

1962/58

THE LAND AGENTS AUDIT REGULATIONS 1962

COBHAM, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 9th day of May 1962

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Land Agents Act 1953, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Land Agents Audit Regulations 1962.

(2) These regulations shall come into force on the 1st day of August 1962.

2. Interpretation—In these regulations, unless the context otherwise requires,—

“Approved accountant” means an accountant for the time being approved for the audit of trust accounts pursuant to regulation 3 hereof:

“Auditor” means an approved accountant for the time being engaged by any land agent to audit his trust accounts:

“Council” means the Council of the Real Estate Institute of New Zealand (Incorporated); and for the purposes of these regulations includes a representative of the New Zealand Licensed Land Agents Association (Incorporated) nominated by the Committee of that Association:

“Institute” means the Real Estate Institute of New Zealand (Incorporated):

“Land agent” means the holder of a licence under the Land Agents Act 1953:

“Trust account” means a general or particular account kept pursuant to section 20 of the Land Agents Act 1953:

“Trust account money” means all money that is when received by a land agent subject to the provisions of section 20 of the Land Agents Act 1953:

“Year” means a year ending with the 31st day of March.

3. Qualifications of auditor—(1) Subject to the succeeding provisions of this regulation, every member of the New Zealand Society of Accountants classified as a public accountant and approved by the Council as the auditor of the trust accounts of any particular land agent shall be competent to make audits of the trust accounts of that land agent.

(2) Subject to the succeeding provisions of this regulation, any registered accountant nominated by a land agent and approved by the Council for that purpose, the Council being satisfied that no approved public accountant is reasonably available, shall be competent to make audits of trust accounts of that particular land agent.

(3) Any approval of an accountant under subclause (1) of this regulation may at any time be withdrawn by the Council by notice in writing given to that accountant and to every land agent of whose trust accounts that accountant is the auditor, but failure to give notice as required by this subclause to any land agent shall not affect the validity of any withdrawal of approval.

(4) If an accountant nominated by a land agent as his auditor is so closely related by blood or marriage to the land agent as in the opinion of the Council to render his engagement or the continuation of his engagement as auditor of that land agent undesirable, the Council may notify the land agent in writing to that effect, and thereupon that accountant shall no longer be deemed qualified to audit any trust account of that land agent.

(5) No auditor shall be deemed qualified to audit any trust account of a land agent if he is or at any time within one year of his engagement by the land agent has been a clerk, servant, or partner of or in business with that land agent, or if he is a clerk or servant of any other land agent, or if he is himself in business as a land agent, or if he or a member of his firm or staff is or at any time within that period has been engaged or concerned in keeping the books of that land agent otherwise than in the completion of the closing entries at the end of a financial year or other period, or the preparation of the profit and loss account, balance sheet, or returns for taxation.

4. Notifications—(1) Every notice required by this regulation or by regulation 5 hereof shall be a notice in writing signed by the land agent and given to the Secretary of the Institute within 14 days after the occurrence of the matter in respect of which notice is required to be given:

Provided that notice given and signed by a partnership firm or signed on behalf of the firm by any member thereof or signed on behalf of a company by an officer thereof shall be deemed sufficient notice by all the members of that firm or by the company.

(2) Every land agent who at any place, whether by himself or in partnership, and every company that is a land agent, and whether or not he or it has previously been or remains in business in any other place,—

(a) Commences business; or

(b) Recommences business; or

(c) Opens a branch of his or its business as a land agent,—
shall give notice thereof as provided in subclause (1) of this regulation.

(3) Every land agent who is in business as such at the date of the commencement of these regulations shall give the notice required by subclause (2) of this regulation as if he had commenced business on that date.

(4) Every land agent who amalgamates his business or a branch of his business with the business or a branch of the business of any other land agent shall give notice thereof as provided in subclause (1) of this regulation.

(5) Every land agent in partnership shall on the dissolution of the partnership or on the death or retirement of any partner or on the assumption of a new partner give notice thereof as provided in subclause (1) of this regulation.

(6) Every company carrying on the business of a land agent shall, on the commencement of the winding up of the company or on the death or retirement of a director or principal officer of the company, or on the appointment of such a director or principal officer, give notice thereof as provided in subclause (1) of this regulation.

