USAID
FROM THE AMERICAN PEOPLE

JUN 20 2007

Office of the Administrator

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:

On behalf of the U.S. Agency for International Development (USAID), this letter is to report violations of the Antideficiency Act, as required by section 1517(b) of Title 31, United States Code.

USAID has determined that a series of violations of section 1517(a) of the Antideficiency Act occurred in the Capital Investment Fund (CIF) account for FY 2006 (72X0300) in the total amount of $2,550,085.68. The violations, obligations in advance of their availability pursuant to approved apportionments, occurred from July 21, 2006 to July 31, 2006, as a result of an incorrect recording of an apportionment in USAID's accounting system on May 10, 2006. Ms. Gail Harris, an Accountant in the Office of the Chief Financial Officer, Central Accounting and Reporting Division, is the officer responsible for the violations.

USAID conducted an initial inquiry into the violation. The report of that inquiry from the Office of the Chief Financial Officer is enclosed. The improper posting of the apportionment was caused when Ms. Harris incorrectly interpreted external information to mean that amounts which OMB had previously apportioned for use in a future fiscal year, was authorized to be obligated during the current fiscal year. There is no indication that there were knowing or willful violations of the Antideficiency Act. Ms. Harris retired from USAID in June 2006, a retirement unrelated to the violations. Disciplinary action was not taken since she is no longer in Federal service.

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The USAID Office of the Inspector General has been provided information on the violations, and they have concurred with the findings provided in the supporting documents.

The USAID system of administrative control has been approved by OMB. To prevent recurrence of the same type of violation, USAID took corrective action by developing special guidance on apportionments to be included in a financial procedures manual, as well as providing additional staff training to all employees responsible for funds control processes.

For the fiscal year ended September 30, 2006, USAID earned an unqualified audit opinion on its financial statements.

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

Sincerely,

James R. Kunder

James R. Kunder
Acting Deputy Administrator

Enclosure: a/s