For each item requested by the Committee, we reviewed the information provided by Treasury and determined whether it was responsive to the request.

To determine the extent to which the Treasury-prepared exhibits reconcile to information included in annual, audited financial statements and other reports, we compared, and identified any differences between, the Treasury-prepared exhibits and certain information included in the following Treasury reports:

- unaudited Judgment Fund transparency reports to Congress for fiscal years 2010 through 2016;
- audited Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues for fiscal years 2010 through 2013; and
- audited department-wide Financial Statements for fiscal years 2010 through 2016.

To determine the reliability of the financial information contained in the unaudited transparency reports, we reviewed relevant documentation, interviewed knowledgeable agency officials, and conducted basic testing of the data.¹ Based on these efforts, we concluded that the data were

¹Although we found that the data in the transparency reports had limitations, this did not affect our overall findings.

sufficiently reliable for the purpose of our reporting objective. In addition, we interviewed Fiscal Service staff to obtain (1) explanations for and reconcile differences we identified based on our comparisons and (2) Treasury's related policies for reviewing information provided to Congress to ensure its quality and responsiveness. Further, because the Treasury Office of Inspector General (OIG) is currently conducting an audit that includes the Treasury Judgment Fund, we communicated with the OIG staff regarding the OIG's current audit to ensure no duplication in our audit work.

To describe Fiscal Service's documented procedures and related control activities for processing agency requests for payments from the Judgment Fund, we reviewed Treasury's standard operating procedures and external user manuals for the application Fiscal Service uses to process claims (the Judgment Fund Internet Claims System (JFICS)). We also observed Fiscal Service staff entering and reviewing Judgment Fund claims in JFICS. In addition, we obtained and reviewed selected independent public accountant (IPA) audit documentation related to processing Judgment Fund claims supporting the IPA's fiscal year 2017 audit of Treasury's department-wide financial statements.

Appendix II: Differences GAO Identified between Treasury-Prepared Exhibits and Other Treasury-Issued Reports

The U.S. Department of the Treasury (Treasury) provided the House Committee on the Judiciary (Committee) nine exhibits in response to nine questions included in the Committee’s request. Information included in these exhibits and differences we identified based on comparisons of this information with information included in certain Treasury annual audited financial reports and other reports is summarized below.

Exhibits 1 and 2 - Judgment Fund Administrative and Litigative Payments by Defendant Agency and Fiscal Year shows, by agency and type of payment, the amounts paid from the Judgment Fund on behalf of federal agencies. We compared information in these exhibits with Treasury’s (1) unaudited Judgment Fund transparency reports to Congress for fiscal years 2010 through 2016; (2) audited Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues (Schedules) for fiscal years 2010 through 2013; and (3) audited department-wide financial statements (Financial Statements) for fiscal years 2010 through 2016 (see tables 5, 6, and 7).

Table 5: Differences between Judgment Fund Administrative and Litigative Payments in Treasury’s Exhibits 1 and 2 and Transparency Reports for Fiscal Years 2010 through 2016

Fiscal year	Exhibits 1 and 2 (dollars)	Transparency reports (unaudited) (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	1,069,497,386	1,069,577,201	(79,815)	1,352,937
2011	2,390,231,042	2,299,220,852	91,010,190	342,395,078
2012	3,041,587,224	3,263,711,948	(222,124,724)	245,615,954
2013	5,540,808,407	5,540,830,154	(21,747)	2,726,751
2014	2,848,316,549	2,846,214,815	2,101,734	3,738,768
2015	3,105,999,411	3,104,946,494	1,052,918	11,748,294
2016	4,543,252,584	4,449,857,882	93,394,702	94,225,713
Total	22,539,692,603	22,574,359,346	(34,666,742)	701,803,495

Legend:

Exhibits 1 and 2 = *Exhibits 1 and 2 - Judgment Fund Administrative and Litigative Payments by Defendant Agency and Fiscal Year*

Transparency reports = Treasury’s annual Judgment Fund transparency reports to Congress

Treasury = Department of the Treasury

Source: GAO-prepared analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44.