(7) Every land agent who ceases to carry on business as a land agent or a branch of the business (whether or not the land agent continues to carry on any other branch thereof) shall give notice thereof as provided in subclause (1) of this regulation.

5. Appointment and notification of auditors—(1) Whenever a land agent gives the notice prescribed by subclause (2) or subclause (3) of regulation 4 hereof, he shall give further notice in the manner prescribed by subclause (1) of that regulation and in the same document of the name and address of an accountant who has consented to be the auditor of his trust accounts, or, as the case may require, of the trust accounts specified in the further notice or of his trust accounts kept or to be kept at a branch of his business specified in that notice.

(2) Every land agent who amalgamates his business or a branch of his business with the business or a branch of the business of any other land agent shall give the further notice prescribed by subclause (1) of this regulation.

(3) Every land agent in partnership and every person who is a director or principal officer of a company carrying on business as a land agent who on the dissolution of the partnership or the winding up of the company continues in business shall give the further notice prescribed by subclause (1) of this regulation.

(4) Any auditor who for any reason ceases to be engaged or qualified to audit any trust account of a land agent shall give notice of that fact to the Secretary of the Institute as provided in subclause (1) of regulation 4 hereof.

(5) When an auditor dies or retires from business, or if notice is received by a land agent that the auditor is no longer approved or qualified under these regulations to audit the trust accounts of that land agent, or if the engagement of the auditor has in any way been lawfully terminated, the land agent shall within 14 days thereafter give in respect of some other approved accountant the further notice prescribed by subclause (1) of this regulation.

(6) Notwithstanding anything in the foregoing provisions of this regulation no land agent shall cease to employ or terminate the engagement of an auditor notified under this regulation with a view to engaging or employing another auditor, save with the consent of the Council.

(7) Upon receipt of any notification of the nomination of an auditor, the Secretary of the Institute shall, if he is not in possession of written evidence of the auditor's acceptance of the nomination, apply in writing to the auditor for confirmation of his willingness to accept engagement, and shall in every case, apply to the Council to approve the appointment.

(8) Upon applying to a Magistrate's Court under the Land Agents Act 1953 for the grant of a land agent's licence the applicant shall file in the Court with the documents prescribed by the Act an affidavit that he has appointed an auditor, subject to the application being granted, and that the Council has approved the appointment.

(9) Upon any application for the renewal of a land agent's licence the applicant shall file in the Magistrate's Court with his application an affidavit that, subject to the renewal being granted, the previous auditor is continuing to act or that he has appointed another auditor, whose name and address he shall supply, and that the Council has approved the appointment.

6. Requirement of audit—(1) It shall be the duty of every auditor engaged to audit any trust account of a land agent to conduct that audit in the manner prescribed by this regulation.

(2) Except as provided in subclause (3) of this regulation, an auditor of any trust account shall examine the account on at least three occasions in every year, as follows:

(a) The first such examination shall be made between the 1st day of July and the 31st day of August (both days included) and shall at least cover the period from the 1st day of April to the 31st day of May (both days included):

(b) The second such examination shall be made between the 1st day of December and the last day of February (both days included) and shall at least cover the period from the 1st day of June to the 31st day of October (both days included):

(c) The third such examination shall complete the audit for the year, and shall be made between the 1st day of April and the 30th day of June (both days included).

(3) The auditor of any trust account of a land agent who is not in business on the 1st day of April in any year shall in respect of that year examine the account during the periods prescribed by subclause (2) of this regulation subsequent to his appointment.

(4) Upon every examination made under subclause (2) or subclause (3) of this regulation, the auditor shall satisfy himself that all trust account money has been duly and promptly carried into the land agent's trust accounts and that all money received into those trust accounts is properly accounted for, and shall require the production of such documents as he considers necessary for the purpose of his examination.

(5) The auditor shall after any examination promptly report to the Secretary for Justice and the Secretary of the Institute any matter or thing in relation to the trust accounts which should, in his opinion, be communicated to them.

(6) Forthwith after conducting the examination that completes the audit for the year, the auditor shall send with a covering letter signed by himself a report in accordance with subclause (7) of this regulation to the Secretary for Justice and to the Secretary of the Institute verified by the statutory declaration of the auditor in the

form set out in the Schedule hereto, and shall at the same time deliver a signed copy of his report to the land agent to whose accounts it relates.

