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

COMPTROLLER

AUG 14 2008

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, Navy case number 07-04, totaling $4,190,625.45, occurred in fiscal year 2003. The violation occurred when II Marine Expeditionary Force personnel at Marine Corps Base Camp Lejeune, North Carolina, improperly obligated $9,138,625.45 of fiscal year 2003 Marine Corps Operation and Maintenance funds for information technology equipment in excess of the investment threshold and in violation of the bona-fide need rule. When Marine Corps personnel corrected the bona-fide need rule violation, $4,190,625.45 of fiscal year 2003 Marine Corp Procurement funds were not continuously available at the suballotment level and resulted in a violation of Title 31, United States Code, Section 1517(a)(2).

Colonel Robert S. Baker, Comptroller; Captain Derrick Simmons, Budget Officer; Captain Travis T. Reeves, Exercise Officer; and Colonel Mark Bennett, Assistant Chief of Staff for Information Management; were found responsible. Colonel Baker and Captain Simmons received letters of caution; Captain Reeves received verbal counseling; and Colonel Bennett has retired and disciplinary action was not deemed appropriate. To prevent a reoccurrence of this type of violation, the Marine Corps now requires financial managers to verify the appropriations cited on purchase orders for information technology equipment.

Enclosed is a letter and report from the Director, Budget Policy and Procedures Division, Office of the Assistant Secretary of the Navy (Financial Management and Comptroller) transmitting the violation of Title 31, United States Code, Section

1517(a)(2). Copies of the letter and report were submitted to the President of the Senate, the Speaker of the House of Representatives, the Acting Comptroller General of the United States, and the Director of the Office of Management and Budget.

Respectfully yours,

Tina W. Jonas

Enclosure:
As stated

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

COMPTROLLER

AUG 14 2008

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

Dear Mr. President:

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1517(a)(2). Copies of the reports were submitted to the President, the Speaker of the House of Representatives, the Acting Comptroller General of the United States, and the Director of the Office of Management and Budget.

Sincerely,

Tina W. Jonas

Enclosure:
As stated

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

COMPTROLLER

AUG 14 2008

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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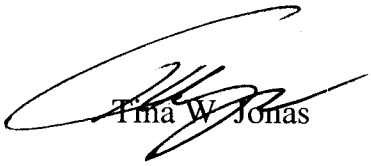
1517(a)(2). Copies of the reports and similar letters were submitted to the President, the President of the Senate, the Acting Comptroller General of the United States, and the Director of the Office of Management and Budget.

Sincerely,



Tina W. Jonas

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As stated