Note: Exhibits 1 and 2 were prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee’s May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

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Table 6: Differences between Judgment Fund Administrative and Litigative Payments in Treasury’s Exhibits 1 and 2 and Audited Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues (Schedules) for Fiscal Years 2010 through 2013

Fiscal year	Exhibits 1 and 2 (dollars)	Schedules (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	1,069,497,386	1,118,786,000	(49,288,614)	49,288,614
2011	2,390,231,042	2,290,289,000	99,942,042	99,942,042
2012	3,041,587,224	3,479,634,000	(438,046,776)	438,046,776
2013	5,540,808,407	5,125,334,000	415,474,407	415,474,407
Total	12,042,124,059	12,014,043,000	28,081,059	1,002,751,838

Legend:

Exhibits 1 and 2 = Exhibits 1 and 2 - Judgment Fund Administrative and Litigative Payments by Defendant Agency and Fiscal Year

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44

Notes: Fiscal year 2013 is the last year that these schedules were prepared and audited. Exhibits 1 and 2 were prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee’s May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Table 7: Differences between Judgment Fund Administrative and Litigative Payments in Treasury’s Exhibits 1 and 2 and Audited Department-Wide Financial Statements (Financial Statements) for Fiscal Years 2010 through 2016

Fiscal year	Exhibits 1 and 2 (dollars)	Financial statements (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	1,069,497,386	1,119,000,000	(49,502,614)	49,502,614
2011	2,390,231,042	2,290,000,000	100,231,042	100,231,042
2012	3,041,587,224	3,480,000,000	(438,412,776)	438,412,776
2013	5,540,808,407	5,125,000,000	415,808,407	415,808,407
2014	2,848,316,549	2,642,000,000	206,316,549	206,316,549
2015	3,105,999,411	1,885,000,000	1,220,999,411	1,220,999,411
2016	4,543,252,584	3,563,000,000	980,252,584	980,252,584
Total	22,539,692,603	20,104,000,000	2,435,692,604	3,411,523,383

Legend:

Exhibits 1 and 2 = Exhibits 1 and 2 - Judgment Fund Administrative and Litigative Payments by Defendant Agency and Fiscal Year

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44

**Appendix II: Differences GAO Identified
between Treasury-Prepared Exhibits and Other
Treasury-Issued Reports**

Note: Exhibits 1 and 2 were prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee's May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Exhibit 3 - Judgment Fund Collections from Federal Agencies by Fiscal Year presents, by Treasury account symbol, recoveries and reimbursements from federal agencies. *Exhibit 4 - Judgment Fund Accounts Receivable from Federal Agencies by Fiscal Year* presents, by Treasury account symbol, amounts due from federal agencies for payments made on their behalf. We compared information in Exhibit 3 with the Schedules and information in Exhibit 4 with the Schedules and the Financial Statements for all available fiscal years. Information contained in Exhibits 3 and 4 were not payment related (these exhibits were receipts from agencies and accounts receivable owed by agencies) and therefore could not be traced to the transparency reports. The differences identified based on our comparisons of Exhibit 3 to the Schedules and Exhibit 4 to the Financial Statements are shown in tables 8 and 9, respectively.¹

Table 8: Differences between Judgment Fund Recoveries and Reimbursements in Treasury's Exhibit 3 and Audited Schedules of Non-Entity Assets, Non-Entity Costs, and Custodial Revenues (Schedules) for Fiscal Years 2010 through 2013

Fiscal year	Exhibit 3 (dollars)	Schedules (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	150,565,290	140,093,000	10,472,290	10,472,290
2011	104,236,494	85,448,000	18,788,494	18,788,494
2012	97,112,492	83,256,000	13,856,492	13,856,492
2013	140,372,753	129,016,000	11,356,753	11,356,753
Total	492,287,029	437,813,000	54,474,029	54,474,029

Legend:

Exhibit 3 = *Exhibit 3 - Judgment Fund Collections from Federal Agencies by Fiscal Year*

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44

Notes: Fiscal year 2013 is the last year that these schedules were prepared and audited. Exhibit 3 was prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee's May 2017 request for information about the Treasury Judgment Fund.

¹The comparison of information in Exhibit 4 with the Schedules is not presented, as the differences we identified, when rounded, were immaterial.

**Appendix II: Differences GAO Identified
between Treasury-Prepared Exhibits and Other
Treasury-Issued Reports**

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Table 9: Differences between Judgment Fund Accounts Receivables Reported in Treasury’s Exhibit 4 and Audited Department-Wide Financial Statements (Financial Statements) for Fiscal Years 2010 through 2016

Fiscal year	Exhibit 4 (dollars)	Financial statements (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	350,211,066	350,000,000	211,066	211,066
2011	387,766,058	388,000,000	(233,942)	233,942
2012	455,145,360	456,000,000	(854,640)	854,640
2013	362,166,603	364,000,000	(1,833,397)	1,833,397
2014	501,330,363	500,000,000	1,330,363	1,330,363
2015	391,437,833	390,000,000	1,437,833	1,437,833
2016	378,583,745	377,000,000	1,583,745	1,583,745
Total	2,826,641,028	2,825,000,000	1,641,028	7,489,986

Legend:

Exhibit 4 = *Exhibit 4 - Judgment Fund Accounts Receivable from Federal Agencies by Fiscal Year*

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44

Note: Exhibit 4 was prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee’s May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Exhibit 5 - Judgment Fund Costs Paid by Citation Code and Fiscal Year shows, by fiscal year, amounts paid for each type of citation code. We identified differences in each fiscal year between the total amounts paid as presented in Exhibit 5 and the total amounts contained in the transparency reports (see table 10).²

²Exhibits 5 through 8 were only compared with the transparency reports for fiscal years 2010 through 2016 as this type of information does not appear in the Schedules or the Financial Statements.