(7) Every report furnished pursuant to subclause (6) of this regulation shall include a statement as to the following matters:

- (a) Whether the trust account of the land agent has, in the opinion of the auditor, been kept regularly and properly written up:
- (b) Whether the land agent has forwarded each month to the auditor a certified list of the balances of his trust account for the previous month, as provided by these regulations:
- (c) Whether the trust account of the land agent has been ready for examination at the appointed periods:
- (d) Whether the land agent has complied with the auditor's requirements:
- (e) Whether the land agent's trust account is, in the opinion of the auditor, in order or otherwise:
- (f) Whether the land agent has produced all unused receipt forms:
- (g) Any matter or thing in relation to the trust account which should, in the opinion of the auditor, be communicated to the Secretary for Justice and the Secretary of the Institute.

(8) The report of an auditor in respect of any year shall be available in the hands of the Secretary for Justice and the Secretary of the Institute for inspection by the auditor appointed to audit the trust accounts of the same land agent for the next succeeding year.

(9) Upon making any examination of a trust account under subclause (2) or subclause (3) of this regulation the auditor shall certify under his hand and return to the land agent the statement delivered to him by the land agent pursuant to subclause (5) of regulation 7 hereof.

(10) Within one month after any land agent ceases to carry on business or a branch of his business, or within one month of the dissolution of any partnership or the commencement of the winding up of any company carrying on business as a land agent, it shall be the duty of that land agent or, as the case may be, the executors or administrators of a deceased land agent or of each member of the dissolved firm or of each director or principal officer of the company being wound up to cause the trust accounts kept in connection with the business (or, as the case may be, the said branch of the business) to be finally audited and reported upon pursuant to this regulation as if the date of ceasing to carry on the business or branch of the business or the date of dissolution or winding up were the 31st day of March.

7. Special duties of land agents—(1) Except as provided by subclause (2) of this regulation, no land agent shall withdraw money from any trust account except by means of a cheque payable to the order of a person to whom payment of the amount specified in the cheque is due and crossed "Not Negotiable".

(2) Any land agent may cancel or omit the crossing "Not Negotiable" upon a cheque drawn upon a trust account of the land agent on receipt of a request in writing from the payee of that cheque to do so, but shall retain that request for perusal by the auditor.

(3) It shall be the duty of every land agent to keep his trust account books in such a manner as to disclose to the auditor the position of the funds therein and to enable those books to be conveniently and properly audited.

(4) For the purpose of every audit and report, every land agent shall, as and when required by the auditor, produce to him all books, documents, and other sources of information required by the auditor to verify payments made during the year from the trust accounts the subject of the audit or in any way relating to those trust accounts, and shall give to the auditor such information as he may reasonably require.

(5) Every land agent shall, on notification to him by the auditor of the last day of any period to which any examination proposed or entered upon by the auditor relates, prepare, certify, and sign a statement setting forth in detail the following particulars, namely:

(a) All money held on that day by the land agent in his own name for or in trust for any other person:

(b) The names of the banking accounts in which that money has been lodged, with the balances on that day of those banking accounts, and, in cases where the bank balances are not in agreement with the cashbook balances of the land agent, a statement reconciling those balances.

(6) Every land agent shall on demand produce to the auditor making any examination of his trust accounts—

(a) The signed copy of the report of the last preceding audit relating to those trust accounts:

(b) The statement prepared pursuant to subclause (5) of this regulation and relating to the last day of the period of that examination:

(c) The last preceding statement prepared pursuant to subclause (5) of this regulation.

(7) In the case of the first audit of any land agent's trust account, and in every other case in which no such certified statement as aforesaid is available for purposes of audit, the land agent shall in lieu thereof make out and deliver to the auditor before the making of his report a statement containing the like particulars as to money held on the first day of the period to which the audit relates. That statement shall be verified by the statutory declaration of the land agent or, in the case of a firm or company, by the statutory declaration of the partners or directors or officers, as the case may be, having knowledge of the respective matters.

