



U.S. Department of Justice
Civil Division
Federal Programs Branch
20 Massachusetts Ave, N.W.
Washington, DC 20530

January 19, 2018

Michael Bekesha, Esq.
Judicial Watch, Inc.
Suite 800
425 Third Street SW
Washington, DC 20024

Re: Request No. DOJ-2017-005463
Docket No. 17-2079 (D.D.C)

VIA: U.S. Mail and Electronic Mail

Dear Mr. Bekesha:

This is the first interim response to the Freedom of Information Act (FOIA) request of your client, Judicial Watch, Inc., dated July 10, 2017, which sought the following records:

- (1) "A copy of the budget prepared and submitted by Robert S. Mueller III or his staff in his capacity as appointed 'Special Counsel to oversee the previously-confirmed FBI investigation of Russian government efforts to influence the 2016 presidential election and related matters.' Temporal scope of this request is from 17MAY2017 to 10JULY2017."
- (2) "A copy of all guidance memoranda and communications by which the Justice Management Division will review the Special Counsel's Office's 'Statement of Expenditures' prior to or for the purpose of making each public. Temporal scope of this request is from 1JUNE2017 to present."
- (3) "A copy of each document scoping, regulating, or governing the Special Counsel's Office appointed under the leadership of Mueller III. Temporal scope of this request is from 17MAY2017 to present."

This first interim response responds to subpart one of your client's request.

Please be advised that with respect to subpart one of your client's request, a search has been conducted in the Special Counsel's Office (SCO) and seven pages were located that contain records responsive to your client's request. We have determined that this material should be withheld in full because it is protected from disclosure under the FOIA pursuant to:

5 U.S.C. § 552(b)(5), which concerns certain inter- and intra-agency records protected by the deliberative process privilege; and

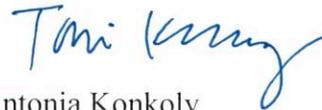
5 U.S.C. § 552(b)(7)(A), which concerns records or information compiled for law enforcement purposes the release of which could reasonably be expected to interfere with enforcement proceedings.

While not responsive to your request, please note that the Department has publicly made available the Special Counsel's Office's Statement of Expenditures from May 17, 2017 to September 30, 2017. Attached is a copy of that record, which can also be accessed at <https://www.justice.gov/file/1015746/download>.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. *See* 5 U.S.C. § 552(c) (2015) (amended 2016). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

If you have any questions regarding this first interim response, please contact me at (202) 514-2395 or antonia.konkoly@usdoj.gov.

Sincerely,

A handwritten signature in blue ink that reads "Antonia Konkoly". The signature is written in a cursive, flowing style.

Antonia Konkoly
Trial Attorney
U.S. Department of Justice
Civil Division, Federal Programs Branch

**U.S. Department
of Justice**

**Special Counsel's Office
Statement of Expenditures
May 17, 2017 to September 30, 2017**



The accompanying Statement of Expenditures summarizes the financial activity of the Special Counsel's Office (SCO) for the period May 17, 2017 through September 30, 2017. 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 controls 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 controls 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 and obligations during the assessment period of May 17, 2017 through September 30, 2017. The review identified no material weaknesses or significant deficiencies in the design or operation of SCO controls.

In the year ahead, 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.

The Special Counsel's Office (SCO)
Statement of Expenditures
For the period May 17, 2017 through September 30, 2017

Direct and Reimbursed Expenditures (note 1)	
Personnel Compensation and Benefits (note 2)	\$1,709,597
Travel and Transportation of Persons (note 3)	223,643
Transportation of Things	156
Rent, Communications, and Utilities	362,550
Contractual Services (note 4)	157,339
Supplies and Materials	26,442
Acquisition of Equipment (note 5)	733,969
Total SCO Expenditures (note 6)	<u>\$ 3,213,695</u>

The Special Counsel's Office
Notes to the Statement of Expenditures
For the Period May 17, 2017 through September 30, 2017

Note 1 – Summary of Significant Accounting Policies

- A. Reporting entity: On May 17, 2017, Robert S. Mueller III [was appointed](#) by 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 following statement presents the expenditures of the Special Counsel's Office (SCO) for the period of May 17, 2017 to September 30, 2017, 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 \$3,546,000, 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 and Benefits Expenditures

- IC Appropriation: \$1.7 million was expended for salaries and benefits, including:
 - \$500,696 for SCO employees
 - \$1.2 million for reimbursable DOJ employees detailed to the SCO

Note 3 – Travel

- IC Appropriation: \$223,643 was expended for travel, including:
 - \$2,813 for SCO direct-funded travel
 - \$220,830 for temporary duty relocation of DOJ employees detailed to the SCO

Note 4 – Other Contractual Services

- IC Appropriation: \$157,339 was expended for contractual services, including:
 - IT Services \$111,245
 - Transcripts \$ 24,456
 - Building Services \$ 17,217
 - Miscellaneous \$ 3,554
 - Investigative Reports/Information \$ 867

The Special Counsel's Office
Notes to the Statement of Expenditures
For the Period May 17, 2017 through September 30, 2017

Note 5 – Acquisition of Equipment

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

Note 6 – Total SCO Expenditures

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