



UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

SEP 27 2011

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

This letter reports violations of the Antideficiency Act (ADA), Navy case number 10-02 (enclosed), as required by title 31, U.S.C., section 1351. The violations occurred within the Operation and Maintenance, Marine Corps (O&M,MC) account 17 8 1106, during Fiscal Year (FY) 2008 at the Marine Corps Base, Camp Pendleton, and the Marine Corps Air Station, Miramar. The violations totaled \$8,640,903.00.

The violations occurred when the Commander, Marine Forces Reserve, inappropriately financed four military construction projects with the O&M,MC appropriation. These military construction projects were incorrectly classified as separate minor construction projects and should have been aggregated for purposes of statutory construction limitations and funded using the Military Construction, Navy Reserve (MC,NR) appropriation. The obligation of O&M,MC funds to finance the military construction projects was not consistent with the authorized purpose of the appropriation and resulted in four violations of the purpose statute, title 31 U.S.C., section 1301 (a), four violations of the Unspecified Minor Construction threshold provision of title 10, U.S.C., section 18233a, and four violations of title 31 U.S.C., section 1341(a)(1)(A), making or authorizing an expenditure or obligation exceeding an amount available in an appropriation.

Mr. Eric Wolf, Civil Engineer, GS-13; and Mr. Douglas Thompson, Facility Sustainment, Restoration, and Modernization Program Analyst, YA-02, were responsible for the violations, and disciplinary action is being administered against both responsible parties. Mr. Wolf was informed that a one pay grade demotion is proposed, and Mr. Thompson was informed that a suspension for 30 days without pay is proposed. Upon completion of such actions, we will inform you of the final disposition of both cases. There was no willful or knowing intent on the part of the responsible parties to violate the ADA.

To prevent a recurrence of this type of violation, the Marine Corps issued a Standard Operating Procedure and Standard Instruction to formalize the process for the acceptance of funding documents by NAVFAC Comptrollers for projects exceeding \$500K, and defined the project development and review requirements necessary to ensure compliance with the ADA. Additional fiscal law and ADA training have also been scheduled.



Identical reports will be submitted to the President of the Senate, Speaker of the House of Representatives, Comptroller General of the United States, and Director of the Office of Management and Budget.

Respectfully yours,

A handwritten signature in cursive script that reads "Robert F. Hale".

Robert F. Hale

Enclosure:
As stated



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COMPTROLLER

SEP 27 2011

The Honorable Joseph R. Biden, Jr.
President of the Senate
United States Senate
Washington, DC 20510

Dear Mr. President:

This letter reports violations of the Antideficiency Act (ADA), Navy case number 10-02 (enclosed), as required by title 31, U.S.C., section 1351. The violations occurred within the Operation and Maintenance, Marine Corps (O&M,MC) account 17 8 1106, during Fiscal Year (FY) 2008 at the Marine Corps Base, Camp Pendleton, and the Marine Corps Air Station, Miramar. The violations totaled \$8,640,903.00.

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Sincerely,

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SEP 27 2011

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington, DC 20515

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