



COMPTROLLER

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



MAY 31 2005

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, Army case number 02-01, as required by Title 31, United States Code, section 1351.

A violation occurred at the Fort Bragg, North Carolina, Public Works Business Center, Savannah District, when the contracting officer issued a task order to generate a work plan and renovate administrative space within a building. The task order obligated the government for \$850,802.80 in the fiscal year 1998 Operation and Maintenance, Army Appropriation. Because the project exceeded \$500,000 and the required advance Secretarial approval was not obtained as required by subsection 2805(b) of Title 10, United States Code, no funds could have been properly obligated for this project. This resulted in a violation of Title 31, United States Code, subsection 1341(a)(1)(A).

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

Ms. Lucy Lanier, GS-1102-13, Contract Specialist (Retired) Savannah District,
United States Corps of Engineers

The responsible officer awarded the contract on the last day of fiscal year 1998 in reliance on a task order cost estimate below the \$500,000 threshold for advance Secretarial approval. The responsible official committed an error by failing to review all documents available, including Government and contractor cost estimates, both of which indicated that the project exceeded the \$500,000 threshold. When the violation was discovered, the task order was terminated. At that time, the total expenditures, including termination costs, amounted to \$29,222.50.

The Army took no disciplinary action against the responsible individual. As soon as the individual discovered the problem, she terminated the contract and prevented further expenditures. In addition, the individual is now retired. The Army concluded there was no knowing or willful violation of the Antideficiency Act by the individual named responsible for it.



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

Respectfully yours,

A handwritten signature in black ink, appearing to read 'R. Henke', with a long horizontal flourish extending to the right.

Robert J. Henke
Acting

Enclosure:
As stated



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1100 DEFENSE PENTAGON
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MAY 31 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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COMPTROLLER

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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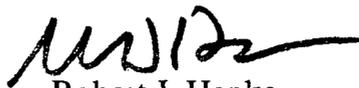
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