



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

JUN 1 2006

The Honorable David M. Walker
Comptroller General of the United States
U.S. Government Accountability Office
Antideficiency Act Reports
Room 7165
441 G Street, NW
Washington, DC 20548

Dear Mr. Walker:

This letter is to report a violation of the Antideficiency Act, as required by section 1517(b) of Title 31, United States Code. This violation of section 1517(a)(2) occurred in the U.S. Department of Transportation's Research and Innovative Technology Administration (RITA) in the Research and Development Account (69X1730). The total amount of the violation was \$3,628,599.

The RITA was established in 2005 as a new Operating Administration within the Department. During the first quarter of Fiscal Year 2006, a request for apportionment of funds was revised to reflect the enacted appropriation for RITA. While preparing this request, Mr. Michael Tyler, the budget analyst within RITA tasked with preparing apportionment requests, adjusted the request for reimbursable funding in the first quarter below what was needed to cover funding obligations for the Transportation Safety Institute (TSI). An obligation that exceeded the first quarter availability occurred after the apportionment was approved, which resulted in a technical violation of the Antideficiency Act. Mr. Tyler could have requested a higher level of reimbursable authority, which would have avoided a statutory violation, but because of his inexperience in preparing apportionment requests of this nature, he failed to do so. RITA's budget officer and Mr. Tyler's supervisor, Ms. Katherine Montgomery, did not identify the error until the apportionment request had been processed and the obligation had been incurred. In this instance, no funds were lost or misused and no over-obligation of appropriated funds occurred. However, this error demonstrates internal control weaknesses in the financial management of RITA funds.

As a result of the violation, RITA's budget and financial management staff were asked to conduct a thorough review of RITA's budget procedures in cooperation with the Office of the Secretary (OST). Since the violation occurred, RITA has revised its internal procedures to prevent a recurrence of this type of violation and to ensure that all financial management procedures are in accordance with the Department of

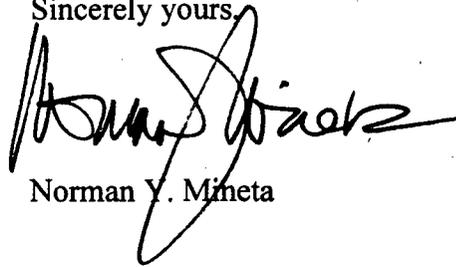
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Transportation's administrative controls, as approved by the Office of Management and Budget. The RITA staff responsible for this violation have been counseled and steps are being taken to hire and train staff that will have the financial skills needed to ensure that a deficiency will not occur again.

Identical letters have been sent to the President, the President of the Senate and the Speaker of the House of Representatives.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Norman Y. Mineta". The signature is stylized with a large, sweeping loop at the end.

Norman Y. Mineta