



UNDER SECRETARY OF DEFENSE

1 100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

DEC 6 2006

COMPTROLLER

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 1351. The Antideficiency Act violation, Navy case number 07-03, totaling \$701,479.69, occurred in fiscal years 1996 through 2006. The violation occurred when personnel from the Naval Surface Warfare Center, Port Hueneme, California improperly used Navy Working Capital funds to purchase bottled drinking water. The unauthorized purchases resulted in violations of Title 31, United States Code, Section 1341(a)(1)(A).

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

- a. Captain Stephen Huber, Commanding Officer
- b. Mr. William Schlesinger, General Schedule-15, Comptroller
- c. Captain A.G. Maiorano, Commanding Officer (July 2001 to May 2004)
- d. Captain J.W. Phillips, Commanding Officer (June 1998 to July 2001)
- e. Captain N.L. Richards, Commanding Officer (June 1996 to April 1998)
- f. Captain J.S. Beachy, Commanding Officer (June 1992 to June 1996)

Captain Huber received verbal counseling, Mr. Schlesinger received verbal counseling and admonishment, and the remaining four individuals have retired from active duty and disciplinary action was not deemed appropriate.

The Navy concluded there was no knowing or willful violation of the Antideficiency Act by the individuals responsible. To prevent a reoccurrence of this type of violation, the Navy implemented a fund certification review process and now requires financial managers to annually complete fiscal law and funds usage courses.

Enclosed are copies of the letter and report transmitting a violation of Title 31, United States Code, Section 1341(a)(1)(A). Copies of the reports were submitted to the President of the Senate, the Speaker of the House of Representatives, the Comptroller General of the United States, and the Director of the Office of Management and Budget.

Respectfully yours,



Tina W. Jonas

Enclosure:
As stated



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1100 DEFENSE PENTAGON
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COMPTROLLER

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

Dear Mr. President:

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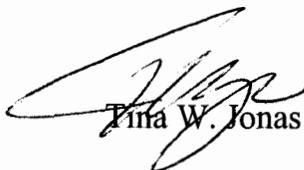
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Sincerely,



Tina W. Jonas

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COMPTROLLER

The Honorable Nancy Pelosi
Speaker of the U.S. House of Representatives
U.S. House of Representatives
Washington, DC 20515

Dear Madam Speaker:

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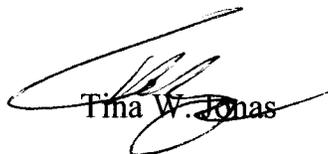
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Tina W. Jonas

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