**Appendix II: Differences GAO Identified
between Treasury-Prepared Exhibits and Other
Treasury-Issued Reports**

Table 10: Differences between Costs Paid by Citation Code in Treasury’s Exhibit 5 and Transparency Reports for Fiscal Years 2010 through 2016

Fiscal year	Exhibit 5 (dollars)	Transparency reports (unaudited) (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	2,006,064	2,007,951	(1,887)	1,887
2011	2,289,709	2,314,650	(24,940)	24,940
2012	2,513,916	2,560,533	(46,617)	46,617
2013	1,750,047	2,181,152	(431,105)	431,105
2014	1,266,908	1,268,068	(1,160)	1,160
2015	4,933,454	4,915,920	17,534	17,534
2016	2,835,069	2,838,092	(3,023)	3,023
Total	17,595,166	18,086,365	(491,198)	526,266

Legend:

Exhibit 5 = *Exhibit 5 - Judgment Fund Costs Paid by Citation Code and Fiscal Year*

Transparency reports = Treasury’s annual Judgment Fund transparency reports to Congress

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44.

Note: Exhibit 5 was prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee’s May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Exhibit 6 - Top 25 Attorney Law Firms that Received Payments from the Judgment Fund by Fiscal Year presents, by attorney and law firm, amounts paid for each of the 7 years. Because Treasury has identified this exhibit as containing personally identifiable information protected by the Privacy Act of 1974, we do not present information from Exhibit 6.³

³Likewise, Treasury does not publish information it has determined to be personally identifiable information (PII) on its website. See <https://fiscal.treasury.gov/judgment-fund/annual-report-congress.html>. The Privacy Act of 1974, which is *codified, as amended*, at 5 U.S.C. § 552a, provides certain safeguards for individuals against an invasion of privacy by establishing requirements that govern executive agencies’ collection, maintenance, use, and dissemination of an individual’s personal information. The requirements apply to PII, which OMB Circular No. A-130, *Managing Federal Information as a Strategic Resource* (July 28, 2016), defines as any information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other information that is linked or linkable to a specific individual. Thus, PII includes such information as an individual’s name and aliases, date and place of birth, biometric data, mother’s maiden name, Social Security number, and driver’s license identification number.

**Appendix II: Differences GAO Identified
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Exhibit 7 - EAJA Payments to Plaintiffs' Counsel in Decending [sic] Order shows, by attorney and law firm, amounts paid to each related to Equal Access to Justice Act (EAJA) claims. When we compared the exhibit to the transparency reports, we identified differences in the total amounts for all fiscal years (see table 11).⁴

Table 11: Differences between EAJA-Related Payments to Attorneys and Law Firms in Treasury's Exhibit 7 and Transparency Reports for Fiscal Years 2010 through 2016

Fiscal year	Exhibit 7 (dollars)	Transparency reports (unaudited) (dollars)	Amount of identified differences (dollars)	
			Net amount	Absolute value ^a
2010	168,739	1,059,041	(890,302)	890,302
2011	175,783	622,228	(446,445)	446,445
2012	333,968	1,064,125	(730,157)	730,157
2013	313,417	662,405	(348,988)	348,988
2014	2,117,752	2,663,502	(545,751)	545,751
2015	343,042	930,976	(587,935)	587,935
2016	209,193	1,745,432	(1,536,239)	1,536,239
Total	3,661,894	8,747,710	(5,085,816)	5,085,816

Legend:

EAJA = Equal Access to Justice Act

Exhibit 7 = *Exhibit 7 - EAJA Payments to Plaintiffs' Counsel in Decending [sic] Order*

Transparency reports = Treasury's annual Judgment Fund transparency reports to Congress

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44.

Note: Exhibit 7 was prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee's May 2017 request for information about the Treasury Judgment Fund.

³Absolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Exhibit 8 - Amounts Paid from the Judgment Fund for EAJA Claims by Fiscal Year shows, by cost citation code, amounts paid for principal, attorneys' fees, costs, and interest for each fiscal year. When we compared Exhibit 8 to the transparency reports, we identified differences in the amounts reported for principal, attorney's fees, and costs for most fiscal years (see table 12).

