Fiscal Year 2024 Annual Report

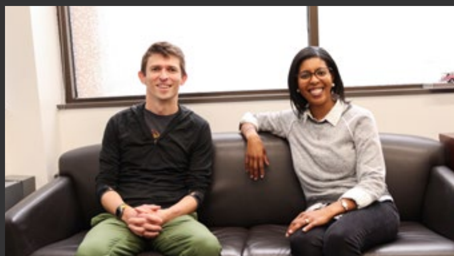
PUBLIC DEFENDER SERVICE

for the District of Columbia







Our greatest glory is not in never falling, but in rising every time we fall.

- Confucius

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DIRECTOR'S LETTER

As I reflect on FY 2024, I can say that the fiscal year truly tested the Public Defender Service for the District of Columbia's (PDS) RESILIENCE.

During FY 2024, PDS staff navigated a complex, long-delayed office relocation. PDS faced an unforeseen budget reduction at about the midpoint of the fiscal year that required us to undertake harsh cost reduction measures. PDS's attrition rose steeply, multiple staff vacancies went unfilled, and core services like retaining experts were substantially reduced. We even prepared to implement an agency-wide furlough. Fortunately, we averted the measure by recovering sufficient savings just days before the furlough was to start.

Despite all of the immense challenges, PDS staff remained dedicated to the PDS mission of providing the highest quality, constitutionally mandated legal representation to our clients.

Upholding this standard of excellence requires us to stay vigilant—constantly adapting to shifts in law, policy, and practice that impact the people we serve. But delivering exceptional advocacy is not just about staying informed; it is about ensuring we have the right team in place. To continue recruiting and retaining the extraordinary staff who meet these challenges head-on, we must remain responsive to changes and ensure fair compensation for the hard work they do every day. To meet these demands, PDS must continuously assess and secure the resources necessary to fulfill our mission—maintaining the unparalleled representation our clients depend on and the workforce that makes it possible.

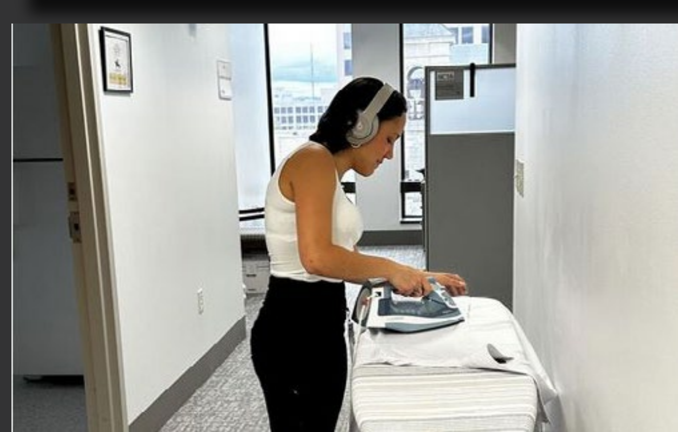
I am so proud to be the leader of this outstanding and resilient organization, and I am confident that PDS leadership and staff can weather future challenges.

Heather Pinckney

Heather Pinckney
Director

BOARD OF TRUSTEES IN FY 2024

EXECUTIVE MANAGEMENT



WHO WE ARE

Mission Statement

It is the mission of the Public Defender Service for the District of Columbia (PDS) to provide and promote quality legal representation to indigent adults and children facing a loss of liberty in the District of Columbia, thereby protecting society's interest in the fair administration of justice.

Overview of PDS

For 64 years, PDS has led the nation in providing exceptional advocacy and legal representation for indigent adults and children. Judges and prosecutors, as well as public defenders and legal practitioners across the country, acknowledge and respect the outstanding work of PDS's attorneys. PDS is recognized as one of the few defender organizations in the world to meet the standards outlined in the American Bar Association's Ten Principles of a Public Defense Delivery System.[1]

PDS is a federally funded, independent organization governed by an 11-member Board of Trustees. Founded as the Legal Aid Agency (LAA) in 1960, PDS was established as the successor to LAA in 1970 by a federal statute[2] enacted to comply with the constitutional mandate to provide defense counsel for people who cannot afford an attorney.[3]

A major portion of the work of PDS consists of representing individuals in the District of Columbia's local criminal legal system who are charged with committing serious criminal acts and who are eligible for court-appointed counsel.

In the District of Columbia, public defense services are provided primarily by PDS (the "institutional defender") and a panel of private attorneys, known as Criminal Justice Act (CJA) attorneys, who are screened for membership on the panel and paid on a case-by-case basis by the D.C. courts.[4] Because of its resources, well-regarded training program, and institutional practice knowledge, PDS lawyers handle the most serious criminal cases consistent with the best practices of the legal profession.

PDS also provides legal representation to people facing involuntary civil commitment in the mental health system, as well as to many children in the most serious delinquency cases, and to children who have special education needs in those cases. Every year, PDS attorneys represent clients in the majority of the most serious adult felony cases filed in D.C. Superior Court, clients pursuing or defending against criminal appeals, nearly all individuals facing supervised release or parole revocation under the D.C. Code, and all individuals in D.C. Superior Court requiring representation at Drug Court sanctions hearings. In addition, PDS provides technical assistance to the local criminal legal system, training for CJA and pro bono attorneys, and additional legal services to clients in accordance with PDS's enabling statute. On occasion and under special circumstances — for example, pursuing impact litigation — PDS represents clients in cases related to the above matters in the District's federal courts.

The National Capital Revitalization and Self-Government Improvement Act of 1997 (the Revitalization Act),[5] enacted by Congress, relieved the District of Columbia of certain "state-level" financial responsibilities and restructured a number of criminal legal system functions, including representation for indigent individuals. The Revitalization Act instituted a process by which PDS submitted its budget to Congress and received its appropriation as an administrative transfer of federal funds through the Court Services and Offender Supervision Agency appropriation. With the passage of fiscal year 2007 appropriations, PDS began receiving a direct appropriation from Congress. That direct funding continues to this day. In accordance with its enabling statute and the Constitution, PDS remains a fully independent organization and does not fall under the administrative, program, or budget authority of any federal or local executive branch agency.

Since its creation, PDS has maintained a reputation nationally and in the District of Columbia criminal legal system for exceptional advocacy. The strength of PDS has always been the quality of the legal services that the organization delivers. Judges, panel attorneys, prosecutors, and especially clients acknowledge and respect the excellent advocacy of PDS's attorneys, as do public defenders and legal practitioners across the nation.

[1] https://www.americanbar.org/groups/legal_aid_indigent_defense/indigent_defense_systems_improvement/standards-and-policies/ten-principles-pub-def/.
[2] Pub. L. No. 91-358, Title III, § 301 (1970); see also D.C. Code §§ 2-1601–1608.
[3] *Gideon v. Wainwright*, 372 U.S. 335 (1963).
[4] Plan for furnishing representation to indigents under the District of Columbia Criminal Justice Act. D.C. Code § 11-2601 et seq.
[5] Pub. L. No. 105-33, Title XI (1997).

Legal Services

PDS is a model public defender program that applies a holistic approach to representation, using both general litigation skills and specialty practices to provide complete, quality representation in complex cases. PDS attorneys regularly provide advice and training to each other, and they often form teams of attorneys from across divisions to handle particularly complex cases. This section of the report describes PDS's seven legal services divisions.

TRIAL DIVISION

Attorneys in the Trial Division provide zealous legal representation to adults in criminal proceedings in D.C. Superior Court and to children in delinquency matters. Attorneys are assigned to cases based on their experience and performance. Over the course of five or six years of intensive supervision and training, attorneys generally transition from litigating juvenile delinquency matters to litigating the most serious adult offenses.

The most seasoned attorneys in the Trial Division handle the most intricate and resource-intensive adult cases. For example, senior PDS attorneys routinely handle cases involving DNA evidence, expert testimony, multiple co-defendants, and novel or complex legal issues. This group of highly trained litigators provides representation in the majority of the most serious adult felony cases filed in D.C. Superior Court each year.

Traditionally, less senior Trial Division attorneys handle difficult or resource-intensive delinquency cases, such as those involving children with serious mental illnesses or learning disabilities, or children facing serious charges. They also handle some general felony cases and a limited number of misdemeanor cases.

Trial Division attorneys also provide representation in a variety of other legal matters through PDS's Duty Day (walk-in program and the D.C. Superior Court's Drug Court program.

APPELLATE DIVISION

Attorneys in the Appellate Division handle direct appeals and other appellate litigation generated in PDS cases, provide legal advice to CJA attorneys in appellate matters, and respond to requests from the D.C. Court of Appeals for amicus briefs in non-PDS cases involving novel or sophisticated legal issues. Another important function of the Appellate Division is to provide technical assistance and training to other PDS divisions. The knowledge and experience of the Appellate Division attorneys allow them to assist in complicated cases without having to perform long hours of original research each time difficult legal issues arise.

MENTAL HEALTH DIVISION

The Mental Health Division represents individuals in civil commitment proceedings in the D.C. Superior Court. These individuals include those who have been involuntarily hospitalized upon an allegation that they are likely to injure themselves or others as a result of mental illness, and those who have been found incompetent to stand trial because of a mental illness or intellectual disorder. Attorneys in this division also represent individuals who have been found not guilty by reason of insanity. In addition, they regularly advise

local and national advocacy groups, testify before the D.C. Council about legislative reforms, provide critical assistance to Trial Division attorneys, and deliver training for CJA attorneys appointed by the Court to handle involuntary civil commitment cases.

SPECIAL LITIGATION DIVISION

The Special Litigation Division represents clients eligible for sentence reduction pursuant to the District of Columbia's Incarceration Reduction Amendment Act (IRAA) of 2016. It also handles a wide variety of litigation that seeks to vindicate the constitutional and stautory rights of PDS clients and to challenge pervasive, unfair criminal legal system practices. special litigation attorneys practice across division lines—civil and criminal, juvenile and adult, pretrial and post-conviction.

They collaborate with their PDS colleagues and with members of the broader legal community with whom they can make common cause. They practice before local and federal trial and appellate courts in the District of Columbia and as amicus curiae before the U.S. Supreme Court. The achievements of the Special Litigation Division include submitting the first IRAA petition for probation that was unopposed by the prosecution, achieving the reform of civil forfeiture practice, and securing the exonerations of four men who spent a combined century in prison for convictions that were based in part on the invalid testimony of FBI hair analysts.

PAROLE DIVISION

The Parole Division provides legal representation to more than 95 percent of individuals in the District of Columbia who are facing revocation of their parole or supervised release. The attorneys represent these clients at revocation hearings before the U.S. Parole Commission pursuant to local and federal laws. The majority of the hearings are held at local detention facilities. Through the development of diversion programs, however, some take place at locations in the community. To leverage its capacity to assist clients, the Parole Division collaborates with community organizations; with local, state, and federal paroling authorities; and with experts who serve as advocates for incentive-based sanctions that are fair and designed to yield successful outcomes for individuals on parole and supervised release. In addition, the division provides training on matters related to parole and supervised release to members of the D.C. bar, members of the federal bar, attorneys in D.C. law firms that provide pro bono services, CJA attorneys, students in D.C. law school clinics, and law students from throughout the United States who are clerking at PDS. This training educates criminal defense lawyers and law students about the collateral impact of criminal cases on clients who are on parole or supervised release, and expands the pool of attorneys available to handle those matters that PDS is not permitted to handle under the D.C. Rules of Professional Conduct to avoid conflicts of interest.

CIVIL LEGAL SERVICES DIVISION

The Civil Legal Services Division provides legal representation to clients in a wide range of civil matters that are collateral or ancillary to the clients' involvement in the juvenile or criminal legal system, or that involve a restraint on liberty (e.g., certain contempt proceedings). The types of collateral and ancillary civil issues these clients face are complex and almost limitless in number, including adverse immigration consequences, loss of parental rights, loss of housing, seizure of property, and loss of employment. These issues can arise even if the person has been acquitted of criminal charges or was arrested but never charged.

A major component of this division's diverse practice involves special education advocacy by attorneys with expertise in special education law. The federal Individuals with Disabilities Education Act mandates that students with disabilities receive a free and appropriate public education in the least restrictive environment, and that they receive the services and accommodations they need to meet agreed-upon educational goals. Special education advocacy is a cornerstone of the Civil Legal Services Division's practice because of the vital importance of education and the pressing special educational needs of many court involved youth.

All of this division's legal work is done in close collaboration with other PDS divisions to identify clients' civil legal needs and to provide effective representation to address and resolve their civil legal problems.

COMMUNITY DEFENDER DIVISION

The Community Defender Division supports PDS's holistic approach to public defense by providing services through specialized programs for adult and juvenile clients. The individuals served are primarily those who are in the post adjudication stage of a criminal or juvenile delinquency case in D.C. Superior Court.

The division's Prisoner & Reentry Legal Services Program (PRLS) provides legal and social services to meet the needs of individuals incarcerated at or recently released from institutions operated by the D.C. Department of Corrections or the Federal Bureau of Prisons. Services include legal representation in administrative hearings at D.C. Department of Corrections facilities and in parole grant hearings at Federal Bureau of Prisons facilities. The program also represents individuals who are living in the community under the supervision of the U.S. Parole Commission and are seeking termination of their parole or supervised release. PRLS attorneys also serve as liaisons between PDS and individuals convicted of D.C. Code offenses who are serving sentences in D.C. Department of Corrections or Federal Bureau of Prisons facilities. The attorneys also monitor conditions of incarceration and assist clients with parole and other release-related matters. As part of its reentry support, PRLS represents individuals who are trying to seal eligible criminal records in D.C.

Superior Court and individuals who are seeking employment and housing but are adversely affected by their criminal records. PRLS also represents and advocates for individuals in matters where the collateral consequences of prior arrests, convictions, or incarceration create barriers to success in the community. In support of this work, PDS produced *The D.C. Reentry Navigator: Empowering You To Succeed With a D.C. Criminal Record*, a 900-page, 16-chapter book that is a comprehensive compilation of expert knowledge and reentry resources for people arrested, charged, tried, or convicted under District of Columbia law. PDS created *The D.C. Reentry Navigator* as a resource for people working to regain their lives following arrest, conviction, or incarceration. PRLS is also an active participant in community events geared toward returning citizens and participates in a variety of formal and informal committees with other criminal legal system stakeholders to work on systemic change and policy, and to advocate for the rights of individuals who have been involved with the system.

