



## U.S. Department of Justice

*Washington, D.C. 20530*

The Honorable Kay Bailey Hutchison  
Ranking Member  
Subcommittee on Commerce, Justice,  
Science, and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

Dear Senator Hutchison:

In a February 2011 memorandum to Department component heads, the Deputy Attorney General directed components to seek operational and programmatic efficiencies to ensure sufficient funding for the Department's essential public safety missions, including protecting Americans against terrorism and threats to national security and protecting against violent crimes. As part of this effort, the Department is working to realign functions in various offices, lower lease costs by consolidating or reducing office space, and seek ways to more effectively utilize the department's resources. Reducing the Department's nationwide physical footprint is a key piece of the Attorney General's overall cost saving initiative. Several Department components, including the U.S. Attorneys, the U.S. Trustees and the Federal Bureau of Investigation, have proposed consolidations of field office and sub-regional office space, of which you have already been notified. Moreover, consolidating and eliminating office space complies with the President's memorandum to Agency heads directing the disposal of unneeded federal real estate to save taxpayer dollars.

As part of this effort, this letter is to notify you of an Antitrust Division (ATR) reorganization that would reduce the number of the Division's field offices from seven to three by closing four offices located in Atlanta, Cleveland, Dallas, and Philadelphia. Other significant changes approved by the Attorney General include: changing the title of the Deputy Assistant Attorney General (DAAG) International position to DAAG Operations and realigning under that position the Office of Operations, the Appellate Section, and the Legal Policy Section; changing the titles of the two Civil Program DAAGs to clarify that one focuses on civil investigations and the other on litigation anticipated, or derived, from those investigations; and changing the names of three of the Division's Washington D.C. civil sections – Network and Technology; Telecommunication and Media; and Transportation Energy and Agriculture – to Civil I, Civil II, and Civil III.

The primary purpose of the reorganization is to realign the Division's field office structure to meet most efficiently and effectively the requirements of its evolving workload in a fiscally constrained

environment. This involves closing the four field offices in Atlanta, Cleveland, Dallas, and Philadelphia. The remaining three field offices in Chicago, New York, and San Francisco and the Division's Washington, D.C. section would absorb approximately 50 percent of the staffing resources currently allocated to the four offices proposed for elimination. The realigned workflow will proceed as follows: San Francisco would absorb workload currently covered by ATR's Dallas office, Chicago would absorb Cleveland's workload, New York City would absorb Philadelphia's work, and the Washington D.C. criminal section would absorb Atlanta's workload.

ATR will become more efficient by concentrating its field office staffing and resources in three key geographic areas, instead of maintaining the more diffuse field office structure currently in place. Under the expanded field office structure, ATR assigned matters to field locations based on staffing levels, workload, and staff expertise. However, with the advent of larger, multinational investigations, many matters are now too large to be handled in only one office. To maximize effectiveness, the Division needs to realign its field office workforce to be more responsive to today's working environment.

The result of this part of the reorganization proposal is ATR's physical presence in the field will be maintained in important and centrally-located cities. Also, these cities house a large number of other government entities with which ATR interacts frequently, including the Federal Bureau of Investigation, the Internal Revenue Service, and the U.S. Attorney Offices. In summary, by consolidating from seven field offices to three, ATR will be in a position to more effectively support critical matters, both civil and criminal and by industry and geographic location, and at the same time improve its overall efficiency.

The other changes in this proposal will improve the reporting structure to best support the Division's pursuit of its mission. Changing the title of the DAAG International position to DAAG Operations reflects the reality that ATR's enforcement work has a broad focus and frequently involves combinations of national and international entities. In addition, the DAAG Operations would assume supervision over the realigned Office of Operations, the Appellate Section, and the Legal Policy Section, consistent with ATR's decision to streamline its structure and more equitably distribute workload. As reflected by its proposed position on the chart, the Office of Operations oversees the flow of critical matter recommendations and associated paperwork to all the Division's DAAGs and the Assistant Attorney General.

The proposed title changes of the Division's two Civil Program DAAGs will clarify the point that both DAAGs are jointly responsible for the Division's merger and other civil reviews. It will also make the point that the work of one DAAG focuses on conducting civil investigations while the work of the other DAAG focuses on litigation anticipated, or derived, from the Division's civil investigations. The proposal also changes the names of three of the Division's Washington D.C. civil sections – Network and Technology Section; Telecommunication and Media Section; and Transportation Energy and Agriculture Section – to Civil I, Civil II, and Civil III. This allows the Division improved flexibility to assign investigations to these sections based upon staff expertise and workload. Finally, the National Criminal Enforcement Section (NCES) would be renamed

“Washington D.C.” to be consistent with the geographic naming structure associated with the Division’s criminal program offices.

Resources and Timeframe for Implementation: Following completion of the external notification process, implementation of this proposal would begin during fiscal year 2012. Anticipated savings in fiscal year 2012 will be offset by shut down costs, estimated to be \$8.7 million. After all closing-related costs are met, substantial cost avoidances are anticipated (currently estimated at almost \$8 million for fiscal year 2013). These resources would then be made available to support other critical program needs, including the acquisition of an expanded computer data analysis capability and translation tools in support of ATR investigations. The three field offices slated to remain open should experience some moderate increases in resources to assure more efficient and effective investigation and prosecution of antitrust matters.

Impact on Personnel: Staff at the four field offices proposed for closure would be notified and given the opportunity to apply for transfer to one of the three remaining field offices, and in limited cases, to the Division’s NCES and Civil Program offices in Washington D.C. Employees selected for openings in the remaining field offices and Washington D.C. would be relocated at Division expense. Those who choose not to transfer would be subject to Federal government reduction-in-force (RIF) procedures, including severance pay and preference in Federal hiring for other positions. Active cases and matters would be reassigned to remaining Division offices. Territorial assignments would be realigned and staffing resources reallocated among the remaining three field offices and Washington D.C.

In addition, the Senior Executive Service positions would be abolished in the four offices to be closed. Office space in the San Francisco, Chicago, and New York offices would be expanded or realigned to accommodate additional staff allocated to these offices. Existing equipment and furniture would be relocated to these remaining offices to the extent possible. All RIF-related costs would be met, most likely during the fiscal year 2012 implementation period.

Copies of the current and the new organization charts are enclosed for your review.

The Office of Management and Budget has approved transmittal of this notification. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lee J. Lofthus", written in a cursive style.

Lee J. Lofthus  
Assistant Attorney General  
for Administration

Enclosures