



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

FEB 18 2005

COMPTROLLER

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

Dear Mr. President:

This letter is to report a violation of the Antideficiency Act, as required by Title 31, United States Code, section 1517(b).

The report of the Antideficiency Act violation, Department of the Army, case number 03-10, totaled \$900,000. The violation occurred in fiscal year 2001, Operation and Maintenance, Army and Other Procurement, Army Appropriations. The violation occurred when personnel at the United States Forces Korea entered into a capital lease using Operation and Maintenance, Army funds instead of Other Procurement, Army funds. The lease was a violation of Title 31, United States Code, section 1301(a) Purpose Statute because Other Procurement, Army funds were not used. At that time there were insufficient Other Procurement, Army funds continuously available from the time of the initial capital lease until the time of the correction. This resulted in a violation of Title 31, United States Code, section 1517(a)(1).

Enclosed is a report from the Deputy Assistant Secretary of the Army (Financial Operations). The following individual was named responsible for the violation.

Colonel Kenneth A. Pierson (retired), Resource Manager

The Army determined that no disciplinary action should be taken against the responsible individual. The Army concluded there was no knowing or willful violation of the Antideficiency Act by the individual named responsible for it.

Corrective action was taken when the lease was restructured to an operating lease so that Operation and Maintenance, Army funds were appropriate.

Identical reports are being submitted to the President of the Senate and the Speaker of the House of Representatives.

Respectfully yours,



Tina W. Jonas

Enclosure:  
As stated



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

FEB 18 2005

COMPTROLLER

The Honorable Richard B. Cheney  
President of the Senate  
285 Eisenhower Executive Office Building  
Washington, DC 20501

Dear Mr. President:

This letter is to report a violation of the Antideficiency Act, as required by Title 31, United States Code, section 1517(b).

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Corrective action was taken when the lease was restructured to an operating lease so that Operation and Maintenance, Army funds were appropriate.

Identical reports are being submitted to the President and the Speaker of the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Tina W. Jonas", written over a horizontal line.

Tina W. Jonas

Enclosure:  
As stated



COMPTROLLER

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

FEB 18 2005

The Honorable J. Dennis Hastert  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

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The report of the Antideficiency Act violation, Department of the Army, case number 03-10, totaled \$900,000. The violation occurred in fiscal year 2001, Operation and Maintenance, Army and Other Procurement, Army Appropriations. The violation occurred when personnel at the United States Forces Korea entered into a capital lease using Operation and Maintenance, Army funds instead of Other Procurement, Army funds. The lease was a violation of Title 31, United States Code, section 1301(a) Purpose Statute because Other Procurement, Army funds were not used. At that time there were insufficient Other Procurement, Army funds continuously available from the time of the initial capital lease until the time of the correction. This resulted in a violation of Title 31, United States Code, section 1517(a)(1).

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Corrective action was taken when the lease was restructured to an operating lease so that Operation and Maintenance, Army funds were appropriate.

Identical reports also are being submitted to the President and the President of the Senate.

Sincerely,

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Tina W. Jonas

Enclosure:  
As stated