Through its Juvenile Services Program (JSP), the Community Defender Division represents children at administrative due process hearings, provides in-person legal consultations for children at the District's youth detention centers, and works with community organizations to develop reentry programs that address the special needs of children. In addition to staffing legal rights offices in the District's two secure juvenile facilities, JSP attorneys visit local group homes and foster care homes to offer legal assistance to youths who have been placed there by the Court. Attorneys in the program also visit juvenile clients who have been placed in long-term residential facilities across the United States. Because these clients rarely, if ever, receive visits from their appointed attorneys, this in-person contact with PDS attorneys ensures that their legal needs are addressed and that they are not subjected to improper treatment.

JSP staff also coordinated PDS's second "Second Chance Second Hand" event, a partnership with community organizations to provide legal and social services and resources for our communities East-of-the-River.

Legal Support Services

Legal Support Services is composed of various professionals throughout PDS including investigative specialists, forensic social workers and professional counselors, eligibility examiners, a multilingual language specialist; a law librarian; and several legal assistants and paralegals. These professionals work closely with attorneys on individual cases.

INVESTIGATIONS DIVISION

The Investigations Division supports all the legal divisions of PDS, in particular the Trial Division, by providing thorough and professional investigative work, which includes locating witnesses, conducting field interviews, taking written statements, collecting and assessing digital evidence from many sources (e.g., security camera footage, cell phone records, gunshot detection technology, and GPS records), serving subpoenas, collecting police reports, copying court and administrative files, and preparing exhibits for trials and other hearings. In addition to producing exceptional investigative work in PDS cases, the staff conducts initial and ongoing training for court-certified CJA investigators, who provide investigation services to the CJA attorneys.[6]

[6] The CJA website can be found at http://www.cjadc.org/.

OFFICE OF REHABILITATION AND DEVELOPMENT

The Office of Rehabilitation and Development (ORD) is composed of experienced licensed forensic social workers and professional counselors. These professionals are skilled specialists who, among other services, provide the D.C. Superior Court with information about viable community-based alternatives to incarceration because ORD staff members are well-versed in all of the D.C.-area rehabilitative programs (e.g., drug treatment, job training, education programs, parenting classes), they are frequently asked to provide consultation for judges, CJA lawyers, and others in the legal system.

DEFENDER SERVICES OFFICE

The Defender Services Office (DSO) supports the appointment of counsel system in two ways: by determining the eligibility for court-appointed counsel of virtually every child and adult arrested and brought to the D.C. Superior Court, and by coordinating the availability of CJA attorneys, law school clinic students, pro bono attorneys, and PDS attorneys for appointment to new case. The DSO operates six days a week, including holidays.

MULTILINGUAL LANGUAGE SERVICES

A multilingual language manager facilitates PDS communication with its non-English-speaking clients, translates legal literature and related documents, and provides access to interpreters of all languages through a phone interpretation company, and/or in person interpretation with vetted experts.

LEGAL RESOURCES AND RESEARCH

A law librarian manages PDS's specialized collection of legal resources and electronic access to legal research, provides legal research support and training, and assists with content development for the PDS website that provides services and resources for CJA attorneys.

LEGAL ASSISTANCE

A small group of legal assistants and paralegals work on cases and projects within the various legal division. Duties include preparing affidavits and correspondence, discussing case details with attorneys and clients, and organizing different electronic files for different legal proceedings.

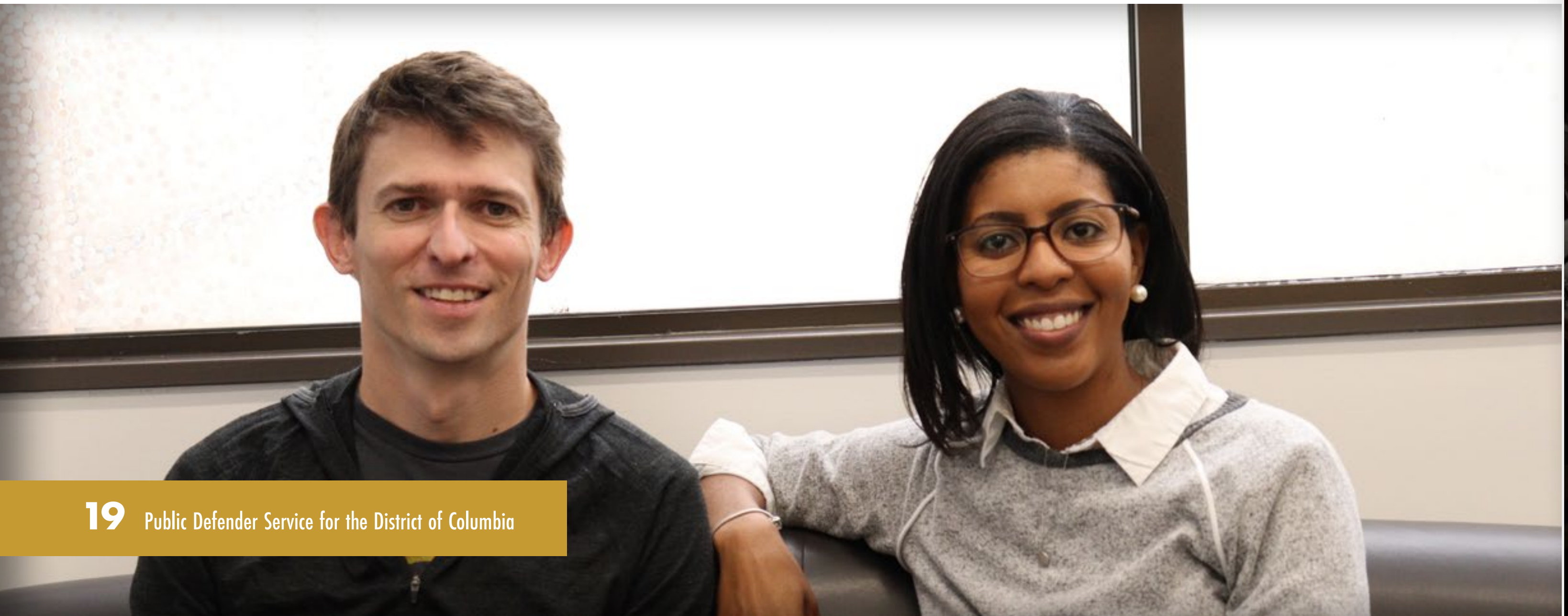
ADMINISTRATIVE AND TECHNICAL SERVICES

PDS has four divisions that provide technical and administrative assistance to PDS staff. Though small, these divisions support the overall effective functioning of PDS using internal expertise along with outside contractor support. These divisions include the offices of Budget and Finance, Human Resources, Information Technology Office, and Administrative Services. In coordination with individual attorneys and the PDS executive staff, these divisions provide services that include procurement of expert services for individual cases, financial accountability, development of strategies for enhancing PDS's human capital, recruitment, development of an electronic case management system, maintenance of PDS's IT infrastructure, facilities management, and copying and supply services.

EXECUTIVE OFFICE

The Executive Office provides the vision, guidance, and support required to manage the day-to-day and long-term needs of PDS's clients, its dedicated staff, and the organization. Functions include strategic planning, legal counsel, legislative guidance, policies and procedures, external committee representation, mentoring, and communications and marketing.

Although PDS is made up of a number of divisions, the work of each group and each employee is valued for the manner in which it enhances direct client representation. PDS's single-program approach allows it to manage and adjust its staffing to bring the ideal mix of general skills and specialized expertise to each case according to the client's needs.



SIGNIFICANT ACCOMPLISHMENTS

SIGNIFICANT ACCOMPLISHMENTS IN FY 2024

FY 2024 truly tested PDS's resilience. Our staff navigated a complex, long-delayed office relocation. Additionally, PDS faced an unforeseen budget reduction at about the midpoint of the fiscal year that required us to undertake harsh cost reduction measures. As a result, PDS's attrition rose steeply, multiple staff vacancies went unfilled, and core services like retaining experts were substantially reduced. We even prepared to implement an agency-wide furlough. Fortunately, we averted the measure by recovering sufficient savings to avert the measure just days before the furloughs was to start.

Through these challenges, our PDS team showed remarkable dedication and solidarity. Staff took on significantly increased caseloads without complaint, organized food trains in anticipation of the potential 20 percent pay reduction that the furlough would have caused, and assisted in helping us meet cost cutting measures to support each other in the anticipation of the furlough. Despite these significant challenges, we remained focused on the fact that our clients face even greater struggles every day.

In spite of these obstacles, all PDS divisions have worked harmoniously to protect fundamental constitutional rights for all accused—striving for stellar representation, holistic client support, and due process for all. While many budget challenges remain, we are hopeful that the coming fiscal year will bring financial stability, allowing us to fill vacancies, properly compensate our staff, and continue our mission to serve the D.C. community effectively. Below are examples of the significant accomplishments PDS achieved in FY 2024:

CASEWORK AND OUTCOMES

While the number of cases won or the number of clients released from jail or hospitalization is data that measures a certain type of success, PDS prides itself on its holistic approach to client representation. It is this comprehensive advocacy that makes a difference in clients' lives and upholds the values enshrined in the constitutional mandate of effective assistance of counsel. See the casework and outcomes chart on page 24.

CLASS ACTION LITIGATION

Every PDS client has their own individual circumstances, and it is a tenet of PDS's representation to recognize that any effort to stem violence in communities must include services and resources to address the social and mental health issues that community members regularly confront. This understanding informs PDS's work across all divisions and continues to help achieve success. For example, lawyers in the Special Litigation Division (SLD) have continued their work defending the constitutional rights of PDS clients through class action work seeking non-monetary injunctive and other types of relief, including:

- In 2024, PDS joined the law firm of Latham & Watkins and the American Civil Liberties Union of the District of Columbia (ACLU-D.C.) to file *Mathis v. Parole Commission*, a suit that challenges the United States Parole Commission (USPC) and Court Services and Offender Supervision Agency's (CSOSA) failure to have any system in place to assess the needs of people with disabilities for accommodation or to provide necessary accommodations. Because of this failure, persons with disabilities are often unable to meet supervision requirements, such as in-person reporting, which in turn results in the revocation of that supervision and a return to prison. In September 2024, the presiding judge agreed with PDS's initial filings and issued a preliminary injunction, finding PDS was likely to succeed on the merits of its suit and holding that: "absent immediate relief, the Parolees will face irreparable harm; namely obstacles to success on supervision solely because of their disabilities, which expose them to downstream harms like revocation and reincarceration."
- PDS sent a Freedom of Information Act request to the District of Columbia Department of Corrections (DOC) for its use of force and segregated housing policies, and for information about use of force incidents (by staff against residents) at the D.C. Jail. SLD attorneys filed a civil suit in D.C. Superior Court, along with a motion for summary judgment. In late January of 2024, the Court granted PDS's motion for summary judgment and ordered the DOC to turn over all of the requested information, including its use of force policy and data regarding the use of force within the Jail.
- Following the successful conclusion of the ACLU-D.C. and PDS's lawsuit against the D.C. Jail for its failure to protect incarcerated people from COVID-19, PDS has continued to monitor conditions at the jail. PDS has also provided a significant source of expertise for the Washington Lawyers' Committee for Civil Rights and Urban Affairs in their lawsuit regarding medical care in the D.C. Department of Corrections, *V.C. v. District of Columbia*.

CASEWORK AND OUTCOMES

99% PDS secured the release of 99 percent of its clients who requested a probable cause hearing (contested and non-contested) before Family Court.

83% PDS won 83 percent of the Incarceration Reduction Amendment Act hearings it conducted.

74% PDS won full acquittals or favorable mixed verdicts in 74 percent of its jury trials.

50% PDS won 50 percent of its community status review hearings, which are the juvenile legal system's equivalent of parole revocation hearings.

200% PDS's reversal rate before the D.C. Court of Appeals was more than 200 percent higher than that of the rest of the Criminal Justice Act panel attorneys (87 percent versus 24 percent).

3,164	Trial Matters
602	Parole Matters
1,993	Mental Health Matters
178	Appellate Matters
302	Civil Matters
802	Pre & Post-Disposition matters
1,567	Post-Conviction (Adult) Matters
1,334	Drug Court Matters
263	Special Litigation Division Matters
3,957	Adult Duty Day
3,508	Juvenile Duty Day Matters

APPELLATE WORK

In FY 2024, PDS's Appellate Division had a particularly active year before the en banc Court and was involved in every criminal en banc case, either as the party or as amicus, securing a number of victories and arguing cases that present issues of exceptional importance. PDS helped secure favorable decisions in cases involving significant legal issues including: *Velasquez-Cardozo* (the elements of kidnapping) and *Mayo* (Fourth Amendment); argued as amicus in *Moore* (attorney-client privilege); and helped secure rehearing en banc and submitted briefs in *Smith* (discrimination in jury selection).

PDS also won a number of important victories interpreting aspects of the Incarceration Reduction Amendment Act (IRAA). In *Williams v. United States*, PDS persuaded the D.C. Court of Appeals that the trial court had been wrong when that court refused to consider a second IRAA motion on the basis that the second motion had been filed too soon after the first was denied. This case made clear that the waiting period for filing a subsequent IRAA motion starts not after all appellate rights of the previous have been exhausted, but from the docketing in Superior Court of the denial of the previous motion. In *Long v. United States*, PDS, as amicus curiae, secured an important victory when the Court of Appeals ruled that release on parole does not moot an IRAA claim.

INCARCERATION REDUCTION AMENDMENT ACT AND COMPASSIONATE RELEASE PERFORMANCE

As mentioned previously, PDS won 83 percent of the Incarceration Reduction Amendment Act (IRAA) hearings it conducted in FY 2024. Below we describe the cases of just a few clients who were released from incarceration as the result of the efforts of PDS Special Litigation attorneys.

The Case of HF. HF was sentenced to 51 years in prison after she was convicted of murder. At age 61, and after serving over 20 years in prison, HF became eligible for compassionate release. HF's legal team, which she called the "Dream Team," provided to the court extensive evidence of her rehabilitation and non-dangerousness. The legal team offered character references from numerous prison staff members who agreed to go on record with their praise of HF, including that she "is fully rehabilitated" and is "a great candidate for a second chance." The legal team also found other incarcerated people who explained the positive impact HF has had on them, with statements like: "She taught me by example that my life was not worthless, it was just different. And that I could choose to be better even in here." The judge granted her compassionate release and placed her on probation. Instead of spending the final years of her life in prison, HF has been reunited with her mom, her daughter, and the rest of her family.