⁴Equal Access to Justice Act, Pub. L. No. 96-481, tit. II, 94 Stat. 2321, 2325 (Oct 21, 1980), *codified, as amended, in part*, at 5 U.S.C. § 504, 28 U.S.C. § 2412.

**Appendix II: Differences GAO Identified
between Treasury-Prepared Exhibits and Other
Treasury-Issued Reports**

Table 12: Differences between Judgment Fund Payments Related to EAJA Claims Reported in Treasury's Exhibit 8 and Transparency Reports for Fiscal Years 2010 through 2016

Fiscal year	Amount of identified differences (dollars)			
	Exhibit 8 (dollars)	Transparency reports (unaudited) (dollars)	Net amount	Absolute value ^a
Principal				
2010	45,447	46,237	(790)	790
2011	12,257	13,303	(1,046)	1,046
2012	92,177	265,653	(173,476)	173,476
2013	199,276	199,276	0	0
2014	1,347,800	1,347,863	(63)	63
2015	192,411	192,840	(428)	428
2016	104,584	104,584	0	0
Total			(175,804)	175,804
Attorneys' fees				
2010	30,108	30,108	0	0
2011	103,499	23,618	79,880	79,880
2012	97,806	101,113	(3,308)	3,308
2013	10,444	10,444	0	0
2014	673,174	673,174	0	0
2015	581,174	581,174	0	0
2016	22,807	22,807	0	0
Total			76,572	83,188
Costs				
2010	980,809	982,696	(1,887)	1,887
2011	578,404	585,307	(6,903)	6,903
2012	719,760	697,359	22,402	22,402
2013	450,768	451,738	(970)	970
2014	641,304	642,464	(1,160)	1,160
2015	678,522	679,988	(1,466)	1,466
2016	1,614,837	1,618,042	(3,205)	3,205
Total			6,811	37,992

Legend:

EAJA = Equal Access to Justice Act

Exhibit 8 = *Exhibit 8 - Amounts Paid from the Judgment Fund for EAJA Claims by Fiscal Year*

Transparency reports = Treasury's annual Judgment Fund transparency reports to Congress

Treasury = Department of the Treasury

Source: GAO analysis of information provided by the Bureau of the Fiscal Service. | GAO-19-44.

**Appendix II: Differences GAO Identified
between Treasury-Prepared Exhibits and Other
Treasury-Issued Reports**

Note: Exhibit 8 was prepared by Treasury and provided to the House Judiciary Committee, along with other exhibits and information, in October 2017 in response to the committee's May 2017 request for information about the Treasury Judgment Fund.

^aAbsolute value is defined as the magnitude of a real number, disregarding its positive or negative sign. For example, the sum of a positive difference of 10 and a negative difference of 4 would equal an absolute value difference of 14, as opposed to a net positive difference of 6.

Exhibit 9 - Major Recipients of Judgment Fund Payments by Fiscal Year presents amounts paid to major recipients (top 25) of payments from the Judgment Fund. Because Treasury has identified this exhibit as containing personally identifiable information protected by the Privacy Act of 1974, information about Exhibit 9 is not presented.

Appendix III: Comments from the Department of the Treasury



COMMISSIONER

DEPARTMENT OF THE TREASURY
BUREAU OF THE FISCAL SERVICE
WASHINGTON, DC 20227

November 14, 2018

Ms. Paula Rascona
Director, Financial Management and Assurance
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. Rascona:

Thank you for the opportunity to respond to the Government Accountability Office's (GAO) draft report *Treasury Judgment Fund: Transparency and Reliability Needed in Reporting Fund Balances and Activities*, dated December 2018. In the draft report, GAO recommends that "Fiscal Service take steps to ensure that information provided to Congress undergoes a documented review to ensure the quality and responsiveness of the information provided."

We are committed to providing reliable information to Congress to allow for effective oversight of the Judgment Fund. During GAO's audit, we agreed with concerns about a particular set of data supplied to Congress. A new set has already been compiled and put through a documented review process to ensure that the data are reliable.

If you have any questions or wish to discuss these comments in more detail, please contact me on (304) 480-6204.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly A. McCoy".

Kimberly A. McCoy
Commissioner

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Paula M. Rascona, (202) 512-9816 or rasconap@gao.gov

Staff Acknowledgments

In addition to the contact named above, Heather I. Keister (Assistant Director), Anthony Clark, Patrick Frey, Lauren S. Fassler, Nadine Ferreira, Valerie Freeman, James Kernan, Ned Malone, Lisa Motley, and Taya R. Tasse made key contributions to this report.

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