



COMPTROLLER

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

FEB 18 2005

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

Dear Mr. President:

This reports a violation of the Antideficiency Act by the Department of the Army. The Army violation, case number 97-02, totaling \$451,249 occurred in the Department of Defense Education Activity (DoDEA) portion of the fiscal year (FY) 1993 Foreign Currency Fluctuation, Construction, Defense Appropriation. The violation occurred when personnel at the 5th Finance Group in Germany obligated \$651,249 to fund construction projects for DoDEA. However, the DoDEA account had only \$200,000 available for obligation. This action resulted in a violation of Title 31, United States Code, section 1517(a)(2).

Enclosed is a report from the Acting Deputy Assistant Secretary of the Army (Financial Operations). The Army concluded that no individual could be identified as responsible for the violation.

The violation was corrected when additional funds were provided to the Education Activity on September 26, 1997, to eliminate an overobligation of the Education Activity's FY 1993 Foreign Currency Fluctuation Centrally Managed Allotment. To preclude a recurrence, several actions were taken. We have (1) deployed a new funds distribution system to improve the ability of the Defense Agencies to monitor their funding, (2) modified procedures to better ensure that potential violations of the Antideficiency Act are identified to the appropriate office for follow-up action, and (3) revised the "Department of Defense Financial Management Regulation" to clarify how foreign currency variances should be charged. In addition, the DoDEA now projects its future foreign currency fluctuation allotment requirements and uses vouchers rather than a cash book to post its obligations.

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

Respectfully yours,

A handwritten signature in black ink, appearing to read "Tina W. Jonas".

Tina W. Jonas

Enclosure:
As stated



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

FEB 18 2005

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

Dear Mr. President:

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

Sincerely,

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

Tina W. Jonas

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As stated



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

FEB 18 2005

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

Dear Mr. Speaker:

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Tina W. Jonas

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