The Case of KJ. KJ was convicted in 2012 of non-homicide offenses. While serving his prison sentence he developed a rare medical condition that required treatment, which the BOP was not providing. His PDS team investigated the medical condition and filed a compassionate release motion that unfortunately was denied. PDS litigated the appeal and won a remand for the trial court to "determine whether appellant's asserted medical care warrants relief" as well as whether the totality of the circumstances, including evidence of rehabilitation, qualified as extraordinary and compelling circumstances for the purposes of compassionate release. The PDS team then filed three extensive pleadings to convince the trial court that KJ's medical condition not only merited relief, but that the belated medical care the BOP provided after the remand showed that his condition was even more serious than initially believed. The trial court granted KJ compassionate release to the community where he is receiving medical treatment and has successfully reentered society.

The Case of JM. JM was serving a sentence of 47-years-to-life for a number of serious non-homicide offenses committed when he was 16 years old. His first IRAA motion was denied, but JM's legal team persevered because IRAA allows individuals to file again after waiting an additional three years. Although much of the legal team had left PDS—the lead counsel had left for a Supreme Court clerkship and the social worker retired after 38 years of service—the former staff members continued to work on JM's case pro bono and in consultation with his new PDS legal team. Through their work and investigation, the combined legal team showed that as a child JM had been failed by his family and community and had suffered devastating trauma, including being stabbed by his mother. The team also showed that, while JM initially struggled in the prison system as a teenager and young adult, he eventually matured and rehabilitated himself. Over the course of 26 years of incarceration, JM reconciled with his mother and the rest of his family. Upon his release, JM celebrated with his family and is now employed and giving back to his community.

The Case of VG. PDS's compassionate release motion on behalf of VG was granted resulting in his reunification with his young children, whose mother had died recently. While a previous compassionate release motion—that had not been filed by PDS—had been denied, the PDS team worked across divisions on both VG's parental custody matter as well as refiling on compassionate release grounds. The renewed compassionate release motion showed, for the first time, the extent of VG's childhood trauma which led to substance use, as well as evidence of VG's rehabilitation. His team also prepared a detailed reentry plan to provide community-based addiction treatment.

The Case of WN. WN had been in prison for nearly 40 years for offenses committed when he was 18 and 19 years old. As one loved one described it, WN's childhood read "like a horror story," beginning with his father brutally murdering his mother in front of him when he was a baby. The PDS team was able to pull together WN's multigenerational, multi-state story and to find incredibly compelling evidence of who he is today—in the words of a BOP staff member—"a leader" who is one of the few people staff trusted to mentor and train other individuals. WN also was placed in charge of a 120-person work unit of incarcerated people. His PDS team found his niece, who told them about how, when she mentioned to him that she liked a particular cartoon character, WN saved his earnings and spent a month and a half designing and crocheting a blanket for her with the cartoon character on it. The team also spoke with his childhood tutor, who cares about WN so much that they have stayed in touch for over 40 years. They created a detailed reentry plan and ultimately the judge granted WN's IRAA motion. WN hopes to one day create a farm collective with formerly incarcerated people so they have a place to reintegrate back into society and be employed.

The Case of DX. PDS won IRAA relief for DX, a truly remarkable, thoughtful, and kind 46-year-old man. DX had had a traumatic childhood that is sadly typical of persons who get involved in the criminal legal system. When he was 19, his best friend, who had served as DX's surrogate family after DX was orphaned as a child, was murdered. A few months later, DX was arrested for a murder that was in retaliation of the murder of his best friend. DX, after processing the repeated trauma of his youth he began to mature and started acting as a mentor to younger prisoners. DX also completed some of the most intensive, rehabilitative programs within the BOP, despite enduring the loss of several loved ones during his incarceration. The courtroom for his IRAA hearing was packed with extended family and friends with whom he had reconnected during his incarceration. PDS staff prepared a compelling social history memo and reentry plan that the judge complimented multiple times in open court. DX was released and is now working, spending time with his loved ones, and giving back to his community.

EFFECTIVE DEFENSE PRACTICE

While winning trials is one clear example of effective advocacy by the Trial Division, pointing out the factual or legal weaknesses in its cases to the prosecution is also a critical aspect of effective defense practice. PDS makes use of this approach in successful plea negotiations, and to achieve outright dismissal by the prosecution in a substantial number of cases. Although the majority of criminal cases are eventually resolved through plea negotiations, when the client chooses to exercise their right to go to trial, PDS's advocacy on their behalf is exemplary as the following cases illustrate.

The Case of LT. In FY 2024, PDS represented LT, a man in his early thirties who found himself in an unimaginable situation—forced to shoot his abusive father to save his own life. This was no cold-blooded crime but a desperate act of self-defense, one that had been years in the making. From as far back as LT could remember, his father, a former boxer, had subjected him to relentless abuse—belts, chains, coat hangers, and a cruel barrage of jabs and right crosses were his father's weapons of choice.

The day that would change everything began with a petty argument over five dollars. The father's rage quickly escalated from yelling to slaps, then to brutal punches that knocked LT to the ground, leaving him bloodied and dazed. Desperate to escape, LT tried to flee the apartment, but his father blocked every exit, chasing him down the narrow hallway to a tiny bathroom where there was no way out. Trapped and terrified, LT endured yet another beating until he saw his father reach for a gun. For the first time in his life, LT fought back.

PDS knew this was a clear case of self-defense, and told the government as much. Investigative specialists had uncovered a chilling history of abuse, corroborated by numerous family members who shared their own harrowing stories. PDS also uncovered a Child and Family Services Agency report from when LT was just ten years old, detailing how his father had stormed into his elementary school and viciously beat him with a belt in the counselor's office. Despite all of this, the government refused to dismiss the case and LT was forced to go to trial.

At trial, PDS presented evidence including the testimony of a cyclist, a stranger to the father, who had been a victim of the father's road rage, ambushing and beating him with a bicycle lock. PDS also presented a police officer who had once responded to a call from the father's much younger girlfriend, who had been attacked by the father after asking for help with

their children. The father had first directed a pit bull to attack her, and when the dog's bites weren't enough, he resorted to his fists. Finally, LT was also able to tell the jury what happened that terrible day and why.

The jury returned a not guilty verdict after just over one hour of deliberations. During the long months leading up to the trial, PDS social workers had helped LT get the treatment he so desperately needed to overcome the addiction that had plagued him for years—a way to numb the pain of his past. Now, for the first time since he was very young, LT is sober, marking over a year of recovery.

The Case of CG. CG was brutally attacked by several assailants in broad daylight. These individuals, armed and menacing, threatened her life and struck her mercilessly. With no one coming to her aid, CG was left with no choice but to defend herself. The aftermath of this vicious assault left CG not only hospitalized but also plagued by the debilitating symptoms of PTSD—panic attacks, overwhelming anxiety, and episodes of dissociation.

Despite being the victim, CG was the one who found herself in handcuffs, arrested and thrown into the D.C. Jail, while her attackers walked free, never facing a single charge. As she languished behind bars, the life she had painstakingly built crumbled around her—she lost her job, was torn away from her family and friends, and her dreams of continuing her education were shattered.

After enduring a multi-week trial, the truth finally prevailed. In just 45 minutes, the jury acquitted CG of all charges. Now, she has returned home, and is rebuilding her life, working, and reuniting with the loved ones who stood by her side through it all.

The Case of RW. RW was a federal employee living in another state, where he held a lawful license to carry a firearm. One day, in the rush of his morning routine, he hurriedly grabbed his backpack, unaware that his legally purchased firearm that he had taken earlier to a gun range was still tucked inside. As he passed through a metal detector to enter his office building, an alarming realization struck—his gun was with him still in the backpack. The officer on scene who had conducted the bag search described RW as completely shocked when he realized the gun was in his backpack. At trial, the guard testified that RW was fully cooperative and had even assisted him in showing him how the gun was stored in a special compartment made for transportation and how to remove it.

In Washington, D.C., accidental possession is a recognized defense, yet the government was undeterred. Despite RW's immediate cooperation and presenting proof of his lawful purchase and licensing of the firearm, the government refused to dismiss the case. As a result, RW was suspended from his job and forced to endure months of uncertainty as he awaited trial.

When his day in court finally arrived, justice was swift. In less than an hour, the jury delivered a verdict of acquittal on all charges. Yet, the damage had been done—RW had lost his job, his peace of mind, and months of his life, all for a mistake that the law acknowledged as a defense.

OFFICE OF REHABILITATION AND DEVELOPMENT

Forensic social workers work across legal divisions to help PDS clients in a number of ways including by formulating reentry plans, writing sentencing and mitigation reports, connecting clients with mental health treatment, and supporting clients with their mental health needs as they navigate the criminal legal system. In FY 2024, PDS clients relied on the Office of Rehabilitation and Development Division (ORD) staff to help in a multitude of ways such as:

The Case of SL. ORD staff assisted SL who has suffered from chronic mental illness and long-term homelessness for over a decade. Prior to PDS's representation, he had been in and out of the criminal legal system without receiving appropriate services and supportive housing. An ORD social worker advocated tirelessly to secure stable housing through the Department of Behavioral Health and he now has a stable living environment for the first time in years.

The Case of HR. HR was released from the Bureau of Prisons after being incarcerated for nearly 40 years. With the help of an ORD social worker, HR has positively turned his life around and is thriving. An ORD social worker supported him with transitional housing, employment opportunities, and helped him make reentry connections immediately upon his release. HR is now working at an area airport, residing in transitional housing and building his credit history so ultimately, he can obtain his own apartment. He loves spending quality time with his granddaughter, whom he got to hug and play with for the first time ever when he was released from prison. As he told his social worker, "I have never been so happy and am so proud of myself."

The Case of TW. TW, a 67-year-old man, was facing sentencing for a serious offense and required a reentry plan that had specific services tailored to his clinical needs. Fortunately, ORD had the capacity and expertise to do a sophisticated risk assessment that the judge heavily relied on at sentencing, resulting in a probation sentence rather than incarceration. This sentence allowed TW to receive appropriate services and support in the community.

The Case of LD. LD, an intellectually disabled juvenile client with an IQ of 47, was charged with multiple serious offenses. The Office of the Attorney General (OAG) was planning to go forward with the case despite the client's total inability to understand the case and the proceedings against him. An ORD clinician was able to identify a psychological expert to

interview the client and conduct a competency evaluation. Through the use of that expert's findings, ORD was able to identify supports in the community, work with the client's aunt who undertook responsibility for LD and for his father (who also has significant cognitive challenges), and eventually was able to convince the OAG to dismiss the case.

Without this outcome, the client more than likely would have been committed to the Department of Youth Rehabilitation Services (DYRS), and placed in a secure detention facility for months where he would not have received any substantive services or therapies.

PAROLE DIVISION

The Parole Division historically represents clients who are facing parole or supervised release revocation. In FY 2024, PDS represented 394 clients at probable cause and revocation hearings and was able to get 112 clients fully reinstated to parole. For cases that advanced to a final hearing, PDS either won outright reinstatement or a mitigated outcome in 40 percent of those cases.

Below is an example of how the Parole Division advocates for its clients:

In FY 2024, the on-call lawyer in the Parole Division received a call from a Community Supervision Officer (CSO) asking for help to get a client terminated from supervised release. Sadly, the client had suffered a stroke and was confined to a bed in a nursing home in Maryland, unable to walk or even turn his head. In preparation for compiling an early termination request, the parole attorney had two law clerks drive out to the client's nursing home in rural Maryland to retrieve some medical records. Once there, however, the law clerks discovered much more than the client's physical condition. They determined that the client was living in a dirty and unsanitary facility, receiving questionable care from his providers, and not receiving any physical therapy. In true PDS fashion exemplifying the best of client-centered and holistic representation, PDS staff made a number of referrals to the Maryland Legal Aid Long-Term Care Assistance Project, the Maryland Office of Healthcare Quality, and the state and county ombudsmen for long-term care. Before long, the management of the nursing home called an all-hands meeting resulting in an overhaul of the client's provider team.

PDS then submitted their thoroughly-documented early termination request to the Parole Commission. Despite the request for termination initially coming from the client's own CSO, the supervisory CSO opposed the request. Due to the diligent work and advocacy of the parole attorney, the Commission eventually approved the request and the case was finally closed. Additionally, with the overhaul of his care, the client is now receiving physical therapy and has regained some mobility. Although he will continue to have many health challenges ahead, he will at least be able to move forward and focus on his recovery without the onerous stress of being on correctional supervision.

PDS has walk-in and call-in clients who reach out daily with a variety of legal questions as well as requests for assistance for other problems that impact their lives. Many of these issues relate to sealing old arrest and conviction records that are impacting a person's ability to find employment or receive services. Other common requests involve reevaluating probation or parole conditions that have been improperly imposed or are no longer relevant and requests for referrals to other social and legal resources.

COMMUNITY DEFENDER DIVISION, PRISIONER & REENTERY LEGAL SERVICES

PDS has walk-in and call-in clients who reach out to PDS daily with a variety of legal questions as well as requests for assistance for other problems that impact their lives. Many of these issues relate to sealing old arrest and conviction records that are impacting a person's ability to find employment or receive services. Other common requests involve reevaluating probation or parole conditions that have been improperly imposed or are no longer relevant and requests for referrals to other social and legal resources.

The following are examples of some of the legal assistance Prisioner & Reentery Legal Services (PRLS) provided in FY 2024:

The Case of JD. JD was a duty day client seeking help with sealing a conviction. Despite holding multiple degrees, earning various professional certificates, and having been employed for a number of years, the fact of his conviction was preventing JD's career advancement in a highly technical field. Not only did JD seek to have his record sealed for professional growth, but the conviction also served as a painful reminder of an extremely difficult time for JD and his family. He sought

to seal his record as a means of closing the door to that difficult time. After determining his eligibility for sealing, JD and the PRLS staff attorney worked together to provide the Court with a motion depicting all of JD's accomplishments. To name just a few, JD was one of the founding members of a cultural association, which hosts cultural events, soccer games, and youth programming. Additionally, JD is the vice president of a professional organization that convenes emerging leaders working in the public service sector. In addition to showing the Court just how involved and impressive JD is, the motion to seal made clear that the conviction was as an impediment to JD's continued life and career. After review, the government did not oppose the motion and the Court issued an order sealing his record.

