



COMPTROLLER

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

NOV 9 2006

The President  
The White House  
1600 Pennsylvania Avenue, 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 Antideficiency Act violation, case number 05-01 reports a violation totaling \$39,733,571, which occurred in fiscal years 1995 through 1998 and fiscal years 2003 and 2004. The violation occurred as a result of personnel associated with the Navy Bureau of Medicine and Surgery using Defense Health Program appropriation funds for the renovation and repair of buildings at their Potomac Annex complex in Washington, DC. This resulted in a violation of Title 31, United States Code, Section 1517(a)(1).

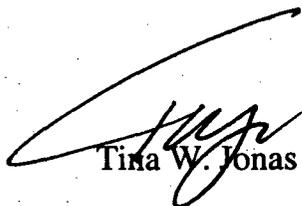
Enclosed is a report from the Director, Budget Policy and Procedures Division, Office of the Assistant Secretary of the Navy (Financial Management and Comptroller). The following individuals were named responsible for the violation:

Mr. John Cuddy, Comptroller,  
Navy Bureau of Medicine and Surgery  
Mr. Robert Anderson, Accounting Director,  
Navy Bureau of Medicine and Surgery  
Lieutenant Commander, David Janco, Potomac Annex, Headquarters, Comptroller,  
Navy Bureau of Medicine and Surgery

Mr. Cuddy received a Letter of Caution. Mr. Anderson retired from Federal Service in 2004 and disciplinary action was not deemed appropriate. Lieutenant Commander Janco was removed from his position and his detaching fitness report addressed his performance. The Navy concluded there was no knowing or willful violation of the Antideficiency Act by the individuals named responsible for it. The Navy implemented corrective actions to ensure proper funding and space limitations are not violated in the future.

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  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

NOV 9 2006

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

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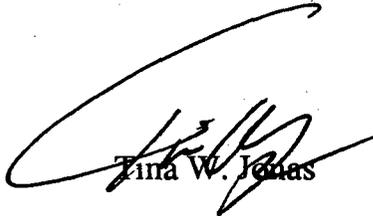
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Identical reports are being submitted to the President, the Speaker of the House of Representatives, and the Comptroller General of the United States.

Sincerely,



Tina W. Jones

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As stated



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

NOV 9 2006

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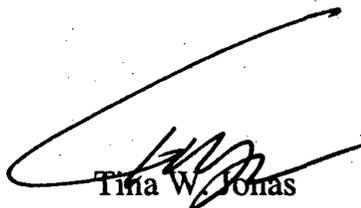
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Identical reports also are being submitted to the President, the President of the Senate, and the Comptroller General of the United States.

Sincerely,



Tiffa W. Jonas

Enclosure:  
As stated