



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

COMPTROLLER

JAN 5 2006

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 by the Department of the Army, case number 02-06. The violation occurred when personnel at the National Guard Bureau, Arlington, Virginia, awarded a contract to Xerox Corporation on a 60-month Lease-to-Own Plan for the NP 1352 DocuTech Network Publisher utilizing \$388,838.09 in fiscal years 1998, 1999, 2000, and 2001 Operation and Maintenance, Army National Guard funds rather than Other Procurement, Army funds. The procurement resulted in a violation of Title 31, United States Code, subsection 1301(a) (Purpose Statute), because Other Procurement, Army funds were not utilized. A violation of Title 31, United States Code, Section 1517, also occurred because Other Procurement, Army funds were not continuously available from the time the violation occurred until the time of correction.

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

Ms. Annette Duvall, Program Manager, National Guard Bureau Support Division,
Arlington, Virginia
Ms. Deborah Gilmore, Chief, National Guard Bureau Support Division
Arlington, Virginia
Ms. Elizabeth Westerburg, Chief, Office of Grants and Cooperative Agreements,
National Guard Bureau, Arlington, Virginia
Ms. Cathy Freeman, Certifying Officer, National Guard Bureau Support Division,
Arlington, Virginia
Mr. Frank Robinson (retired), Contracting Officer,
National Guard Bureau Support Division, Arlington, Virginia
Chief Warrant Officer Five John Whalen, Approving Official,
National Guard Bureau Support Division, Arlington, Virginia
Colonel Arthur Cleaves, Approving Official,
National Guard Bureau Support Division, Arlington, Virginia

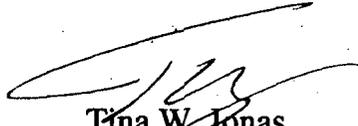
Ms. Rachel Dufour, Certifying Officer, National Guard Bureau Support Division,
Arlington, Virginia
Colonel D. Steven Schlieper, Approving Official,
National Guard Bureau Support Division, Arlington, Virginia

Nine individuals were found responsible. Eight individuals were counseled and three were required to complete additional training. One individual who had retired was not disciplined. The Army concluded this violation did not rise to the legal definition of a knowing or willful violation of the Antideficiency Act.

To correct the violation, Operation and Maintenance, Army National Guard funds were de-obligated and replaced with Other Procurement, Army funds.

Identical reports are being submitted to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General of the United States.

Respectfully yours,



Tina W. Jonas

Enclosure:
As stated



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UNDER SECRETARY OF DEFENSE
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JAN 5 2006

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

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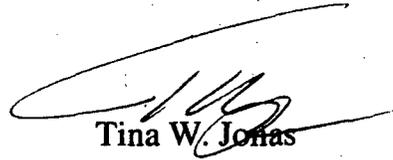
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Sincerely,



Tina W. Jonas

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

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