The Case of AX. AX walked in to PDS headquarters in 2023, after the Metropolitan Police Department called him and said that he needed to register as a sex offender pursuant to the Sex Offender Registration Act (SORA) for an offense that had occurred over 20 years ago. In the 20 years since his conviction, no one had ever told AX that he needed to register, including MPD, CSOSA, or the Courts. AX is a life-long D.C. resident, devoted father, and a hardworking tax payer. The assigned PRLS staff attorney immediately got to work researching the history of SORA between the time the statute was enacted to present. The attorney filed a robust Motion to Oppose Sex Offender Determination by CSOSA, raising a number of legal grounds for relief, including statutory, policy based, and constitutional arguments. After months of litigation, the government determined it would not oppose the motion and it was granted, sparing AX all of the harms of sex offender registration.

The Case of BQ. BQ was referred to PRLS from the Trial Division for help obtaining their professional license, which had been denied due to their arrest record. After PRLS succeeded in helping BQ get their professional license, PRLS began working with BQ to seal their arrest record. The first sealing victory resulted from a motion to seal an arrest resulting from conduct that was subsequently decriminalized (i.e., possession of a taser). Next, the PRLS attorney filed a Youth Rehabilitation Act motion[7] to set aside a conviction for misdemeanor assault that was further hindering BQ's licensing application. In FY 2024, the Court granted that motion and ordered the conviction set aside.

[7] See D.C. Code §§ 24-901 et seq.

PRLS's work continues with the goal to fully clear BQ's record by filing a motion to seal the remaining arrest, which should now be eligible for record sealing under D.C. law.

The Case of DW. DW contacted PRLS duty day for assistance because their criminal record was impeding their ability to obtain their unarmed Special Police Officer (SPO) license. DW had had their SPO license for approximately 20 years but recently had been notified that their license was going to be revoked because of a conviction from 2012. The PRLS attorney prepared a submission based on the licensing regulations for SPOs and provided documentation of DW's rehabilitation, training, and mitigating information regarding the conviction. As a result of the detailed preparation and depiction of DW's life and career that went well beyond their criminal history, the PRLS attorney persuaded the Licensing Board that DW was qualified to continue to serve as an SPO, and they granted DW's license in November 2023.

The Case of CZ. CZ was a college student when he was charged with misdemeanor sexual abuse in the summer of 2021. In August 2022, he was acquitted after trial. CZ called PDS to discuss the possibility of sealing his criminal record. A PRLS staff attorney retrieved the transcripts from CZ's trial as well as all of the judicial rulings in the case and filed a motion to seal CZ's record on the grounds that he was actually innocent. Upon review of the motion, the Government did not oppose it, and the Court granted it. CZ told staff that he was smiling from ear to ear and indicated that he finally felt a sense of validation that he had not felt since the beginning of his ordeal.

COMMUNITY DEFENDER DIVISION, JUVENILE SERVICES PROGRAM

In FY 2024, the Juvenile Services Program (JSP) represented securely detained youth in 334 institutional disciplinary hearings. In 60 percent of those cases, JSP was successful in preventing sanctions that would limit the few privileges and opportunities offered for appropriate youth development and would exacerbate the trauma experienced due to incarceration. This is a laudable statistic particularly because the hearing officers are employees of the Department of Youth Rehabilitation Services (DYRS) and multiple incident reports written by other facility staff are submitted to the hearing officers in support of each alleged incident.

The following is an example of some of the legal assistance JSP provided in FY 2024:

The Case of JC. JC was represented by an attorney in JSP at a community status review hearing (CSRH), where they challenged DYRS's attempt to revoke JC's community placement. This hearing underscored the importance of strong investigation and witness support. In advance of the CSRH, the JSP staff attorney and the CDD investigator located and interviewed a number of witnesses and gathered letters of support. The investigator traveled around D.C., locating witnesses from JC's school, internship, group home, and mentorship program. Despite the fact that, admittedly, JC had not been in perfect compliance with all of his release conditions, the JSP attorney's representations, along with the testimony of JC and other defense witnesses, convinced the panel that reinstating community supervision status was best for JC and for the community. JC was released from secure detention and was able to return to their local group home in the community, go back to school, and continue at their local internship.

MENTAL HEALTH DIVISION

In FY 2024, Mental Health Division (MHD) attorneys secured the release of 99 percent of clients who appeared at contested and non-contested probable cause hearings. When PDS prevails at these hearings, clients who should not be hospitalized involuntarily retain their liberty and hospital resources are then available for persons who are most in need of them.

Also in FY 2024, after extensive litigation, MHD was able to get unconditional release from further control by the Department of Behavioral Health (DBH) for three clients who had been found not guilty by reason of insanity. Two of these cases were each more than forty years old and one case was more than fifteen years old. These clients are now returned to the community and are successfully continuing with mental health treatment without costly governmental and judicial oversight.

Clients who are found not guilty by reason of insanity are committed to the legal custody of the Department of Behavioral Health indefinitely. The process to eventually be unconditionally released is slow and costly. While committed, clients must first matriculate through intensive inpatient treatment, gradually earning hospital privileges. At some later point, clients can cycle through a series of highly supervised and judicially authorized releases into the community. Once in the community full-time, unconditional release is granted only after the acquittee carries the legal burden and must prove that they will not be dangerous to themselves or others if the judicial, governmental and DBH forensic oversight is removed.

MHD continues to identify individuals who are federally committed outside of the District and works earnestly to bring them home. In FY 2024, MHD attorneys, with other mental health stakeholders, worked to untangle the federal commitment of a client who was finally returned to D.C. (though they remain committed under federal law). In addition, MHD lawyers are working on returning a woman, detained more than 10 years in the federal system, who had been a voluntary consumer of mental health services in D.C. before a non-injurious assault charge catapulted her into the federal system.

APPELLATE DIVISION

In FY 2024, PDS's Appellate Division continued to foster justice in the District of Columbia through its exemplary legal representation and amicus curiae assistance to the courts, frequently resulting in published opinions that establish or

clarify legal standards that protect the integrity of criminal adjudications and foster public trust in the courts.

In ***Velasquez-Cardozo***,[8] PDS, as amicus curiae, helped secure an en banc opinion that re-examined the District's kidnapping jurisprudence. Although the kidnapping statute was enacted in the 1930s to combat the national epidemic of organized-crime kidnappings for ransom, it had been broadly interpreted in recent years to cover even the most fleeting and minor detentions, such as the split-second bearhug on a public street as in this case. In a unanimous opinion, the en banc court overruled that precedent, construed the statute anew, and set forth a narrower standard to govern all future cases.

In ***Moore v. United States***,[9] PDS argued as amicus curiae in a case presenting an issue of first impression involving the scope of the attorney-client privilege. Mr. Moore was convicted of making threats against an assistant attorney general assigned to prosecute him for criminal contempt of a civil protection order. Mr. Moore had allegedly made threatening statements in confidence to his criminal defense lawyer in the hallway outside of the courtroom, expressing anger about the government's attempt to subject him to GPS monitoring while on pretrial release. PDS argues that these statements were privileged under the prevailing test, because, as the three-judge panel that initially considered the case properly held, they were made in the context of an existing attorney-client relationship and were related to Mr. Moore's "significant purpose to obtain legal assistance" about "the government's effort to alter his conditions of release." Because no established exception to the privilege applied, PDS has urged the en banc Court to follow the lead of the three-judge panel that had originally considered the case and hold it was error to allow the defense lawyer to testify for the government.

And in ***Smith v. United States***,[10] PDS, again participating as amicus curiae, helped secure en banc review in an important case involving a challenge alleging a prosecutor's improper use of race as a basis for the exercise of preemptory strikes of jurors. In this case, where a black man was charged with assaulting a white woman, the prosecutor used her discretionary challenges during jury selection to eliminate every qualified person of color. When the defense contested the prosecutor's use of her challenges as racially motivated, the prosecutor claimed to have stricken several Black jurors based on their professions, saying that they would not understand the scientific testimony in the case. This claim was suspect, because the prosecutor knew the DNA evidence was undisputed; the proffered medical evidence was simple; and the prosecutor did not strike a white juror, whose job also did not require higher education. The trial court accepted the prosecutor's explanation as "credible," rejecting the defense's challenge, and a three-judge panel of the D.C. Court of Appeals affirmed. PDS wrote a brief urging the en banc Court to follow the clear command of the U.S. Supreme Court caselaw, and hold that the trial judge, and the appellate court on review, must rigorously scrutinize the proffered race-neutral reasons in light of all the facts and circumstances of the case, scrutiny which would require reversal of Mr. Smith's conviction and retrial with a jury untainted by racially motivated strikes.

In ***Evans v. United States***,[11] the D.C. Court of Appeals, agreed with PDS's arguments that the jury had been incorrectly instructed on the law and reversed Mr. Evans's gun possession. Mr. Evans was acquitted of murder but convicted of gun possession in a self-defense case. The jury was instructed that possession of the gun was excused during the period of self-defense. It sent a note asking how long after the shooting that defense could last. Over the defense attorney's objection, the judge instructed that the period of lawful possession ended as soon as the defendant was no longer in imminent fear of death or serious bodily injury, i.e., the minute the exercise of lawful self-defense ended. The D.C. Court of Appeals, agreeing with PDS, reversed Mr. Evan's gun conviction and held that the period must extend for a reasonable duration for the defendant to recover from the trauma and figure out how to safely dispose of the illegal weapon.

Also in FY 2024, in ***Walker v. United States***,[12] the D.C. Court of Appeals agreed with PDS that Mr. Walker's indictment had to be dismissed under the Double Jeopardy Clause of the United States Constitution. In the case, the trial judge had declared a mistrial over defense objection when there was no manifest necessity to do so, denying Mr. Walker his right to go to verdict with his chosen jury. The D.C. Superior Court agreed with PDS that any retrial was barred by the Double Jeopardy Clause because the mistrial was not supported by the constitutional standard of "manifest necessity." The government could not meet this high bar in circumstances where the reason for the mistrial was the government's

[8] 315 A.2d 658 (D.C. 2024) (en banc).
[9] No. 19-CF-687 (argued Feb. 29, 2024).
[10] 305 A.3d 380 (D.C. 2023) (granting rehearing en banc).
[11] 304 A.3d 211 (D.C. 2023).
[12] 317 A.3d 388 (D.C. 2024).

own elicitation of inadmissible evidence highly prejudicial to the defense, and the defense made clear it still wished to go to verdict. The D.C. Superior Court emphasized "the virtually ironclad rule" that when prosecutorial error prejudices a defendant, the defendant retains "primary control over the course to be followed."

CIVIL LEGAL SERVICES DIVISION

PDS's commitment to holistic defense extends beyond the courtroom to address a range of civil matters and educational needs that can be instrumental to the long-term success of our adult clients and court-involved youth with disabilities.

The Case of PW. In FY 2024, PDS represented a 56-year-old gentleman, PW, who had worked as an IT contractor with the federal government for 15 years. After successfully completing a diversion program that earned him full dismissal of his criminal case, PW mistakenly believed he was not required to disclose the case when seeking a security clearance for his work. Because of this mistake, he was in danger of losing his job. As part of this representation, PDS answered interrogatories that were used to determine if his nondisclosure would result in termination. The civil attorney was able to show PW's employer all that PW had overcome to successfully earn full dismissal of his criminal case and that PW did not engage in deception. Ultimately, the employer agreed that PW should keep his position.

The Case of TY. The Civil Division's special education attorneys were instrumental in securing dismissal of charges against TY, a severely intellectually disabled 13-year-old, and in getting him critically needed school services. After obtaining a psychological evaluation showing that the child's cognitive limitations had actually regressed over the years due to the school's inadequate educational services, the civil education attorney helped educate the prosecutor that, among other mitigating facts, TY client had the communication skills of a 1st grader. As a result of this advocacy, the prosecutor announced that they were dismissing all charges. But PDS's work did not end there. The education attorney also ensured an updated IEP was put in place reflecting TY's current level of functioning, and obtained extended school year services. As the school year ended, the education attorney then facilitated TY's admission into a new school that would meet his special needs.

The Case of KW. A PDS special education attorney represented KW, a 19-year-old client with severe learning and emotional disabilities. KW had entered into a plea agreement where he faced up to 84 months of incarceration. While he was at the D.C. Jail awaiting sentencing, the PDS attorney managed to get KW enrolled at the school on site where he could continue to earn credits towards his high school diploma. Prior to his incarceration, this severely disabled young person had been erroneously told by school officials that he only needed a few credits to obtain his high school diploma. The education attorney uncovered this mistake after carefully reviewing KW's educational records and learned that KW needed 1.5 years of schooling before he could earn his diploma. The education attorney helped devise a strategy to convince the sentencing judge to push back the sentencing date to allow KW to complete his education at the jail. This was critical since no such services would be available to him once he was sentenced and placed in the BOP. Due to this advocacy, KW was able to earn all of his required credits and graduated with his high school diploma on August 2, 2024.

The Case of Maya. Not all of PDS's work involves just human beings. In FY 2024, lawyers in the civil division were able to help a client in need when they found a temporary home for the client's 8-year-old cat named Maya. When the client was arrested and subsequently detained at the D.C. Jail, poor Maya ended up with D.C.'s Animal Control. The client, being an Oregon resident without ties to D.C., was understandably worried about his cat, who was the client's late mother's pride and joy. If no one claimed Maya, she was at risk of being put up for adoption or being euthanized by the animal shelter. Civil attorneys working with a wonderful community organization were able find a foster home for Maya until she can be reunited with her owner.

TRAINING AND MENTORING

APPELLATE CONSULTATION AND ASSISTANCE PROGRAM FOR CRIMINAL JUSTICE ACT ATTORNEYS

Since its inception, the PDS-CJA Appellate Consultation and Assistance Program ("Program") has allowed PDS and the CJA Appellate Panel to easily share ideas, resources, and expertise for the purpose of strengthening appellate indigent defense in the D.C. Court of Appeals (DCCA). The services provided to the CJA Appellate Panel include: collaborating with CJA attorneys on individual cases by reviewing transcripts, conducting research, formulating viable appellate issues, editing briefs, and ensuring that written materials maintain compliance with court rules; facilitating moots to ensure high-quality representation at oral arguments; and, training on appellate practice and procedure. In FY 2024, the Program facilitated 20 appellate moots for 15 oral arguments. Each moot involved a CJA Appellate Panel member arguing for up to two hours in front of a combination of PDS and CJA appellate attorneys acting as judges. The D.C. Court of Appeals has thus far decided 10 of the 15 Program-assisted cases that were argued, via published and unpublished opinions. Six of the 10 cases resulted in favorable outcomes through reversals of convictions or remands to the lower court, while only four resulted in affirmances of the entire judgment. Such outcomes reflect the strength of the CJA appellate panel and the Program that supports it.

