

SECRETARY OF LABOR
WASHINGTON, D.C. 20210

SEP 11 2008

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

This letter reports a recurring violation of the Antideficiency Act, 31 U.S.C. § 1341; this report is required by section 1351 of Title 31, United States Code.

The Department of Labor's ("Department" or "DOL") violation of 31 U.S.C. § 1341 occurred in the Employment and Training Administration (ETA), Community Service Employment for Older Americans (the Account) (160175), in each of Fiscal Years (FY) 2003 through 2008, covering appropriations enacted for FY 2001 through 2005. The total amount of the violations was \$39,450,476. The violations recurred throughout FY 2003 through 2008, in connection with the Senior Community Service Employment Program (SCSEP), which is authorized under title V of the Older Americans Act (OAA). These violations relate to the reobligation of expired FY 2001-2005 funds beyond the period allowed for new obligations as established in the Department's annual appropriation for this program. The Department violated 31 U.S.C. § 1341(a) by failing to recognize that a provision in the Department's appropriation act, which limited the availability of funds appropriated to SCSEP to one fiscal year, superseded a provision in the OAA, which authorizes the Secretary of Labor to reobligate SCSEP funds beyond the end of the fiscal year. Thus, the Department improperly made new obligations beyond the period of availability in the appropriation accounts for those years.

Of the \$39,450,476 total amount of this violation, \$38,072,482 has been obligated and expended and will not be recovered; \$1,377,944 was improperly obligated from FY 2004 and FY 2005 funds, but has not been expended. The Department has taken actions that will result in the recovery of the \$1,377,994 of obligated but unexpended funds. A small portion of recovered obligations relates to FY 2008, and Account funding is not available to satisfy these items. The Department will execute an emergency transfer of \$50,000 into the Account from the national activities of the State Unemployment Insurance and Employment Services Operations account to fund these obligations.

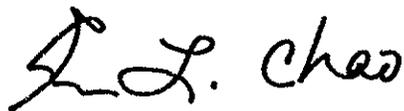
The enclosed report by the Department's interagency team established to investigate the violation identifies the causes of the violations, contributing circumstances, responsible officials, and corrective actions. Corrective action in this case includes both in-house training of all ETA budget analysts and financial managers, and Department-wide training of all finance and budget staff, with respect to the appropriations issues raised

by this violation; modification of ETA and Department-wide regulations and guidance to prevent recurrence of this type of violation; and other actions outlined in detail in the enclosed report.

The investigation found no evidence that the violations were committed knowingly or willfully. None of the officials identified in the report is subject to adverse personnel action.

Identical reports will be submitted to the presiding officer of each House of Congress as well as the Comptroller General.

Sincerely,

A handwritten signature in black ink that reads "E. L. Chao". The signature is written in a cursive, flowing style.

Elaine L. Chao

Enclosure

SECRETARY OF LABOR
WASHINGTON, D.C. 20210

SEP 12 2008

The Honorable Richard B. Cheney
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

This letter reports violations of the Antideficiency Act, as required by section 1351 of Title 31, United States Code.

The Department of Labor's ("Department" or "DOL") violation of 31 U.S.C. § 1341 occurred in the Employment and Training Administration (ETA), Community Service Employment for Older Americans (the Account) (160175), in each of Fiscal Years (FY) 2003 through 2008, covering appropriations enacted for FY 2001 through 2005. The total amount of the violations was \$39,450,476. The violations recurred throughout FY 2003 through 2008, in connection with the Senior Community Service Employment Program (SCSEP), which is authorized under title V of the Older Americans Act (OAA). These violations relate to the reobligation of expired FY 2001-2005 funds beyond the period allowed for new obligations as established in the Department's annual appropriation for this program. The Department violated 31 U.S.C. § 1341(a) by failing to recognize that a provision in the Department's appropriation act, which limited the availability of funds appropriated to SCSEP to one fiscal year, superseded a provision in the OAA, which authorizes the Secretary of Labor to reobligate SCSEP funds beyond the end of the fiscal year. Thus, the Department improperly made new obligations beyond the period of availability in the appropriation accounts for those years.

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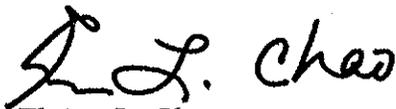
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by this violation; modification of ETA and Department-wide regulations and guidance to prevent recurrence of this type of violation; and other actions outlined in detail in the enclosed report.

The investigation found no evidence that the violations were committed knowingly or willfully. None of the officials identified in the report is subject to adverse personnel action.

An identical report has been submitted to the President, the Speaker of the House of Representatives, and the Comptroller General.

Sincerely,


Elaine L. Chao

Enclosure

SECRETARY OF LABOR
WASHINGTON, D.C. 20210

SEP 12 2008

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Madam Speaker:

This letter reports violations of the Antideficiency Act, as required by section 1351 of Title 31, United States Code.

The Department of Labor's ("Department" or "DOL") violation of 31 U.S.C. § 1341 occurred in the Employment and Training Administration (ETA), Community Service Employment for Older Americans (the Account) (160175), in each of Fiscal Years (FY) 2003 through 2008, covering appropriations enacted for FY 2001 through 2005. The total amount of the violations was \$39,450,476. The violations recurred throughout FY 2003 through 2008, in connection with the Senior Community Service Employment Program (SCSEP), which is authorized under title V of the Older Americans Act (OAA). These violations relate to the reobligation of expired FY 2001-2005 funds beyond the period allowed for new obligations as established in the Department's annual appropriation for this program. The Department violated 31 U.S.C. § 1341(a) by failing to recognize that a provision in the Department's appropriation act, which limited the availability of funds appropriated to SCSEP to one fiscal year, superseded a provision in the OAA, which authorizes the Secretary of Labor to reobligate SCSEP funds beyond the end of the fiscal year. Thus, the Department improperly made new obligations beyond the period of availability in the appropriation accounts for those years.

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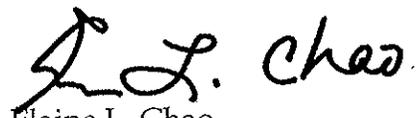
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training of all finance and budget staff, with respect to the appropriations issues raised by this violation; modification of ETA and Department-wide regulations and guidance to prevent recurrence of this type of violation; and other actions outlined in detail in the enclosed report.

The investigation found no evidence that the violations were committed knowingly or willfully. None of the officials identified in the report is subject to adverse personnel action.

An identical report has been submitted to the President, the President of the Senate, and the Comptroller General.

Sincerely,



Elaine L. Chao

Enclosure