

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-3000

CHIEF FINANCIAL OFFICER

December 31, 2008

The President  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500-0001

Dear Mr. President:

This letter reports violations of the Antideficiency Act as required by sections 1517(b) and 1351 of Title 31 of the United States Code and by HUD's FY 2003 Appropriations Act (Salaries and Expenses Account; Public Law 108-7). The Antideficiency Act prohibits the obligation of funds in advance of an appropriation, apportionment, or allotment (31 U.S.C. 1517(a) and 1341(a)(1)(B)).

Violations of sections 1517(a) and 1341(a)(1)(B) occurred in Account Numbers 8630143, 8630189, and 8660143 in the total amount of \$74,024 in connection with training activities in the HUD Salaries and Expenses Account and the Office of Inspector General Account. No specific individuals are designated as responsible because the Antideficiency Act violations resulted from widespread misconceptions and inadequate guidance and training on rules governing obligations for training activities that cross fiscal years.

In Fiscal Year 2003 (from August 4 through September 30, 2003), the HUD Office of Administration (including the HUD Training Academy), Office of Public and Indian Housing, Office of the Chief Financial Officer, and the Office of Inspector General made a total of 50 obligations of FY 2003 funds totaling \$66,896 for training to be conducted in FY 2004. These obligations violated the Antideficiency Act because the obligations were made in advance of a FY 2004 appropriation, apportionment, or allotment. A deficiency appropriation was not needed to correct the funding violations since the obligations were, in effect, FY 2004 obligations that were ultimately correctly charged to appropriated funds for FY 2004.

In addition, in September of 2006, the Director of the Administrative Support Services Division in the Office of Housing made an obligation of FY 2006 funds in an amount of \$7,128 for training to be conducted in FY 2007. Accordingly, this obligation violated the Antideficiency Act because it was made in advance of a FY 2007 appropriation. This violation was quickly detected and the training activity was cancelled by HUD staff that had received written guidance and access to training that had been provided throughout the Department on the proper processing of end of fiscal year obligations for training activities. A deficiency appropriation is not needed to correct this funding violation since the training was cancelled.

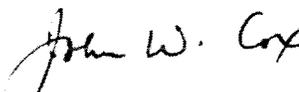
[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)

Since there is no evidence of willful intent by the responsible individuals to violate the Antideficiency Act, no formal administrative discipline has been deemed appropriate. However, HUD has adopted and distributed procedures governing the proper processing of year-end obligations for training activities and included such procedures in its Administrative Control of Funds Handbook (Chapter 3 Section 3-17) and in its web-based funds control training. Additionally, HUD continues to arrange for the Government Accountability Office (GAO) to provide its principles of appropriations law course to HUD staff each year and 695 financial and other appropriate HUD employees have been trained since FY 2003, which will help those employees and the offices in which they work to better understand this specific issue and many other funds control and appropriations law issues. Given the more recent violation in 2006, HUD will continue its annual effort to alert and educate funds control officers and other HUD staff about the proper processing of year-end obligations for training activities.

Identical reports are being submitted to the presiding officer of each House of Congress, and the Comptroller General.

Sincerely,



John W. Cox



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-3000

CHIEF FINANCIAL OFFICER

December 31, 2008

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

Dear Mr. President:

This letter reports violations of the Antideficiency Act as required by sections 1517(b) and 1351 of Title 31 of the United States Code and by HUD's FY 2003 Appropriations Act (Salaries and Expenses Account; Public Law 108-7). The Antideficiency Act prohibits the obligation of funds in advance of an appropriation, apportionment, or allotment (31 U.S.C. 1517(a) and 1341(a)(1)(B)).

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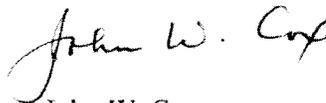
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Identical reports are being submitted to the President, the presiding officer of each House of Congress, and the Comptroller General.

Sincerely,



John W. Cox



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-3000

CHIEF FINANCIAL OFFICER

December 31, 2008

The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
Washington, DC 20515-6501

Dear Madam Speaker:

This letter reports violations of the Antideficiency Act as required by sections 1517(b) and 1351 of Title 31 of the United States Code and by HUD's FY 2003 Appropriations Act (Salaries and Expenses Account; Public Law 108-7). The Antideficiency Act prohibits the obligation of funds in advance of an appropriation, apportionment, or allotment (31 U.S.C. 1517(a) and 1341(a)(1)(B)).

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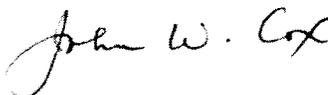
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Identical reports are being submitted to the President, the presiding officer of the Senate, and the Comptroller General.

Sincerely,

A handwritten signature in cursive script that reads "John W. Cox".

John W. Cox