In addition to intensive oral argument preparation, the Program fields daily questions that involve varying degrees of assistance, whether it is sharing a sample appellate brief involving issues frequently tackled by PDS, revising a petition for rehearing en banc, or thoroughly scouring transcripts and legal authorities to help identify and develop appellate legal theories. Because the Panel is comprised of private solo practitioners who primarily operate remotely, the Program has proved invaluable by providing immediate access to collaboration and a wealth of other appellate resources.

As an example of the impact the Program has had in the past fiscal year, CJA Appellate Panel members have provided the following feedback:

- "As a solo practitioner/small business, it is an invaluable resource. The ability to consult with PDS while drafting briefs adds so much value to the defense bar as a whole and to our indigent clients. Without this resource available, a solo practitioner would not have any resources to turn to."
- "I have particularly benefitted from moot courts. The practice of facing in-person questions and the feedback I received made me more prepared and I used suggestions in my arguments. In sum, I am a better lawyer for my clients because the support I get from PDS."
- "I greatly appreciate the intensive approach, legal smarts and experience, and feel for the DCCA that was offered by PDS."

SOCIAL MEDIA INTERNSHIP

In FY 2024, American University, awarded a Fall 2023 American University School of Communication's Dean Internship Award to PDS's Social Media Intern. This honor recognized the intern as an exceptional student who was receiving professional recognition for her work and meaningful real-world assignments at PDS. PDS and the Special Projects Manager were recognized for providing her with an "outstanding internship experience."

Final Analysis

The core work of PDS is the representation of individual clients facing a loss of liberty. Every year, PDS lawyers, investigative specialists, forensic social workers, and other staff assist clients in thousands of matters. The proceedings for involuntary commitment, parole revocation, and criminal and juvenile delinquency cases are adversarial in nature, and PDS has able adversaries in the District's Office of the Attorney General and the U.S. Attorney's Office for the District of Columbia. A true justice system depends on having all components (judges, prosecution, and defense) fulfill their respective roles. PDS plays a central part in ensuring that all cases, whether they result in plea agreements or trials, involve comprehensive investigation and thorough consultation with the client. For those matters that proceed to trial or to an administrative hearing, PDS litigates each matter to the fullest, ensuring that the proceeding constitutes a full and fair airing of reliable evidence. In FY 2024, PDS, as it has every year since its inception, fought a forceful fight and found resolutions where possible for many clients.

Whatever the outcome or type of case, PDS's goal for each client was competent, quality representation. PDS's services are essential to assist the District in meeting its constitutional obligation to provide criminal defense representation in the District's courts, to ensure the reliability of the results, to avoid costly wrongful convictions, and to ensure due process protections are in effect before anyone loses their liberty.

FINANCIAL STATEMENTS

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Independent Auditor's Report

Chairperson, Board of Trustees
Director, Public Defender Service for the District of Columbia

Report on the Financial Statements

Opinion

Pursuant to District of Columbia Code, Section 2-1606, we have audited the accompanying financial statements of the Public Defender Service for the District of Columbia (PDS), which comprise the balance sheets as of September 30, 2024 and 2023; the related statements of net costs, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Defender Service for the District of Columbia as of September 30, 2024 and 2023 and its net costs, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the PDS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter

As discussed in Note 16 to the financial statements, expenditures relating to leasehold improvements under construction were improperly expensed during fiscal year 2023, resulting in material misstatement of PDS's prior year financial statements. PDS corrected these errors during fiscal year 2024 and has accordingly restated its fiscal year 2023 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in PDS's Annual Report and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-02 will always detect a material misstatement or material weakness when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PDS's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information (RSI)

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of PDS's financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

PDS's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in PDS's Annual Report. The other information comprises the *Other Management Information, Initiatives, and Issues* section but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audits of PDS's financial statements, we considered PDS's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies[1] or

[1] A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely

to express an opinion on the effectiveness of PDS's internal control over financial reporting. Given these limitations, during our 2024 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

During our fiscal year 2024 audit, we identified deficiencies in PDS's internal control over financial reporting that we consider to be significant deficiencies. These deficiencies are described in the accompanying *Exhibit I, Findings and Recommendations*, to this report. We considered these significant deficiencies in determining the nature, timing, and extent of our audit procedures on PDS's fiscal year 2024 and 2023 financial statements. Although the significant deficiencies in internal control did not affect our opinion on PDS's fiscal year 2024 and 2023 financial statements, misstatements may occur in unaudited financial information reported internally and externally by PDS because of these significant deficiencies.

We identified additional deficiencies in PDS's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies that, nonetheless, warrant management's attention. We have communicated these matters to PDS management and, where appropriate, will report on them separately.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to PDS's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

Responsibilities of Management for Internal Control over Financial Reporting

PDS management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of PDS's financial statements as of and for the fiscal year ended September 30, 2024, in accordance with U.S. generally accepted government auditing standards, we considered PDS's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PDS's internal control over financial reporting. Accordingly, we do not express an opinion on PDS's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of PDS's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of PDS's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of PDS's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to PDS. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

PDS management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to PDS.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to PDS that have a direct effect on the determination of material amounts and disclosures in PDS's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to PDS. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose for Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provision of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

PDS's Response to Findings

PDS's responses to the findings identified during our audit are described immediately following the auditor's recommendations in *Exhibit I*. PDS's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Agency Comments

We provided PDS with a draft of our report on December 19, 2024, and received PDS's response on December 19, 2024. PDS's response to our report was not subjected to the auditing procedures that we applied to our audit of the financial statements and, therefore, we express no opinion on the response.

Allmond & Company, LLC

Lanham, Maryland
December 20, 2024

Improvements Needed for Internal Controls Relating to Property Additions and the Recognition of Construction in Progress (2024-01)

CONDITION

Internal controls relating to Property, Plant, and Equipment (PPE) are not implemented to prevent the material misstatement of assets, operating expenses, and other balances relating to capitalized assets.

Specifically, we noted that during fiscal year (FY) 2023 PDS incorrectly expensed $6,995,718 in expenditures relating to the design, construction, and other related costs for leasehold improvements under construction and new furniture and equipment not yet placed into service for its new headquarters location. $5,296,172 of these expenditures, which were associated with a single agreement with the General Services Administration, were reclassified as Construction in Progress during FY 2023 as an audit adjustment; however, the remaining $1,699,546 of these expenditures, which related to contracts with other vendors, were not identified and reclassified until FY 2024 when the leasehold improvements were placed into service.

CRITERIA

Statement of Federal Financial Accounting Standards (SFFAS) No. 6, *Accounting for Property, Plant, and Equipment*, Section 34 states, "PP&E shall be recognized when title passes to the acquiring entity or when the PP&E is delivered to the entity or to an agent of the entity. In the case of constructed PP&E, the PP&E shall be recorded as construction work in process until it is placed in service, at which time the balance shall be transferred to general PP&E." Footnote 40 of this section states, "For PP&E acquired by a contractor on behalf of the entity (e.g., the entity will ultimately hold title to the PP&E), PP&E shall also be recognized upon delivery or constructive delivery whether to the contractor for use in performing contract services or to the entity.

SFFAS No. 6, *Accounting for Property, Plant, and Equipment*, Asset Recognition Section 26, states, "All general PP&E shall be recorded at cost. Although the measurement basis for valuing general PP&E remains historical cost, reasonable estimates may be used to establish the historical cost of general PP&E, in accordance with the asset recognition and measurement provisions herein. Cost shall include all costs incurred to bring the PP&E to a form and location suitable for its intended use. For example, the cost of acquiring property, plant, and equipment may include:

- amounts paid to vendors;
- transportation charges to the point of initial use;
- handling and storage costs;
- labor and other direct or indirect production costs (for assets produced or constructed);
- engineering, architectural, and other outside services for designs, plans, specifications, and surveys;
- acquisition and preparation costs of buildings and other facilities;
- an appropriate share of the cost of the equipment and facilities used in construction work;
- fixed equipment and related installation costs required for activities in a building or facility;

- direct costs of inspection, supervision, and administration of construction contracts and construction work;
- legal and recording fees and damage claims;
- fair value of facilities and equipment donated to the government; and
- material amounts of interest costs paid."

SFFAS 54, Leases, Section 11, states, "Leasehold improvements are additions, alterations, remodeling, renovations, or other changes to a leased property that either extend the useful life of the existing property or enlarge or improve its capacity and are paid for (financed) by the lessee."
SFFAS 21, Reporting Corrections of Errors and Changes in Accounting Principles, Amendment of SFFAS 7, Accounting for Revenue and Other Financing Sources, Section 10(b), states, "If comparative financial statements are presented, then the error should be corrected in the earliest affected period presented by correcting any individual amounts on the financial statements."

PDS Accounting Policies and Procedures, Series BF 02 (July 30, 2022), states, "A fixed asset is an item with a useful life greater than one reporting period, and which exceeds an entity's minimum capitalization limit. A fixed asset is purchased with the intent of productive use within the organization. An inventory item cannot be considered a fixed asset. The following are examples of general categories of fixed assets: Buildings, Computer equipment, Computer software, Furniture and fixtures, Intangible assets, Land Leasehold improvements, Machinery, and Vehicles."

CAUSE

We noted the following causes for the conditions identified above:

- PDS does not have control procedures in place to monitor the status of and related costs for construction in progress in order to recognize assets and accrued liabilities in accordance with generally accepted accounting principles.
- The BOC code assigned to the contract was not correct, preventing the invoiced amounts from being automatically accumulated in the Asset Clearing account for potential reclassification.
- Expenditures were not reclassified as the costs were incurred to reflect the economic substance and final disposition of the transactions.
- Incomplete understanding of the generally accepted accounting principles and reporting requirements relating to leasehold improvements and construction in progress.

EFFECT

- The failure to reclassify expenditures relating to leasehold improvements under construction and other capitalized assets not yet placed into service resulted in the prior year understatement of Construction in Progress and the prior year overstatement of Operating Expense/Program Costs, impacting the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and related footnotes in the amount of $1,997,564.

- As the amount of the prior year understatement of $1,997,564 exceeds the overall materiality threshold of $1,000,000 for FY 2023, PDS will need to restate its prior year financial statements and related notes.

RECOMMENDATION

We recommend that PDS should:

- Update policies and procedures to include guidelines relating to acquisitions that will involve Construction in Progress and the eventual reclassification to another asset category.
- Implement and document a second-level review of the accounting information assigned to purchase requests to ensure that all contracts involving the acquisition of current and future assets are assigned the correct Budget Object Classification (BOC) code when the procurement process is initiated.

MANAGEMENT RESPONSE

Corrective action will be taken and completed in the current fiscal year.

AUDITOR'S RESPONSE

Follow up procedures will be performed during the FY 2025 audit to determine if corrective actions have been fully implemented.

Improvements Needed in Processing Personnel Actions (2024-02)

CONDITION

Internal control over the processing of personnel actions is not properly designed and implemented to prevent or detect and correct errors relating to payroll expenses and liabilities. During our review of sixteen (16) personnel actions that were processed during the interim period of October 1, 2023 through May 31, 2024, we noted the following condition:

- For ten (10) of the sixteen (16) personnel actions that were selected for testing, the action appeared to have been initiated, approved, and submitted by the same person.
- For seven (8) of sixteen (16) samples, no underlying supporting documentation (e.g., an offer letter, approval of promotion or pay increase/decrease, or other information) was provided that authorized the action that was processed by the Human Resources Specialist.
- For one (1) of sixteen (16) samples, the information that was provided was for a personnel action that was not selected. We requested but were unable to obtain documentation for the correct sample.

CRITERIA

The Government Accountability Office (GAO) Standards for Internal Control in the Federal Government, Principle 10.01: Design Control Activities, states, "Management should design control activities to achieve objectives and respond to risks. The following attributes contribute to the design, implementation, and operating effectiveness of this principle:

- Response to Objectives and Risks
- Design of Appropriate Types of Control Activities
- Design of Control Activities at Various Levels
- Segregation of Duties."

GAO Standards for Internal Control in the Federal Government, Principle 10.03: Segregation of duties, states, "Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event."

GAO Standards for Internal Control in the Federal Government, Principle 10.03: Appropriate documentation of transactions and internal control, states, "Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained."

CAUSE

- PDS's Office of Human Resources (HR) was critically understaffed during the FY 2024 periods tested and PDS management did not have a contingency plan in place to provide coverage for vacant positions or to provide adequate supervision of remaining HR personnel.
- Remaining HR personnel did not appear to have the skills, knowledge, and experience to operate independently, without direct supervision.
- PDS's Human Resources (HR) Division does not have agency-specific written policies and procedures that specify how personnel actions should be initiated, reviewed, submitted, and documented.
- PDS does not have control procedures in place to ensure that all personnel actions are reviewed by a second authorized person prior to submission of the personnel action for processing.

EFFECT

- The failure to properly authorize, approve, and ensure the validity and accuracy of personnel actions and enforce segregation of duties protocols increases the possibility of misuse and abuse of government resources, as follows:
  - An increased risk that unauthorized actions may be initiated and processed without detection.
  - An increased risk of material misstatement of the agency's payroll and benefits expense and related liabilities due to undetected errors or fraud. Also, incorrect amounts could be withheld from employees pay.
  - An increased risk of noncompliance with legal and regulatory requirements.
  - A decreased likelihood that the organization will be able to prevent or identify and recover overpayments made to employees.

RECOMMENDATION

We recommend that PDS management should:

- Create and enforce agency-specific written policies and procedures that specify how personnel actions should be initiated, reviewed, submitted, and documented These policies and procedures should specify the roles and responsibilities of HR personnel relating to this process and the required elements and documentation of management's review of personnel actions prior to submission.
- Create a shared folder or similar resource where supporting documentation relating to personnel actions is stored so that the information is readily available to others in the event that specific HR personnel separates from the organization.

- Develop an appropriate contingency plan that provides coverage for vacant positions, provides training for alternate personnel, and ensures adequate oversight of HR's operations in the event of employee separations or other circumstances.