(8) Every land agent, or, in the case of a firm or company, the members of the firm or the directors of the company, as the case may be, shall supply to the auditor at the time of the final examinations for each year a list (certified by the land agent, or, in the case of a firm or company, by one of the members or directors or officers of the firm or company, as the case may be, having knowledge of the facts) of the trust banking accounts operated on solely by the land agent or by his firm or any member of his firm or by his company or any director or officer of his company, together with any passbooks or bank statements relating to those accounts, and shall also supply to the auditor within seven days after the opening of the account particulars certified as aforesaid of any new trust banking account opened by the land agent or his firm or company at any time during the year. In this subclause the term "banking account" includes any account in the Post Office Savings Bank or any trustee savings bank established under the Trustee Savings Banks Act 1948.

(9) In each month, not later than the 20th day of that month, every land agent shall forward to the auditor, and to the Secretary of the Institute, a list certified by the land agent, or in the case of a firm, by one of the members of the firm, or in the case of a company, by one of the directors or officers of the company, of the balances appearing in the trust accounts of every client or principal and of the amount of money (if any) of himself or his firm or his company in each trust banking account as at the end of the last preceding month, and shall also supply a copy of the reconciliation statement referred to in subclause (10) of this regulation.

(10) Every land agent shall at the end of every month cause the balance of his trust banking accounts to be agreed with the balance of his cashbook relating thereto and with the total of the lists referred to in subclause (9) of this regulation, and shall keep in the cashbook or other appropriate book reconciliation statements showing such agreement.

8. Special receipt forms—(1) No land agent shall give a receipt for trust account money except on a form supplied to the land agent by the Secretary of the Institute or some form authorised by the Council in that behalf.

(2) Receipt forms shall be supplied in bound books arranged so that a carbon duplicate of each receipt issued may be retained in the book.

(3) Such charges may be made by the Institute in respect of receipt forms supplied to land agents as the Council of the Institute decides, being not more than twice the amount of the cost thereof to the Institute.

(4) Receipt forms shall, before being supplied as aforesaid, be consecutively numbered or lettered or both numbered and lettered, so that each form and each book of forms may be identified and so that the form of receipt and duplicate shall have the same identification mark and shall bear the name and business address of the land agent.

(5) The Council or the person authorised by it to supply forms of receipt shall keep a record of the identification marks of all forms supplied to any land agent or firm of land agents or company carrying on business as a land agent, and shall promptly notify to each auditor the particulars of every book of forms supplied to a land agent or firm or company, whose trust account or the trust account of which he has been engaged to audit.

(6) For the purposes of this regulation the Council shall keep a properly indexed record of the name and address of every approved accountant engaged to audit a trust account of any land agent and the name and address of every land agent or firm of land agents or company carrying on business as a land agent by whom or by which the accountant has been so engaged.

(7) Subject to subclause (8) of this regulation, every land agent shall for each sum received for or on behalf of any person forthwith give to the person paying that sum a receipt on one of the forms supplied to him as aforesaid specifying briefly the subject-matter or purpose in respect of which the sum is received and the person to whose account the sum is to be credited, and shall make a legible carbon duplicate of the receipt and retain the duplicate in the book of forms into which it is bound.

(8) Where a land agent receives—

- (a) Any money from any Government Department where payment is made by cheque or instrument of payment and the cheque or instrument is paid into a trust banking account of the land agent; or
- (b) Any money drawn from any savings bank (including the Post Office Savings Bank and any trustee savings bank established under the Trustee Savings Banks Act 1948),—

the land agent, instead of complying with the provisions of subclause (7) of this regulation, shall immediately cause to be made out on one of the forms supplied to him as aforesaid a receipt showing sufficiently the source and subject-matter or purpose and person as specified in that subclause, and shall retain the form with the carbon duplicate in the book of forms.

(9) Whenever at any examination of a trust account the auditor so requires, the land agent shall produce to the auditor all books of receipts used and unused supplied to the land agent under this regulation, including the retained duplicates of receipts issued by the land agent and including receipts and duplicates prepared pursuant to subclause (8) of this regulation.

(10) Upon completion of the audit of the trust accounts of any land agent who ceases to carry on business, the land agent shall forthwith deliver to the Secretary of the Institute any unused trust account receipt forms in his possession to be disposed of as the Council shall think fit.