- Perform and document routine reviews on a monthly or more frequent basis to ensure that all personnel actions processed during the review period were appropriately reviewed for accuracy, were supported by appropriate documentation, and were approved by a second HR Specialist or another authorized official or supervisor.

MANAGEMENT RESPONSE

Corrective action will be taken and completed in the current fiscal year.

General Comments

PDS is currently working to resolve the staffing issues, which are a causative factor in these internal control lapses.

AUDITOR'S RESPONSE

Follow up procedures will be performed during the FY 2025 audit to determine if corrective actions have been fully implemented.

Improvements Needed in the Internal Controls over Accrued Liabilities (2024-03)

CONDITION

The Public Defender Service of the District of Columbia's (PDS') internal controls over the estimation and recording of accrued liabilities were not operating effectively to prevent, detect, or correct material misstatements of its ending balances of accounts payable, operating expense/program costs, unexpended and expended appropriations used, and related budgetary accounts.

During our review of non-payroll disbursements that were recorded during the month of October 2024 and PDS's rent payments for FY 2024, we determined that PDS' ending Accounts Payable balance was overstated by a net amount of $305,159 due to the following:

- $26,128 understatement of the non-intragovernmental accounts payable balance due to the full or partial exclusion of expenses that were incurred during FY 2024 that were not included in the year-end accrual.
- $331,287 overstatement of the intragovernmental accounts payable balance due to the over-estimation of amounts due to the General Services Administration (GSA) for unbilled rent expense and/or amounts refunded by GSA in error.

CRITERIA

Statement of Federal Financial Accounting Standards (SFFAS) Number (No.) 5, *Accounting for Liabilities of the Federal Government,* provides the definition and general principles for the recognition of a liability: A liability for federal accounting purposes is a probable future outflow or other sacrifice of resources as a result of past transactions or events. General purpose federal financial reports should recognize probable and measurable future outflows or other sacrifices of resources arising from (1) past exchange transactions, (2) government-related events, (3) government-acknowledged events, or (4) nonexchange transactions that, according to current law and applicable policy, are unpaid amounts due as of the reporting date."

PDS Policy BF.01.00.01, effective July 30, 2022, PDS Requirements, states, "Recorded transactions will be adequately documented so they may be traced from original documents to financial statements. In the application of this policy, the Office of Budget and Finance shall ensure a comprehensive accrual at fiscal year-end and make reasonable efforts to record costs accurately on an accrual basis each month. Obligations shall be liquidated on the accrual basis, i.e., when goods or services are received and related costs are recorded."

PDS Policy 7.4.1, effective July 30, 2022, Designing Control Activities, states, "Control activities shall be designed to achieve PDS' objectives and respond to risks. The control activities include the policies, procedures, techniques, and mechanisms that enforce the directives set by management. Furthermore, management shall define responsibilities, assign them to key roles, and delegate authority to achieve PDS' objectives. Examples of common categories of control activities include:

• Top-level reviews of actual performance,

- Reviews by management at the functional or activity level,
- Proper execution of transactions,
- Accurate and timely recording of transactions."

CAUSE

- PDS's control procedures to estimate accounts payable to be accrued at year-end in accordance with generally accepted accounting principles were not operating effectively during the period ended 09/30/2024 to identify errors and omissions.
- Obligated balances for agreements relating to expert services may not reflect the actual dollar amount of services ordered by the organization; therefore, the amounts of expenses incurred during the fiscal year may not be accurately estimated.
- The accrual was not compared to actual invoices on hold as of September 30, 2024 and invoices received during the beginning of the subsequent fiscal year to ensure that the accrual was complete and accurate. Both sources were available at the time the financial statements were prepared.
- PDS has an ongoing dispute with GSA regarding rent expenses for the properties it occupied during FY 2024. As such, an accrual was required to recognize lessee lease expenses and amounts due to GSA; however, the amount due was miscalculated because:
    - PDS's estimate was based on the rent due for only one of these properties,
    - Rent exemptions were not appropriately allocated and applied when calculating the amount of the accrual,
    - Amounts already paid and/or accrued through other adjustments were not included in the calculation,
    - The amount reclassified from Operating Expenses to Lessee Lease Expense exceeded the amount of rent that was recorded or due for FY 2024,
    - The balance of Unexpended Obligations-Unpaid (undelivered orders, unpaid) for the affected contracts was not evaluated on the transaction level, which resulted in abnormal obligated balances for these agreements when the accrual was recorded.

EFFECT

- Current year impact to account balances reported on the Balance Sheet, Statement of Net Costs, and Statement of Changes in Net Positions:
    - Non-intragovernmental Accounts Payable, Operating Expenses/Program Costs, Delivered Orders-Unpaid, Expended Appropriations, and Unexpended Appropriations-Used were understated by at least $26,128 as of 09/30/24;

- Intragovernmental Accounts Payable, Operating Expenses/Program Costs, Delivered Orders-Unpaid, Expended Appropriations, and Unexpended Appropriations-Used were overstated by $331,287 as of 09/30/24;
- Unexpended Obligations-Unpaid was understated by $654,807, net;
- Delivered Orders-Unpaid was overstated by $305,59, net;
- Allotments-Activity was overstated by $349,648, and
- Lessee Lease Expense was overstated by $163,423.

RECOMMENDATION

We recommend that PDS management:

- Perform a review of all accounts payable balances in its general ledger to identify:
  - Related accounts with abnormal balances,
  - Existing/prior adjustments that could have an impact on the amounts calculated for an accrual, and
  - Transactions on hold that need to be ratified and then processed.
- PDS management should develop a written procedure that provides detailed guidance or instructions for the calculation of the organization's year-end accounts payable and other accruals.
- PDS management should develop a look-back analysis or other control procedure to review disbursements made early in the subsequent reporting period (i.e., at the beginning of the next fiscal year) to identify items which should have been included in its year-end accounts payable balance and amend the existing accrual, if needed, prior to the preparation of the financial statements.

MANAGEMENT RESPONSE

Corrective action will be taken and completed in the current fiscal year.

AUDITOR'S RESPONSE

Follow up procedures will be performed during the FY 2025 audit to determine if corrective actions have been fully implemented.

Fund Balance with Treasury Transactions Were Not Reconciled or Recorded Timely in the General Ledger (2024-04)

CONDITION

Internal controls relating to the timely resolution of Fund Balance with Treasury differences are not properly designed and implemented to ensure that all disbursement transactions are recorded in the general ledger during the same fiscal year (FY) in which these activities occurred.

We noted that PDS is working to resolve billing disputes with the General Services Administration relating to incorrect billing for rent payments during FY 2024; however, during our testing of the Fund Balance with Treasury reconciliation completed for the period ended September 30, 2024, we identified the following exceptions that did not relate to billing disputes:

- Six (6) differences relating to Intragovernmental Payment and Collection (IPAC) transactions. The transactions were approved for payment during FY 2024 but were not recorded in the general ledger until October 2024 (FY 2025).
- Three (3) additional differences relating to IPAC transactions that were billed during May and August for expenses that were incurred during FY 2024 that had not yet been approved for payment as of October 2024.

In addition, PDS did not include an explanation for material differences between Treasury and the organization's general ledger, as required by authoritative guidance.

CRITERIA

Office of Management and Budget (OMB) Circular A-11 (July 2024), Section 150.3, states, "Your agency's internal controls are the organization, policies, and procedures that your agency uses to reasonably ensure that:

- Programs achieve their intended results.
- Resources used are consistent with agency mission.
- Programs and resources are protected from waste, fraud, and mismanagement.
- Laws and regulations are followed.
- Reliable and timely information is obtained, maintained, reported and used for decision making."

OMB Circular A-136, Section II.3.8.3. Note 3: Fund Balance with Treasury, states. "Explain any discrepancies between FBWT as reflected in the entity's general ledger and the Balance in Treasury accounts. Disclose any other information necessary for understanding the nature of the Fund Balance."

U.S. Department of the Treasury, Treasury Financial Manual (TFM) Volume I, Part 2, Chapter 5100, Section 5130.10 - Posting Agency Transactions to the USSGL. states, "Agencies must post account transactions to the USSGL and must prepare an adjusted trial balance at least monthly to verify that debit and credit postings are equal and to validate the data. They also must ensure that the balance in the USSGL account 101000 for each fund symbol agrees with their internal supporting documents."

TFM Volume I, Part 2, Chapter 5100, Section 5130.20 - Reconciliation of USSGL Accounts with Treasury Fund Symbols, states, Agencies must compare their USSGL account 101000 transactions in their internal ledgers with the Fiscal Service reports and must reconcile any differences."

TFM Volume I, Part 2, Chapter 5100, Reconciliation Procedures, states, "The purpose of reconciling is to ensure the accuracy and timeliness of deposit and disbursement data reflected in the Fund Balance with Treasury… Agencies should identify and clear differences within 2 months of occurrence."

The Government Accountability Office's (GAO's) Standards for Internal Control in the Federal Government, Principle 10.01: Design Control Activities, states, "Management should design control activities to achieve objectives and respond to risks. The following attributes contribute to the design, implementation, and operating effectiveness of this principle:

- Response to Objectives and Risks
- Design of Appropriate Types of Control Activities
- Design of Control Activities at Various Levels
- Segregation of Duties."

GAO Standards for Internal Control in the Federal Government, Principle 10.03: Design of Appropriate Types of Control Activities, states, "Management designs appropriate types of control activities for the entity's internal control system.

- Proper execution of transactions - Transactions are authorized and executed only by persons acting within the scope of their authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources are initiated or entered into. Management clearly communicates authorizations to personnel.
- Accurate and timely recording of transactions - Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded."

CAUSE

- Differences between Fund Balance with Treasury balances per Treasury vs. PDS's general ledger are identified, but not reconciled and resolved timely.
- Staffing vacancies in the Office of Budget and Finance have resulted in difficulties approving and recording transactions timely in the general ledger, particularly at year-end when resources directed toward performing other tasks.

- Disputed billing charges and refunds between PDS and the General Services Administration have made the reconciliation process more complicated, making it difficult to identify and resolve transactions that are not in dispute.

EFFECT

- The failure to implement timely and effective reconciliation processes could:
    - increase the risks of fraud, waste, and mismanagement of funds,
    - affect PDS's ability to effectively monitor budget execution, and
    - affect the ability to accurately measure the full cost of the organization's programs.
- The failure to record current year activity within the same fiscal year could result in inter-period differences that are not recorded using the correct general ledger accounts, resulting in overstatement of operating costs, use of appropriations, and other general ledger accounts during the subsequent fiscal year.

RECOMMENDATION

We recommend that:

- PDS management should ensure that disbursement transactions, including IPACs, are approved and recorded timely in the general ledger.
- Sort and present reconciling differences by vendor and document number so that offsetting transactions and transactions relating to vendor disputes can be readily identified.
- Prioritize the recording of reconciled transactions, particularly at year-end, to avoid recording current year transactions in the subsequent year.

MANAGEMENT RESPONSE

Corrective action will be taken and completed in the current fiscal year.

AUDITOR'S RESPONSE

Follow up procedures will be performed during the FY 2025 audit to determine if corrective actions have been fully implemented.

Exhibit II
Status of Prior Year Findings and Recommendations

The following table provides the fiscal year (FY) 2024 status of all recommendations included in the Independent Auditor's Report on PDS's FY 2023 and FY 2022 Financial Statements (December 7, 2023).

FY 2023 Finding	FY 2023 Recommendation	FY 2024 Status
Improvements Needed for Internal Controls Relating to Property Additions and the Recognition of Construction in Progress (2023-1)	**Recommendations:** Improve controls relating to the appropriate classification and recording of property additions, including those relating to the recognition of Construction in Progress for future capitalized assets not yet placed into service. Specifically, we recommended that management should:	
	1. Continue to accumulate all expenditures for the leasehold improvements under construction and other capitalized assets not yet placed into service for the new lease and reclassify and report all remaining disbursements prior to the move-in date as construction in progress.	Closed
	2. Upon moving in to the new headquarters location, reclassify all accumulated construction in progress as leasehold improvements and furniture and equipment, based on the actual costs of these assets. If the move is completed in stages, then the costs associated with the areas that have been completed and are occupied should be determined and reclassified at each move-in point until all construction in progress costs have been reclassified.	Closed
	3. Update policies and procedures to include guidelines relating to acquisitions that will involve Construction in Progress and the eventual reclassification to another asset category.package.	Open
	4. Implement and document a second-level review of the accounting information assigned to purchase requests to ensure that all contracts involving the acquisition of current and future assets are assigned the correct Budget Object Classification (BOC) code when the procurement process is initiated.	Open

Public Defender Service for the District of Columbia
Balance Sheet
As of September 30, 2024 and 2023
(in dollars)

	2024	Restated 2023
Assets		
Intra-governmental Assets		
Fund Balance With Treasury (Note 2)	$ 16,599,880	$ 13,680,726
Total Intra-governmental Assets	16,599,880	13,680,726
Other Than Intra-governmental Assets		
Accounts Receivable, Net (Note 3)	20,329	11,577
Property, Plant, and Equipment, Net (Note 4)	8,905,360	7,829,234
Total Other Than Intra-governmental Assets	8,925,689	7,840,811
Total Assets	$ 25,525,569	$ 21,521,537
Stewardship PP&E		
Liabilities		
Intra-governmental Liabilities		
Accounts Payable (Note 6)	$ 1,411,185	$ -
Other Liabilities		
Other Liabilities (without reciprocals)		
Employer Contributions and Payroll Taxes Payable (Note 6)	45,513	39,292
Other Current Liabilities - Benefit Contributions Payable		
Employer Contributions and Payroll Taxes Payable (Note 6)	155,637	130,566
Unfunded FECA Liability (Note 5)	74,561	72,409
Total Intra-governmental Liabilities	1,686,896	242,267
Other Than Intra-governmental Liabilities		
Accounts Payable (Note 6)	1,925,164	340,853
Federal Employee Salary, Leave, and Benefits Payable		
Accrued Funded Payroll and Leave (Note 6)	635,262	547,825
Employer Contributions and Payroll Taxes Payable (Note 6)	28,581	24,009
Unfunded Leave (Note 5)	2,372,649	2,584,997
Pensions, other Post-employment, and Veterans Benefits Payable		
Actuarial FECA Liability (Note 5)	383,199	389,956
Other Liabilities		
Lessee Lease Liability (Note 6, Note 7)	31,544	-
Unfunded Lessee Lease Liability (Note 5, Note 7)	239,510	-
Total Other Than Intra-governmental Liabilities	5,615,909	3,887,640
Total Liabilities	$ 7,302,805	$ 4,129,907
Net Position:		
Unexpended Appropriations - Funds from other than Dedicated Collections	$ 12,279,925	$ 12,477,629
Total Unexpended Appropriations (Consolidated)	12,279,925	12,477,629
Cumulative Results of Operations - Funds from other than Dedicated Collections	5,942,839	4,914,001
Total Cumulative Results of Operations (Consolidated)	5,942,839	4,914,001
Total Net Position	$ 18,222,764	$ 17,391,630
Total Liabilities And Net Position	$ 25,525,569	$ 21,521,537

The accompanying notes are an integral part of these statements.

Public Defender Service for the District of Columbia
Statement of Net Cost
For the Years Ended September 30, 2024 and 2023
(in dollars)

	2024	Restated 2023
Gross costs (Note 8)	$ 56,128,547	$ 53,129,331
Less: Earned Revenue (Note 8)	-	-
Net Cost of Operations	$ 56,128,547	$ 54,828,877

Public Defender Service for the District of Columbia
Statement of Changes in Net Position
For the Years Ended September 30, 2024 and 2023
(in dollars)

	2024	Restated 2023
Unexpended Appropriations:		
Beginning Balance	$ 12,477,629	$ 16,048,235
Beginning Balance, as Adjusted	12,477,629	16,048,235
Appropriations Received (Note 9)	53,629,000	53,629,000
Appropriations Used	(53,476,785)	(56,605,143)
Other Adjustments	(349,919)	(594,463)
Net Change in Unexpended Appropriations	(197,704)	(3,570,606)
Total Unexpended Appropriations - Ending	$ 12,279,925	$ 12,477,629
Cumulative Results of Operations:		
Beginning Balance	$ 4,914,001	$ (1,557,542)
Adjustments		
Corrections of Errors	-	27,846
Beginning Balance, as Adjusted	4,914,001	(1,529,696)
Appropriations Used	53,476,785	56,605,143
Donations and Forfeitures of Cash and Cash Equivalents	1,036	2,005
Imputed Financing (Note 10)	3,679,564	2,965,880
Net Cost of Operations (Note 8)	(56,128,547)	(53,129,331)
Net Change in Cumulative Results of Operations	$ 1,028,838	$ 6,443,697
Cumulative Results of Operations - Ending	$ 5,942,839	$ 4,914,001
Net Position	$ 18,222,764	$ 17,391,630

The accompanying notes are an integral part of these statements.

Public Defender Service for the District of Columbia
Statements of Budgetary Resources
For the Years Ended September 30, 2024 and 2023
(in dollars)

	2024	2023
Budgetary resources:		
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 15)	$ 6,220,339	$ 9,018,939
Appropriations (discretionary and mandatory) (Note 9)	53,630,036	53,631,005
Total budgetary resources (Note 11)	$ 59,850,375	$ 62,649,944
Status of budgetary resources:		
New obligations and upward adjustments (total) (Note 11)	$ 52,810,386	$ 56,123,267
Unobligated balance, end of year		
Apportioned, unexpired accounts	3,981,459	3,037,245
Exempt from apportionment, unexpired accounts	118,613	120,553
Unexpired unobligated balance, end of year (Note 2, Note 11)	4,100,072	3,157,798
Expired unobligated balance, end of year (Note 2)	2,939,917	3,368,879
Unobligated balance, end of year (total)	7,039,989	6,526,677
Total budgetary resources (Note 11)	$ 59,850,375	$ 62,649,944
Outlays, Net and Disbursements, Net		
Outlays, net (total) (discretionary and mandatory)	$ 50,360,963	$ 57,945,767
Agency outlays, net (discretionary and mandatory)	$ 50,360,963	$ 57,945,767

The accompanying notes are an integral part of these statements.

Public Defender Service for the District of Columbia
Notes to Principal Statements
As of September 30, 2024 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Originally established in 1960 as the Legal Aid Agency for the District of Columbia, the agency subsequently was redesignated under DC Code § 2–1601 in 1970 as the Public Defender Service for the District of Columbia (PDS). PDS is a federally funded, independent organization governed by an 11-member Board of Trustees. The PDS mission is to provide quality legal representation to indigent adults and children facing a loss of liberty in the District of Columbia, and thereby protect society's interest in the fair administration of justice.

(b) Basis of Accounting and Presentation

(1) Basis of Accounting

PDS uses Oracle Federal Financials (hosted through a shared service provider) for financial accounting, funds control, management accounting and financial reporting. Financial transactions are recorded in the financial system using both an accrual and a budgetary basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to the receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements and mandated controls over the use of federal funds. It generally differs from the cash basis of accounting in that obligations are recognized when new orders are placed, contracts awarded, and services received that will require payments during the same or future periods.

(2) Basis of Presentation

These financial statements have been prepared to report PDS's financial position, net cost, changes in net position and budgetary resources. These financial statements have been prepared from the books and records of PDS in accordance with generally accepted accounting principles (GAAP) using guidance issued by the Federal Accounting Standards Advisory Board (FASAB), the Office of Management and Budget (OMB) and PDS's accounting policies as summarized in this note.

(c) Revenue and Financing Sources

PDS's is funded through federal appropriations. For accounting purposes, appropriations are recognized as financing sources (appropriations used) at the time expenditures are incurred or assets are purchased.

(d) Assets and Liabilities

Assets and liabilities presented on PDS's balance sheets are entity assets. Entity assets are assets that PDS has authority to use in its operations.

Intragovernmental assets and liabilities arise from transactions between PDS and federal entities. All other assets and liabilities result from activity with non-federal entities. Liabilities covered by budgetary or other resources are those PDS liabilities for which Congress has appropriated funds, or funding is otherwise available to pay amounts due. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding.

(e) Fund Balance with Treasury

The United States Department of the Treasury ("Treasury") processes cash receipts and disbursements for PDS. Fund Balance with Treasury (FBWT) includes appropriated funds.

(f) Accounts Receivable

Accounts receivable consist of amounts owed to PDS by current and former employees.

(g) Property, Plant and Equipment, Net

Property, plant and equipment consist of equipment, leasehold improvements, and software. All individual items with acquisition values equal to or greater than $25,000 and useful lives of two years or more are capitalized. Service life of such assets range from two to twenty-five years.

Internal use software development and acquisition costs of $25,000 or greater are capitalized as software development in progress until the development stage has been completed and the software has been successfully tested. Upon completion and testing, software development costs are capitalized and amortized using the straight-line method over the estimated useful life of five years. Purchased commercial software which does not meet the capitalization criteria is expensed.

Bulk purchases (IT) are defined as the procurement of 2 (two) or more assets, all of which are required to produce a "functional assembly"[2] but which individually have little intrinsic value outside of the functional assembly. The total price of the bulk purchase must be greater than $250,000. The final functional assembly must have a useful life of 2 (two) or more years.

Bulk purchases (Non-IT) are defined as the procurement of 2 (two) or more of the same asset and associated accessories which may function independently or as part of a "function assembly". The total price of the bulk purchase must be greater than $250,000. The purchased material and/or equipment must have a useful life of 2 (two) or more years.

PDS's property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis over the useful life of the asset. New assets, major alterations, renovations and improvements are capitalized at cost as additions to the asset accounts. Maintenance, repairs and minor replacements that do not extend the life of the asset are charged to operations in the year incurred. Property, plant and equipment that has been received but is not planned to be placed into immediate production in the year of purchase will be accounted for in the construction in progress account (SGL 172001). The Right-to-Use Lease Asset includes PDS's new 60-month lease contract for multi-function devices with Ricoh beginning March 2024. The Right-to-Use Lease Asset amount is $293,096. Amortization is calculated on the straight-line basis over the term of the lease and will be recorded in fourth quarter. Since the interest rate is not stated in the contract, PDS used the OMB published discount rate of 4.4% [3] to calculate the net present value of future payments. The lease expense was $27,254 as of September 30, 2024.

(h) Accrued Annual, Sick and Compensatory Time

[2] This criteria for the capitalization of bulk purchases specifically excludes desktop computers, desktop printers, desktop scanners, IT peripherals (keyboards, mice, speakers, etc.), laptop computers, smartphones, and tablets.

[3] OMB Circular No. A-94 APPENDIX C (Revised December 28, 2023)

Annual leave and compensatory time are accrued when earned, reduced when taken, and adjusted for changes in compensation rates. Sick leave is not accrued when earned, but rather expensed when taken.

(i) Life Insurance and Retirement Plans

Federal Employees Group Life Insurance (FEGLI) Program

PDS employees enrolled in the FEGLI Program pay two-thirds of the cost and PDS pays one-third. Additional coverage is optional, to be fully paid by the employee. The basic life coverage may be continued into retirement if certain requirements are met.

Retirement Programs

PDS employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, could elect to either join FERS and Social Security or remain in CSRS.

For employees under FERS, PDS contributes an amount equal to one percent of the employee's basic pay to the tax deferred Thrift Savings Plan (TSP) and matches employee contributions up to an additional four percent of pay. FERS employees can contribute for FY24 $23,000 of their gross earnings to the plan. CSRS employees can also contribute $23,000 of their gross earnings to the plan, but they receive no matching PDS contribution.

PDS recognizes the full cost of providing future pension and Other Retirement Benefits (ORB) for current employees as required by SFFAS No. 5, *Accounting for Liabilities of the Federal Government*. Full costs include pension and ORB contributions paid out of PDS appropriations and costs financed by the U.S. Office of Personnel Management (OPM). The amount financed by OPM is recognized as an imputed financing source. Reporting amounts such as plan assets, accumulated plan benefits, or unfunded liabilities, if any, is the responsibility of OPM.

OPM rather than PDS reports Liabilities for future pension payments and other future payments for retired employees who participate in the Federal Employees Health Benefits Program (FEHBP) and FEGLI.

(j) Contingent Liabilities

PDS records contingencies when losses are probable and the cost is measurable. When an estimate of contingent losses includes a range of possible costs, PDS reports the most likely cost. Where no cost is more likely than any other, PDS reports the lowest possible cost in the range.

(k) Unexpended Appropriations

Unexpended appropriations represent the amount of PDS's appropriated spending authority that is unliquidated and has not lapsed, been rescinded or withdrawn as of the fiscal year-end.

(l) Income Taxes

PDS is exempt from all income taxes imposed by any governing body, whether it is a federal, state, commonwealth, local, or foreign government.

(m) Use of Estimates

Management has made certain estimates and assumptions in reporting assets and liabilities and in the footnote disclosures. Actual results could differ from these estimates.

(n) Subsequent Events

Subsequent events and transactions occurring after September 30, 2024 through the date of the auditor's opinion have been evaluated for potential recognition or disclosure in the financial statements. The date of the auditors' opinion also represents the date that the financial statements were available to be issued.

(o) Principal Financial Statements

- Balance Sheets
- Statements of Net Cost
- Statements of Changes in Net Position
- Statements of Budgetary Resources

(p) Change in Accounting Standards for Leases

In April 2018, the Federal Accounting Standards Advisory Board (FASAB) issued Statement of Federal Financial Accounting Standards 54: Leases (SFFAS 54), which among other things, requires lessees to: (1) recognize operating leases as lease assets and lease liabilities on the balance sheet and (2) disclose key information about significant leasing arrangements. Starting in FY 2024, federal reporting entities are required to report a right-to-use lease asset and a lease liability for non-intragovernmental, non-short-term contracts or agreements, when the entity has the right to obtain and control access to economic benefits or services from an underlying property, plant, or equipment asset for a period of time in exchange for consideration under the terms of the contract or agreement. The Right-to-Use Lease Asset includes PDS's new 60-month lease contract for multi-function devices with Ricoh beginning March 2024. The Right-to-Use Lease Asset amount is $293,096. Amortization is calculated on the straight-line basis over the term of the lease and will be recorded in fourth quarter. Since the interest rate is not stated in the contract, PDS used the OMB published discount rate of 4.4% [3] to calculate the net present value of future payments. The lease expense was $27,254 as of September 30, 2024.

(p) Change in Presentation

The FY 2023 Other Than Intra-governmental Liabilities, Notes 5 and 6 have been reclassified to conform with the new Balance Sheet presentation requirements and for consistency with the FY 2024 statements. The FY 2023 statements and footnotes have been restated due to a material error that was identified during FY 2024. The details of the restatement are included in Note 16 (Restatements).

NOTE 2: FUND BALANCE WITH TREASURY

Treasury performs cash management activities for PDS. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of PDS to draw down funds from Treasury for expenses and liabilities. Fund Balance with Treasury as of September 30, 2024 and September 30, 2023, consists of the following:

Fund Balance with Treasury by Fund Type:

	FY 2024			FY 2023		
	Entity Assets	Non-Entity Assets	Total	Entity Assets	Non-Entity Assets	Total
General Funds	$ 16,599,880	-	$ 16,599,880	$ 13,680,726	-	$ 13,680,726

The fund balance includes unused appropriations held by Treasury. The status of the fund balance is classified as unobligated available, unobligated unavailable, or obligated and not yet disbursed. The unavailable amounts include those appropriated in prior fiscal years, which are not available to fund new obligations. The obligated balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received, but for which payment has not yet been made. Due to issues with reconciling invoices created by GSA with services provided there is a difference in the balance of approximately $484,000 which was adjusted to agree with Treasury. This was caused by incorrect billing during the time of our headquarters relocation, rent exemption & miscommunication between PDS and GSA

Status of fund balance with Treasury as of September 30, 2024 and September 30, 2023, consists of the following:

Fund Balance with Treasury by Availability:

	FY 2024	FY 2023
Unobligated Balance		
Available	$ 4,100,072	$ 3,157,798
Unavailable	2,939,917	3,368,879
Obligated balance not yet disbursed	9,559,891	7,154,049
Totals	$ 16,599,880	$ 13,680,726

NOTE 3: ACCOUNTS RECEIVABLE, NET

Entity accounts receivable with the public include current and former employee debt. Accounts receivable as of September 30, 2024 and September 30, 2023, consist of the following:

Entity:	FY 2024	FY 2023
With the Public		
Accounts Receivable	$ 20,329	$ 11,577
Total With the Public	20,329	11,577
Total Accounts Receivable	$ 20,329	$ 11,577

NOTE 4: PROPERTY, PLANT, AND EQUIPMENT, NET - RESTATED

The table below summarizes cost and accumulated depreciation of property, plant, and equipment.