(11) Upon the death of any land agent in business by himself and not in partnership, his auditor shall as soon as possible take charge of the unused trust account receipt forms, and upon completion of the audit of the trust accounts of the deceased land agent the auditor shall deal with those forms as the Council directs.

9. Defaults and irregularities—(1) If within 14 days after the last day on which any audit should be completed pursuant to subclause (2), subclause (3), or subclause (10) of regulation 6 hereof the Secretary of the Institute has not received the report prescribed by subclause (6) of that regulation, he shall forthwith report the fact to the Council, which shall decide what further action should be taken.

(2) If an auditor considers that any trust account of a land agent is not kept in such a manner as to enable it to be properly audited, or discovers any matter that appears to him to involve dishonesty or any breach of law on the part of the land agent whose accounts he is auditing, or discovers any loss or deficiency of trust account money or failure to comply with the provisions of these regulations, he shall fully set out the matter in a report to be delivered forthwith to the Secretary for Justice and shall at the same time send a copy of the report to the Secretary of the Institute.

(3) Upon receipt of any report setting out such irregularities as are described in subclause (2) of this regulation, the Secretary for Justice shall consult the Council and investigate the matter either himself or by the Council, and may apply to a Magistrate's Court for the suspension of the licence of the land agent whose trust accounts are or were the subject of the audit, and the Court may in its discretion make an order suspending the licence for such period as it thinks fit.

(4) For the purposes of any investigation under subclause (3) of this regulation, where the land agent is a member of the Institute or of the New Zealand Licensed Land Agents Association (Incorporated), the Council shall have power to call before it and examine the auditor who made the report and the land agent or any member of the firm or director or officer of the company carrying on business as a land agent whose accounts are being investigated, or any member of the staff of that land agent or firm or company, either together or separately, and to examine all books, papers, accounts, and documents held by the land agent concerned relating to the matters reported on, and it shall be the duty of such land agent or person, if required, to produce to the Council all such books, papers, accounts, and documents and to give such information as may be reasonably required.

10. Minister may direct immediate audit—The Minister of Justice may at any time direct an immediate audit of the trust accounts of any land agent, and, where the Minister has so directed, the Secretary for Justice may, if he thinks fit, apply to a Magistrate's Court for the suspension of the licence of the land agent concerned without waiting for the result of the audit.

11. Disclosure of information—(1) Save in any report to the Secretary for Justice or to the Secretary of the Institute or on being examined in any investigation conducted by the Secretary for Justice or by the Council or in or for the purpose of any proceedings which may arise out of any such report or otherwise in relation to the trust accounts of the land agent concerned or with the previous consent of the Secretary for Justice, no auditor shall disclose to any person any information which he has obtained in the course of his audit.

(2) Every auditor commits an offence who fails to comply with subclause (1) of this regulation, and in addition shall be liable in damages to any client of the land agent damaged by the disclosure of information to the same extent as the land agent would be if the land agent had disclosed the information.

(3) The Council may furnish to any person any information contained in reports of auditors in the hands of the Council in so far as it relates to money in which that person is interested, and may furnish to the New Zealand Society of Accountants any information which that Society may require for the purpose of disciplining its members.

(4) It shall be the duty of every bank referred to in subsection (1A) of section 20 of the Land Agents Act 1953 (as enacted by section 3 (1) of the Land Agents Amendment Act 1955) and of the manager for the time being of every branch of every such bank, on the request of any auditor engaged in the audit of a land agent's trust account under these regulations, and without reference to the land agent, to supply to that auditor a list of the accounts operated on by the land agent and all such information as to the bank account or accounts of the land agent or of any account on which the land agent operates as may reasonably be required for the purposes of that audit.

(5) Every auditor shall at all times during the existence of his engagement to audit a trust account of any land agent be the agent of that land agent to obtain from the bank at which the banking account of the money belonging to that trust account is kept all cheques drawn upon that banking account and to give to the bank sufficient receipts and acknowledgments for cheques so obtained, and

a certificate under the hand of the Secretary of the Institute shall be sufficient evidence to a bank and the manager thereof of the existence and continuance of any such engagement as aforesaid.