As of September 30, 2024	Cost	Accumulated Depreciation	Net Asset Value
Right-to-Use Lease Asset	$ 293,096	$ (29,310)	$ 263,786

Furniture and Equipment	2,564,511	(1,025,845)	1,538,666
Software	3,204,675	(3,204,675)	-
Leasehold Improvements	7,297,508	(194,600)	7,102,908
Total property, plant, and equipment	$ 13,359,790	$ (4,454,430)	$ 8,905,360

As of September 30, 2023	Cost (Restated)	Accumulated Depreciation	Net Asset Value (Restated)
Construction-in-Progress	$ 7,086,777	$ -	$ 7,086,777
Furniture and Equipment	2,972,029	(2,316,200)	655,829
Software	3,204,675	(3,204,675)	-
Leasehold Improvements	340,462	(253,834)	86,628
Total property, plant, and equipment	$ 13,603,943	$ (5,774,709)	$ 7,829,234

The Right-to-Use Lease Asset includes PDS's new 60-month lease contract for multi-function devices with Ricoh beginning March 2024. The Right-to-Use Lease Asset amount is $293,096. Amortization is calculated on the straight-line basis over the term of the lease and will be recorded in fourth quarter. Since the interest rate is not stated in the contract, PDS used OMB published discount rate 4.4% [3] to calculate the net present value of future payments. The lease expense is $27,254 as of September 30, 2024.

NOTE 5: LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities not covered by budgetary resources represent amounts owed in excess of available congressionally appropriated funds or other amounts and include accrued annual leave and liability for the Federal Employees' Compensation Act (FECA). PDS obtained independent responsibility for FECA effective fiscal year 2006. Prior claims were paid through the federal judiciary.

FECA provides income and medical cost protection to covered civilian employees injured on the job, employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the U.S. Department of Labor (DOL), which pays valid claims and subsequently seeks reimbursement from PDS for these paid claims.

The FECA liability consists of two components. The first component is based on actual claims paid by DOL but not yet reimbursed by PDS. PDS reimburses DOL for the amount of the actual claims as funds are appropriated for this purpose. There is a two-year lag between payment by DOL and reimbursement by PDS. As a result, PDS recognizes a liability for the actual claims paid by DOL and to be reimbursed by PDS.

The second component is the estimated liability for future benefits payments as a result of past events. This liability includes death, disability, medical, and miscellaneous costs. PDS determines this component annually using a method that considers historical benefit payment patterns. PDS uses the methodology of reviewing the ages of the claimant on a case-by-case basis to evaluate the estimated FECA liability for future payments. The estimate used for life expectancy is 80 and 84 years for males and females, respectively.

The allocated PDS liability for FY 2024 and FY 2023 was $74,561 and $72,409, respectively. The expense recorded for future fiscal years will be the change in the liability from one fiscal year to the next. The estimated future compensation benefits liability is recorded for reporting purposes only. This liability constitutes an extended future estimate of cost which will not be obligated against budgetary resources until the fiscal year in which the cost is actually billed to PDS. The cost associated with this liability cannot be met by PDS without further appropriation action.

Liabilities not covered by budgetary resources as of September 30, 2024 and September 30, 2023, consist of the following:

	FY 2024	FY 2023
Intra-governmental Liabilities		
Unfunded FECA Liability	$ 74,561	$ 72,409
Total Intra-governmental Liabilities	74,561	72,409
Other Than Intra-governmental Liabilities		
Unfunded Leave	2,372,649	2,584,997
Actuarial FECA Liability	383,199	389,956
Unfunded Lessee Lease Liability	239,510	-
Total Liabilities Not Covered by Budgetary Resources	3,069,919	3,047,362
Total Liabilities Covered by Budgetary Resources	4,232,886	1,082,545
Total Liabilities	$ 7,302,805	$ 4,129,907

NOTE 6: LIABILITIES ANALYSIS

Liabilities as of September 30, 2024 and September 30, 2023, consist of the following:

	FY 2024	FY 2023
Covered by Budgetary Resources:		
Intra-governmental Liabilities		
Accounts Payable	$ 1,411,185	$ -
Other Liabilities		
Other Liabilities (without reciprocals)		
Employer Contributions and Payroll Taxes Payable	45,513	39,292
Other Current Liabilities - Benefit Contributions Payable		
Employer Contributions and Payroll Taxes Payable	155,637	130,566
Total Intra-governmental Liabilities	1,612,335	169,858
Other Than Intra-governmental Liabilities		
Accounts Payable	1,925,164	340,853
Federal Employee Salary, Leave, and Benefits Payable		
Accrued Funded Payroll and Leave	635,262	547,825
Employer Contributions and Payroll Taxes Payable	28,581	24,009
Other Liabilities		
Lessee Lease Liability	31,544	-
Total Liabilities Covered by Budgetary Resources	4,232,886	1,082,545
Total Liabilities Not Covered by Budgetary Resources	3,069,919	3,047,362
Total Liabilities	$ 7,302,805	$ 4,129,907

NOTE 7: LEASES

PDS is obligated under certain non-cancelable leases for office space with terms ranging from three to ten years. Some of these leases provide for increased rent payments based on increases in real estate taxes and operating costs. Intragovernmental annual lease expense under non-cancelable leases include only the lease information that PDS can support with the Occupancy Agreements (OA) or other cost estimates provided by GSA. Future annual lease expenses are presented in the table below.

Intragovernmental Annual Lease Expense for the fiscal year ended September 30, 2024:

Fiscal Year	Totals
2025	2,968,251
2026	2,988,873
2027	2,973,506
2028	2,699,478
2029	2,718,508
2030	2,737,973
2031	2,757,884
2032	2,778,251
2033	1,399,542
Total Intragovernmental Lease Expense	$ 24,022,266

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Rental expenses under intragovernmental leases for office space were $1,556,991 and $3,656,159 for fiscal years ended September 30, 2024 and September 30, 2023, respectively. PDS signed a ten-year lease with the General Services Administration for office space at 633 Indiana Avenue beginning October 2010. This lease was extended for 24 months beginning October 2020. Previously, PDS paid these building costs through a reimbursable agreement with the Court Services and Offender Supervision Agency. In 2010, PDS signed a ten-year lease with the General Services Administration for office space at 601 Pennsylvania Avenue beginning October 2014. PDS vacated 680 Rhode Island in FY 2017 and moved to 1442 Pennsylvania Avenue. A 10-year lease was signed with General Services Administration for office space at 1442 Pennsylvania Avenue beginning September 2017. PDS vacated both the 633 Indiana Avenue and 601 Pennsylvania Avenue locations and moved into the 633 3rd Street location as of February 2024.

PDS requested and was granted a rent exemption from GSA, which resulted in a rental expense reduction. The total rent exemption is estimated to be $1,849,968 and includes credits for office space at 633 Indiana Avenue from October, 2023 through January 2024. Since PDS physically occupied the office space during this period, PDS considers GSA's credit calculation to be erroneous. Therefore, PDS will reserve funding to pay the rent expense for this time until GSA can validate that this funding does not represent a PDS liability.

The Right-to-Use Lease Asset includes PDS's new 60-month lease contract for multi-function devices with Ricoh beginning March 2024. The Right-to-Use Lease Asset amount is $293,096. Amortization is calculated on the straight-line basis over the term of the lease and will be recorded in fourth quarter. Since the interest rate is not stated in the contract, PDS used OMB published discount rate 4.4% [3] to calculate the net present value of future payments. The lease expense was $27,254 as of September 30, 2024.

Right-to-Use Lease Asset future lease payments for the fiscal year ended September 30, 2024:

Fiscal Year	Principal	Interest	Total
2025	59,233	11,628	70,861
2026	57,236	8,175	65,411
2027	59,805	5,605	65,410
2028	62,490	2,920	65,410
2029	32,290	416	32,706
Total future lease payments	$ 271,054	$ 28,744	$ 299,798

NOTE 8: INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE - RESTATED

PDS purchased goods and services from federal entities, which are classified below as intragovernmental costs. The public earned revenue results from fees for reimbursement of costs of Criminal Practice Institute training manuals.

	FY 2024	FY 2023 (Restated)
Intragovernmental Costs	$ 16,436,293	$ 16,753,804
Public Costs	39,692,254	36,375,527
Total Costs	56,128,547	53,129,331
Public Earned Revenue	-	-
Total Public Earned Revenue	-	-
Net Cost of Operations	$ 56,128,547	$ 53,129,331

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NOTE 9: APPROPRIATIONS RECEIVED
PDS received appropriations as follows:

	FY 2024	FY 2023
Appropriations	$ 53,629,000	$ 53,629,000
Rescission – Prior Year	-	-
Net Appropriations	$ 53,629,000	$ 53,629,000

NOTE 10: IMPUTED FINANCING
The Office of Personnel Management (OPM) pays pension and other future benefits on behalf of PDS employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of PDS employees. Beginning in FY 2010, significant changes to the actuarial assumptions occurred with the implementation of SFAS 33, Statement of Federal Financial Accounting Standards 33, Pensions, Other Retirement Benefits, and Other Postemployment Benefits. The costs of these benefits are reflected as imputed financing in the financial statements as follows:

	FY 2024	FY 2023
Pension Expenses	$ 1,645,997	$ 976,566
Federal Employees Health Benefits (FEHB)	2,027,787	1,988,051
Federal Employees Group Life Insurance (FEGLI)	5,780	1,263
Total	$ 3,679,564	$ 2,965,880

NOTE 11: STATEMENT OF BUDGETARY RESOURCES
The Statement of Budgetary Resources provides information about budgetary resources and their status at the end of the period. It is the only financial statement exclusively derived from PDS's budgetary general ledger in accordance with budgetary accounting rules that are incorporated into GAAP for the federal government. The total Budgetary Resources as of September 30, 2024 and September 30, 2023, of $59,850,375 and $62,649,944 respectively, includes new budget authority, unobligated balances at the beginning of the year, spending authority from offsetting collections, recoveries of prior year obligations and permanently not available rescissions and cancellations of expired authority. PDS's unobligated balances available at September 30, 2024 and September 30, 2023 were $4,100,072 and $3,157,798, respectively.

Apportionment Categories of New Obligations and Upward Adjustments. PDS's New Obligations and Upward Adjustments as of September 30, 2024 and September 30, 2023 by apportionment Category A are shown in the following table. Category A apportionments distribute budgetary resources by fiscal quarters.

New Obligations and Upward Adjustments	FY 2024	FY 2023
Direct	$ 52,810,386	$ 56,123,267

NOTE 12: EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT
Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, calls for explanations of material differences between amounts reported in the Statement of Budgetary Resources (SBR) and the actual balances published in the Budget of the United States Government (President's Budget). However, the President's Budget that will include FY24 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2025 and can be found at the OMB website: http://www.whitehouse.gov/omb. The 2025 Budget of the United States Government, with the actual column completed for 2023, has been reconciled to the Statement of Budgetary Resources. A $4 million difference existed with Budgetary Resources because the President's budget did not include a $4 million unobligated balance from prior year budget authority.

NOTE 13: UNDELIVERED ORDERS
The amount of budgetary resources obligated for undelivered orders at September 30, 2024 and September 30, 2023 were $5,386,242 and $6,071,504, respectively.

	FY 2024	FY 2023
Federal	$ 457,566	$ 2,053,902
Non-Federal	4,900,983	4,017,602
Total undelivered orders	$ 5,358,549	$ 6,071,504

NOTE 14: RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET - RESTATED

The reconciliation, referred to as the Budget and Accrual Reconciliation (BAR), requires a reconciliation of the new outlays on a budgetary basis and the net cost of operations during the period.

Public Defender Service
As of September 30, 2024
(In dollars)

Budget and Accrual Reconciliation
For the period ended September 30, 2024

	Intragovernmental	With the public	FY 2024
Net Operating Cost (SNC)	16,436,293	39,692,254	56,128,547
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation and amortization	-	(649,730)	(649,730)
Property, plant, and equipment disposal & revaluation	-	(82,089)	(82,089)
Increase/(decrease) in assets:			
Accounts receivable	-	8,752	8,752
(Increase)/decrease in liabilities:			
Accounts payable	(1,411,185)	(1,584,311)	(2,995,496)
Salaries and benefits	(31,293)	(92,008)	(123,301)
Other liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	(2,152)	219,105	216,953
SFFAS 54 NPV Payments	-	22,042	22,042
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(3,679,564)	-	(3,679,564)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of capital assets	860,207	654,642	1,514,849
NET OUTLAYS (Calculated Total)	12,172,306	38,188,657	50,360,963

For the period ended September 30, 2023

	Intragovernmental	With the public (Restated)	FY 2023 (Restated)
Net Operating Cost (SNC)	16,753,804	36,375,527	53,129,331
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(265,906)	(265,906)
Property, plant, and equipment disposal & revaluation	-	(6,271)	(6,271)
Increase/(decrease) in assets:			
Accounts receivable	-	10,727	10,727
(Increase)/decrease in liabilities:			
Accounts payable	-	1,305,460	1,305,460
Salaries and benefits	(9,792)	(31,186)	(40,978)
Other liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	(16,053)	(172,535)	(188,588)
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(2,965,880)	-	(2,965,880)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of capital assets	5,296,172	1,699,546	6,995,718
Other Temporary Timing Differences	(27,846)	-	(27,846)
NET OUTLAYS (Calculated Total)	19,030,405	38,915,362	57,945,767

NOTE 15: RECONCILIATION OF PRIOR YEAR ENDING UNOBLIGATED BALANCE AND CURRENT YEAR BEGINNING UNOBLIGATED BALANCE

There is a material difference of $306,338 between the prior year ending Unobligated Balance of $6,526,677 and the current year beginning Unobligated Balance of $6,220,339 on the Statement of Budgetary Resources. The difference of ($306,338) is comprised of $43,581 in Recoveries and ($349,919) in canceled authority.

NOTE 16: RESTATEMENTS

In the prior year, certain contracts obligated funds using budget object class (BOC) codes applicable to expensed items. Consequently, the subsequent invoices were not appropriately classified as Construction in Progress during FY 2023 in accordance with GAAP. These items we reclassified as Leasehold Improvements in FY 2024 when the assets were placed in to service.

As a result of this reclassification, the prior year financial statements are restated. This restatement ensures the financial statements accurately reflect PDS's financial position in conformity with GAAP.

A Special Thank You To:

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