12. Auditor's fees—(1) The fees payable by a land agent to an auditor in respect of his audit and report shall be such as are agreed upon between the land agent and the auditor.

(2) Subject to any written agreement to the contrary between a land agent and any person for or in trust for whom any money is received or held by the land agent, the cost of auditing his trust account shall be borne by the land agent.

13. Minister's power to exempt certain companies—(1) Where the Minister of Justice is satisfied that the provision made for the audit of the trust accounts of a land agent (being a company within the meaning of the Companies Act 1955 but not being a private company) kept under section 20 of the Act is such as to give a degree of protection to the public at least equal to that given by the audit of trust accounts in accordance with these regulations, he may, by notice published in the *Gazette*, direct that the provisions of these regulations (other than regulation 10, which relates to the power of the Minister to direct an audit at any time) shall not apply in respect of that company.

(2) Every such direction may be given subject to such conditions as to periodic reports by the auditor of the company to the Secretary for Justice as the Minister may impose, and may at any time be revoked by the Minister by notice published in the *Gazette*.

(3) Where the Minister has given a direction under subclause (1) of this regulation in respect of any company, he may from time to time require the company to satisfy him that the provisions for the audit of its trust accounts are sufficient to justify the direction continuing in force.

14. Offences—(1) Every land agent, auditor, banker, or other person who fails to comply in any respect with these regulations commits an offence.

(2) If two or more land agents carrying on business in partnership or two or more directors or officers of a company carrying on business as a land agent fail in any respect to comply with these regulations, each of them commits an offence and shall be severally liable therefor.

(3) Every person who commits an offence against these regulations is liable accordingly to the penalty provided in section 28 of the Land Agents Act 1953.

SCHEDULE

Reg. 6 (6)

AUDITOR'S REPORT

I,, of, accountant, solemnly and sincerely declare that—

1. I am registered as a member of the New Zealand Society of Accountants incorporated under the New Zealand Society of Accountants Act 1958.

2. In accordance with section 31 of the Land Agents Act 1953 and the regulations made under that Act, I have, with the assistance of my employees, audited the trust account of, land agent (or land agents) carrying on business at, for the year ended with the day of 19, and in the course of that

SCHEDULE—*continued*

audit I did complete interim examinations of the said account on the following dates:; and did complete the final audit of the said account on the day of 19.....

3. The paper writing hereto annexed marked "A" which is dated the day of 19....., and signed by me, is a true and correct report of that audit.

4. I was not at any time during which I was conducting the audit referred to in the said annexed report nor at any time within one year of my engagement by the said land agent(s) to conduct the said audit a clerk, servant, or partner of the said land agent(s), and I was not at any time during which I was conducting the said audit a clerk or servant of any other land agent or myself in business as a land agent and neither I nor any member of my firm or staff was at any time during which I was conducting the said audit engaged or concerned in keeping the books of the said land agent(s) otherwise than in the completion of the closing entries at the end of a financial year or the preparation of the profit and loss account, balance sheet, or returns for taxation.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Oaths and Declarations Act 1957.

Declared at this day of 19....., before me:

.....
Justice of the Peace.
(or Solicitor of the Supreme Court)
(or other person authorised to take statutory declarations)

T. J. SHERRARD,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations make provision for the audit of the trust accounts of land agents, as required by section 20A of the Land Agents Act 1953.

The main provisions are—

- (a) The accounts are to be audited by an approved auditor, who is to examine them at least three times a year.
- (b) The land agent must make a monthly return to the auditor of the balances in every trust account, together with a reconciliation statement.
- (c) An annual report must be made by the auditor to the Secretary for Justice and to the Secretary of the Real Estate Institute of New Zealand (Incorporated).
- (d) Special receipt forms issued by the Institute must be used for trust money received by land agents.
- (e) Where irregularities are discovered or suspected, an inquiry may be held and application may be made to a Magistrate's Court for suspension of the land agent's licence.
- (f) The Minister of Justice may exempt any public company from the provisions of the regulations if he is satisfied that the provisions made for the audit of the company's trust accounts are such as to give to the public protection at least equal to that given by an audit made in accordance with the regulations.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 10 May 1962.

These regulations are administered in the Department of Justice.